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**Monday, August 30, 1965  
Bhadra 8, 1887 (Saka)**

# **LOK SABHA DEBATES**

**(Twelfth Session)**



***(Vol. XLIV contains Nos. 1 - 10)***

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2519

2520

LOK SABHA

Monday, August 30, 1965/Bhadra  
8, 1887 (Saka)

The Lok Sabha met at Eleven of the  
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

अन्दमान तथा निकोबार द्वीप समूह के निकट  
विदेशी जहाजों का देखा जाना

☞

\*269. { श्री प्रकाशवीर शास्त्री :  
श्री जगदेव सिंह सिद्धांती :

क्या प्रतिरक्षा मंत्री यह बताने की कृपा  
करेंगे कि :

(क) क्या भारतीय जल प्रांगण में  
अन्दमान तथा निकोबार द्वीप समूह के  
निकट हाल में कुछ विदेशी जहाजों के  
प्रवेश से पड़ोसी देशों के बुरे इरादे भी  
प्रकाश में आये हैं ;

(ख) यदि हां, तो क्या उन क्षेत्रों में  
सुरक्षा व्यवस्था और अधिक सुदृढ़ कर दी  
गई है; और

(ग) क्या भूतपूर्व सैनिकों को आवश्यक  
सहायता देकर उक्त द्वीप समूह में बसाने  
की कोई योजना भी विचाराधीन है ?

The Deputy Minister in the Minis-  
try of Defence (Dr. D. S. Raju):  
(a) No, Sir.

(b) and (c). Steps have been taken  
for the purpose of strengthening the  
security of the Andaman and Nicobar  
Islands. Measures for the accelerated  
development of the islands are under  
consideration.

श्री प्रकाशवीर शास्त्री : समाचारपत्रों  
में ये समाचार प्रकाशित हुए थे। मैं जानना  
चाहता हूँ कि क्या सरकार ने यह जानने  
का यत्न किया है कि उनका आधार क्या  
था ? अन्दमान निकोबार द्वीप समूह में  
पड़ोसी देशों द्वारा हमारी जल सीमा का  
क्या अतिक्रमण हुआ ?

The Minister of Defence (Shri Y. B.  
Chavan): The House is aware that I  
had recently made certain mention of  
certain submarines in that area. That  
was, of course, on the basis of the in-  
formation we had, and it was only  
because of that that we had to take  
certain precautionary measures . . .

Shri Hari Vishnu Kamath: Any  
Chinese submarines?

Shri Y. B. Chavan: No. It was  
because of that that we have started  
taking certain precautionary measures  
and those precautionary measures are  
being pursued.

श्री प्रकाशवीर शास्त्री: जिन देशों की  
पनडुब्बियां थी या जिन देशों की ओर से  
जल सीमा का अतिक्रमण किया गया और ये  
घटना घटी क्या उन देशों के बारे में सरकार  
को पता चला है यदि हां, तो क्या उनके साथ  
भी हमारी सरकार द्वारा इस सम्बन्ध में  
कुछ लिखापढ़ी की गई है ?

Shri Y. B. Chavan: No, we have not  
taken up this question with any other  
country as such, because we had not  
any conclusive evidence as to what  
country this particular group of sub-  
marines belonged to. But we had to  
take note of certain things and we  
had to take certain preventive mea-  
sures, and we are taking those mea-  
sures. So, it is a positive question.

श्री जगदेव सिंह सिद्धांती : इन द्वीपों के अन्दर जो आन्तरिक सुरक्षा की व्यवस्था है, उसको दृढ़ करने के लिए कुछ सामरिक कार्य भी क्या आपने किये हैं ?

**Shri Y. B. Chavan:** I should say 'Yes'.

**Shri Kapur Singh:** May I know whether any definitive claims on the Andamans cluster of islands are known to have been advanced by Indonesia?

**Mr. Speaker:** That would be a different question altogether. Here, we are only talking of the Andaman and Nicobar Islands.

**Shri Y. B. Chavan:** No. Otherwise, I would have answered it.

**Shri Kapur Singh:** Does it mean that the question is not important or that it is not relevant to this particular question?

**Mr. Speaker:** It is not relevant to this particular question. I agree that the question is otherwise very important.

**Shri Kapur Singh:** Is it impolitic?

**Shri Hari Vishnu Kamath:** Have Government received reports from intelligence or from other sources, native or foreign that the Chinese Government are building a naval base with the assistance and co-operation of the Indonesian Government in what they call the Indonesian Ocean region, but which is really the Indian Ocean region, and if so, has this fact been given due importance by Government when formulating their naval defence programme and security arrangements in this region?

**Mr. Speaker:** I am not allowing this question. . . .

**Shri Hari Vishnu Kamath:** The question might be allowed to be answered because it relates to security arrangements.

**Mr. Speaker:** The main question relates only to the Andaman and Nicobar Islands.

**Shri Hari Vishnu Kamath:** I am also referring to that region only.

**Mr. Speaker:** But he had referred to something else in his question as a preface. . . .

**Shri Hari Vishnu Kamath:** The Andaman and Nicobar Islands are in the Indian Ocean, and I am also referring to that very region, and I am asking about the security arrangements in that region.

**Mr. Speaker:** I am sorry. . . .

**Shri Hari Vishnu Kamath:** The Andaman and Nicobar Islands are in that region, and I am asking about that region only. Part (b) of the main question relates to security arrangements in that area. You may kindly read once again part (b) of the main question. I have got some information in regard to this, and I want to know whether it is correct, that the Chinese are building a naval base to there, and whether we are going to counter this threat, and whether we are having proper security arrangements in the Andamans region?

**Mr. Speaker:** It is not the whole of the ocean that is involved in this question.

**Shri Hari Vishnu Kamath:** The Andamans are in that region.

**Shri Kapur Singh:** Since it is a neighbouring country, we are interested in the information.

**Shri Hari Vishnu Kamath:** You may kindly see part (b) of the main question . . . .

**Mr. Speaker:** I have seen it already.

**Shri Hari Vishnu Kamath:** You should not be so narrow in your interpretation. I do not know how you could be so narrow in your interpretation. It is rather strange. In that case, the Question Hour will become ineffective.

श्री भागवत झा आजाद : रक्षा मंत्री जी ने इन द्वीपों की सुरक्षा के सम्बन्ध में सूचना दी है। मैं जानना चाहता हूँ कि क्या बात सच नहीं है कि बीते दिनों में बहुत से मछुए जहाज जो हमारी जल सीमा का अतिक्रमण करते थे, उनको हमारे असैनिक अधिकारी पकड़ने में असमर्थ रहते थे क्योंकि उनके पास पकड़ने के अच्छे साधन नहीं थे और इस कारण से वे उनकी पकड़ से बाहर हो जाते थे ? अगर यह सच है तो क्या मंत्री महोदय ने इस पर भी विचार किया है कि जो वे पकड़े नहीं जाते थे उनको भी रोकने या पकड़ने का कोई इंतजाम हो ?

**Shri Y. B. Chavan:** Even this question was certainly attended to with great care. As the hon. House is aware, I had given certain information here about the seizure of certain fishing boats also. They were seized and their crew were interrogated very closely and we got certain information.

It is not that the question is not being looked into. But I do admit that certain further efforts are also necessary.

**Dr. L. M. Singhvi:** May I know whether as part of our defence preparedness and policing of the high seas particularly in this region, it is contemplated to build our own submarines?

**Shri Y. B. Chavan:** We are thinking of purchasing submarines.

#### Nagaland

+

- \*270. { **Shrimati Savitri Nigam:**  
**Shri Surendra Pal Singh:**  
**Shri Raghunath Singh:**  
**Shri P. C. Borooah:**  
**Shri P. R. Chakraverti:**  
**Shri D. C. Sharma:**  
**Shri Ravindra Varma:**  
**Shri P. Venkatasubbaiah:**  
**Shri Basumatari:**  
**Dr. L. M. Singhvi:**

Will the **Prime Minister** be pleased to refer to the reply given to Short

Notice Question No. 6 on the 17th December, 1964 and state whether Government have since decided to deal with Nagaland problems through the Home Ministry instead of the External Affairs Ministry as Nagaland is an integral part of the country?

**The Parliamentary Secretary to the Prime Minister (Shri Lalit Sen):** Government have accepted in principle that Nagaland being an integral part of India, matters relating to Nagaland fall outside the usual scope of the functions of the External Affairs Ministry. However, in the context of the present situation, Government consider that a change in the existing arrangement would have to wait for the time being.

**Shrimati Savitri Nigam:** What are the difficulties Government are facing in implementing the demand made on the floor of the House so many times?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** I shall not like to go into the reasons. But as the hon. Member is aware, there are some talks etc. going on. As the reply itself says, we have accepted it in principle. It is purely a question of time. We will do the needful.

**Shrimati Savitri Nigam:** Has any interim report been submitted by the Commission? If so, what are the main recommendations?

**Shri Lal Bahadur Shastri:** Which Commission?

**Shrimati Savitri Nigam:** The Nagaland Commission of which Shri Pataskar is chairman.

**Shri Hari Vishnu Kamath:** That is different.

**Mr. Speaker:** Yes.

श्री रघुनाथ सिंह : माइकेल स्काट के बाहर जाने के बाद नामा लोगों की होस्टाइल एक्टिविटीज में क्या कुछ वृद्धि हुई है या कमी हुई है ?

**Mr. Speaker:** The question is of dealing with Nagaland problems through the Home Ministry instead of the External Affairs Ministry.

**Shri Raghunath Singh:** This relates to that.

**Mr. Speaker:** No. That does not come in here.

**Shri D. C. Sharma:** May I know if the situation in Nagaland will not improve immediately if Nagaland is handed over to the Home Ministry because in that case, Nagaland will not become a playground for external publicity and foreigners who want to do all kinds of things there?

**Shri Lal Bahadur Shastri:** I do not think what the hon. Member has said is quite correct about intervention of foreigners etc. or of other countries. I do not quite understand what he meant by his question. But we have already said that we have accepted that it should be transferred to the Home Ministry. It will be done at the appropriate time.

**Shri P. R. Chakraverti:** In the context of Shri Jaya Prakash Narain's statement that the question of Nagaland will take some time to settle, is Government in a mood to take a realistic attitude as a dynamic society demands of it?

**Shri Lal Bahadur Shastri:** It does not arise.

**Mr. Speaker:** No.

**Dr. L. M. Singhvi:** Is the continuance of this Nagaland affair under the External Affairs Ministry stipulated to be one of the conditions for continuing negotiations by hostile Nagas? If so, is that the reason why Government is willing to allow this to remain under the External Affairs Ministry for some more time?

**Shri Lal Bahadur Shastri:** Not so.

**Shri Swell:** In accepting the principle that Nagaland affairs will sooner or later be transferred to the Home Ministry, has Government consulted the Nagaland Government in the

matter? If so, what are the views of that Government?

**Shri Lal Bahadur Shastri:** I have had talks with the Chief Minister of Nagaland, and he has expressed his views. He is not opposed to it as such, yet he wanted to consider it further, and he had a feeling that for the time being it should remain where it is.

**Shri Hem Barua:** Is it a fact that, since our Government are negotiating for a political settlement with the Naga Federal Government, the impression has grown in Nagaland that there are two parallel governments, one of Shilu Ao under the External Affairs Ministry and the other of the Naga rebels; if so, may I know what steps Government have taken to ensure their existence in Nagaland?

**Mr. Speaker:** To ensure what?

**Shri Hem Barua:** To ensure the existence of our Government. Because there is a parallel government of the Naga Federal people. I wanted to know what steps Shri Lal Bahadur Shastri has taken to ensure his existence in Nagaland.

**Shri Lal Bahadur Shastri:** The real government there is the State Government of which Shilu Ao is the head, and I do not think there is any other government to which we give recognition.

**श्री काशी राम गुप्त :** प्रधान मंत्री महोदय ने अभी बतलाया कि यह कुछ समय की बात है जिस के बाद यह होम मिनिस्ट्री को ट्रांसफर होगा। उधर जो नागा लोग हैं वह समय को बढ़ाने के लिए बराबर इस को आगे चलाते जा रहे हैं। मैं जानना चाहता हूँ कि इस के लिए समय की सीमा भी निर्धारित है अथवा जब तक उन से बातें होंगी तब तक यह एक्स्टर्नल अफेयर्स मिनिस्ट्री के पास रहेगा।

**श्री लाल बहादुर शास्त्री :** समय तो कोई निर्धारित नहीं है लेकिन यह क्वाल है कि शायद अक्टूबर महीने में उन से बातचीत होगी।

श्री यशपाल सिंह : इस में चाहे एक्सटर्नल मिनिस्ट्री हो या होम मिनिस्ट्री हो सब की रिस्पॉसिबिलिटी है और सब की मिलीजुली जिम्मेदारी है। नागा लीडर मि० फीजो बगैर हमारी इजाजत के और बगैर हमारे पासपोर्ट के यहां से चले गये और ग्रेट ब्रिटेन ने उन को पनाह दी और जो वहां के सिटिजेन्स के लिये सहूलियतें होती हैं वह उन को दी जा रही हैं। तो मैं जानना चाहता हूं कि क्या सरकार ने ग्रेट ब्रिटेन से यह पूछा है कि हमारे चोर को वहां पर पनाह क्यों दी गई। अगर पूछा है तो ग्रेट ब्रिटेन ने उस का क्या जवाब दिया।

अध्यक्ष महोदय : अब आप फीजो पर चले गये। अगला सवाल।

#### British proposal regarding Multi-lateral Nuclear Force

+

- Shri Hem Barua:  
Shrimati Savitri Nigam:  
Shrimati Tarkeshwari  
Sinha:  
Shri Solanki:  
Shri P. K. Deo:  
Shri Narasimha Reddy:  
\*271. Shri Madhu Limaye:  
Shri Ram Sewak Yadav:  
Shri P. C. Borooah:  
Shri R. Barua:  
Shri Yashpal Singh:  
Shri D. D. Mantri:  
Shri Basumatari:  
Shri Krishnapal Singh:

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that Britain has proposed a multi-lateral nuclear force east of Suez as part of a plan to protect Asian countries following China's development of atomic bombs; and

(b) if so, Government's reaction to this proposal?

The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon): (a) Government have seen reports of such a proposal but no official communication on this subject has been received from the British Government.

(b) Does not arise.

Shri Hem Barua: May I know if the attention of the Government has been drawn to a statement made by the French nuclear strategist Lt. Gen. Gallois to the effect that the cost of nuclear weapons is within the easy reach of a country like India? In that context, and in view of belligerent China developing fast into a massive nuclear power, Indonesia following in China's footsteps and Pakistan also contemplating to do that, may I know whether our Government have reconsidered the desirability or the urgency of manufacturing the atom bomb?

Shri D. C. Sharma: Will he paraphrase what he has said?

Shri Hem Barua: I am ready to repeat it.

Shrimati Lakshmi Menon: The Prime Minister has already made a statement about our position with regard to nuclear weapons.

Shri Hem Barua: First I wanted to know.....

Mr. Speaker: In view of all that he has stated, which I cannot recollect, ultimately he wants to know whether Government has reconsidered its policy on manufacturing atom bombs. That is all. The reply is that the policy of the Government is very clear. That means that whatever has been stated already, Government sticks to that.

Shri Hem Barua: I wanted to draw the attention of the Government to the recent developments and the statements made by the French nuclear strategist about the cost of nuclear weapons.

**Mr. Speaker:** After hearing all those latest developments if the Minister says that the Government's policy is the same, where is the necessity of pursuing it?

**Shri Hem Barua:** She said that Government had already announced its policy. I wanted to know whether Government was going to reconsider that policy in the light of these developments.

**Mr. Speaker:** Is that the second question?

**Shri Hem Barua:** No, Sir.

**Mr. Speaker:** Then the second might be put.

**Shri Hem Barua:** I wanted to know why Government are not going to reconsider their policy in view of these new developments.

**Shrimati Lakshmi Menon:** Government has no reason to reconsider the policy.

**Mr. Speaker:** Can she give any reasons to him?

**Shrimati Lakshmi Menon:** Government does not think it necessary to reconsider its policy on this subject.

**Shri Hem Barua:** The Prime Minister is ready to give a reply.

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** There are various reasons on account of which we took this decision. This is a matter which has international implications and we feel that we should try to stop further nuclear proliferation and in that context it is necessary that we should not ourselves go in for the manufacture of atom bombs or other nuclear weapons. As the House is aware this matter is being considered by the Disarmament Committee where we have taken up a particular attitude and it is a matter which should be considered at the highest level in the world forum. I think we have to pursue our own policies; we can reconsider it of course later on if there is any new situation or development.

**Mr. Speaker:** Savitri Nigam.

**Shri Hem Barua:** I have not put my second question.

**Shrimati Savitri Nigam:** While fully endorsing the Government stand I would like to know what was the context of the formal proposal which was received by India and what were the contents of that proposal and which were the countries which were ready to participate in this Force?

**Shrimati Lakshmi Menon:** I have already said that no formal communication was received from the British Government.

**Mr. Speaker:** With utmost respect to the hon. lady Member, I may say that her questions are also lengthening out and when we reach the end, we forget the beginning.

**Shrimati Tarkeshwari Sinha:** May I know whether the British High Commissioner went back to the United Kingdom in July, and whether he brought some proposals, informal ones, from the British Prime Minister for the Government of India because he had discussions with Mr. Bottomley also and what are the main features of the proposal which he has brought?

**Shrimati Lakshmi Menon:** I have already said that no formal proposal was received from the British Government.

**Shri Hem Barua:** I may kindly be permitted to put my second question.

**Mr. Speaker:** Both have been put.

**श्री मधु लिमये:** पश्चिमी एशिया और अनेय एशिया में सुरक्षा योजना ब्रिटेन द्वारा बनाई गई थी, अणुशक्ति बल को ले कर नहीं बल्कि जो परंपरागत फौजी दल हैं उन को ले कर। इस का नतीजा हम ने देखा कि बराबर पक्षपात हुआ है। काश्मीर के मामले में और कच्छ के मामले में ब्रिटेन ने पाकिस्तान का साथ दिया है। इस लिये मैं जानना चाहता हूँ कि यह जो नया प्रस्ताव आया है, औपचारिक ढंग से हो

या अनौपचारिक ढंग से, क्या सरकार उस के बारे में अपनी प्रतिक्रिया बतलायेगी कि हिन्दुस्तान को उस में कोई दिलचस्पी नहीं है और हिन्दुस्तान का उस से कोई हित होने वाला नहीं है।

**The Minister of External Affairs (Shri Swaran Singh):** The Minister has already said that there is no proposal put forward to the Government of India on behalf of the British Government. About the other matter we have made our position quite clear from time to time that we are not interested in any of these military pacts.

**Shri R. Barua:** What is the Government's reaction to the proposal that the dissemination of nuclear weapons to non-nuclear powers in NATO should be decided by mutual consultations among the three super powers, the United States, the United Kingdom and the USSR? If so, how far does it tally with our proposals regarding the nuclear policy?

**Shrimati Lakshmi Menon:** Our representative at the 18-nation Disarmament Committee has already clearly stated that we would like to have some undertaking regarding the transmission of nuclear weapons technology to others. We have put forward five proposals seeking certain undertakings regarding the manufacture and the transmission of knowledge in respect of nuclear weapons.

**श्री यशपाल सिंह :** क्या किसी देश ने इस प्रस्ताव को माना भी है, और जेनेवा

कोई इस तरह का प्रस्ताव आया है ?

**Shrimati Lakshmi Menon:** This is being put forward in the Committee; there is no question of accepting it.

**Shri Krishnapal Singh:** The Prime Minister stated that the Govt. would wait for the result of the Disarmament Conference. That might take a long time. In the meantime, our needs

are pressing. Is that not a sufficiently strong reason for revising the policy? I think the British Government has reminded.

**Mr. Speaker:** He is arguing now.

**Shri Lal Bahadur Shastri:** No, Sir. I do not think it is time for us to reconsider or revise our policy.

**Shri Daji:** Was any such suggestion made at the Commonwealth Prime Ministers' Conference which our Prime Minister attended, and if so, was it made clear to them by him during the Commonwealth Conference that we are not interested in a South-East Asia military organisation.

**Shri Swaran Singh:** No, Sir. No suggestion was ever made in the course of the Commonwealth Conference about this subject. Our position in this respect is fully known to the British Government.

**Shri P. R. Patel:** Our policy is not to produce nuclear weapons. At the same time, our policy is not to join any nuclear pact. I want to know, if we are attacked by nuclear weapons, how we are going to defend ourselves.

**Mr. Speaker:** It is too wide a question to be answered: how we are going to defend ourselves.

**श्री तुलशीदास जाधव :** हम न्यूक्लियर वॉपन तैयार नहीं करते। क्या यह है हुआ कि अगर हमारे ऊपर हमला हुआ तो क्या वे देश जिनके पास न्यूक्लियर वॉपन हैं हमारी मदद करेंगे ?

**श्री स्वर्ण सिंह :** कोई ऐसी बात तो नहीं हुई है। हमें न्यूक्लियर वॉपन्स से हमले का कोई खतरा नहीं है।

**Shri Harish Chandra Mathur:** The Prime Minister of the United Kingdom has more than once stated on the floor of Parliament and outside his great concern regarding India's defence in the context of the explosion of nuclear device by China and in pursuance of this deep concern by

the United Kingdom he has stated that he is going ahead with this type of agreement and so on. I want to know by what right the Prime Minister of the United Kingdom is looking after our defence in this vital matter, in this policy matter, without consulting this Government, and do I take it that the Government sees no reason either to protest to the Government of the United Kingdom in spite of this, namely, that she is trying to shape our policy on defence, and we have nothing to say to the United Kingdom, or we have taken no notice at all of this? What are the reasons?

**Shri Swaran Singh:** The expression of opinion or concern about a developing situation is not equivalent to taking a hand in shaping the defence policy and the hon. Member, while putting it in that form, is mixing up the two. We have explained to the British Government and to several other friendly countries our attitude in this respect. This has been stated on the floor of the House more than once that if the main nuclear powers are genuinely interested in ensuring their non-proliferation then they must think of some method of reassuring the non-nuclear powers of their safety if this race for nuclear development continues. We have made our position quite clear. The British Government or the British Prime Minister is not taking any step and is not suggesting anything to us to shape our defence policy. It is for this country and for this Parliament to shape the defence policy.

**Shri Harish Chandra Mathur:** I have no objection to anybody expressing concern. . . .

**Mr. Speaker:** First the question took four minutes to be put. The answer given should be enough.

**Dr. L. M. Singhvi:** May I know whether the Central Government are in a position to assure the House that in spite of its decision not to reconsider this policy on production of nuclear weapons, the national security

of this country would not be rendered unsafe?

**Shri Swaran Singh:** The Prime Minister has said that at present we see no reason to change the decision that we have already taken not to manufacture the bomb. If any new situation develops, certainly the country can review the decision.

**Dr. L. M. Singhvi:** Is the Government now prepared to give a categorical assurance to the House that in spite of the decision not to make nuclear weapons, the national security would not be jeopardised? That is the assurance we want.

**Shri Buta Singh:** Do our government realise that nuclear umbrella will mean satellite dependence? Are we going to abandon our sovereignty or are we going to manufacture the atom bomb?

**Mr. Speaker:** That is another way of pursuing the same thing.

**Shri Swaran Singh:** We have not accepted any nuclear umbrella. So, the fears entertained by the hon. member should not be there at all. (Interruptions).

**Shri Bhagwat Jha Azad:** Though the government has not received any formal proposal, we have seen from the press that such an idea is being thought of by Britain. In view of the known sympathy of Britain for Pakistan and in view of the fact that we have seen CENTO and SEATO, would the Prime Minister make a statement that we are not interested in the so-called proposals for defence and Britain should not proceed with it, and such mischievous propaganda should be nipped in the bud?

**Shri La! Bhadur Shastri:** The position has been made absolutely clear and the British Government knows our mind and attitude. We have been against it and we will remain against it.



**Pak P.O.Ws. captured during Kutch Invasion**

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- \*272. { Shri Raghunath Singh:  
 Shri Vidya Charan Shukla:  
 Shri R. S. Pandey:  
 Shri P. C. Borooah:  
 Shri P. R. Chakraverti:  
 Shri Baswant:  
 Shri Narendra Singh Mahida:  
 Shri Mohan Swarup:  
 Shri Hari Vishnu Kamath:  
 Shri Prakash Vir Shastri:

Will the Minister of Defence be pleased to state:

(a) the number of Pakistan P.O.Ws. captured during Pakistan's invasion in Kutch border area of Indian territory;

(b) whether any move has been made regarding the exchange of prisoners between the two countries; and

(c) if so, the broad features thereof?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) Five.

(b) and (c). The prisoners were exchanged between the two countries on 14th August, 1965.

श्री रघुनाथ सिंह : अब कोई हिन्दु-स्तानी बन्दी पाकिस्तान में है या नहीं, और जो लोग वहाँ से लौट कर आये हैं उनसे यह बात पूछी गयी कि उनके साथ वहाँ कोई अत्याचार तो नहीं हुआ ?

**The Minister of Defence (Shri Y. B. Chavan):** Those people who have come back are being questioned about certain matters. I am not in a position to make any statement at that at this stage. But as far as the Kutch operations are concerned, the present position is that we have no prisoners.

**Shri Hari Vishnu Kamath:** Is it a fact that Flt. Lt. Sikka, whose plane was shot down somewhere over the Kutch area, was returned along with other prisoners of war in a state of

paralysis and if so, have any enquiries been made from him or from other sources as to whether it was due to the fact that the Pakistani authorities, in whose custody he was, deliberately poisoned him or drugged him when he was in their custody, so as to return him in this helpless condition?

**Shri Y. B. Chavan:** The fact about Flt. Lt. Sikka is that he was in a stretcher condition. At least he was removed from stretcher conditions when he was released from Pakistan. But after he was medically checked up here, it was found that his was not a paralysis case.

**Shri Hari Vishnu Kamath:** What is his present condition?

**Shri Y. B. Chavan:** His condition is quite good and normal. I have seen the doctors' examination report myself personally. Now he is under medical and further attention.

**Shri Hari Vishnu Kamath:** If I heard him aright, he said, his condition is all right and he is normal. But now he says he is under medical attention. For what?

**Mr. Speaker:** What was he suffering from?

**Shri Y. B. Chavan:** The medical report says that possibly it may be some sort of psychological shock.

**Shri P. R. Chakraverti:** Is it a fact that the Indian military personnel in captivity in Pakistan have been maltreated in a manner which goes against all accepted international code of conduct?

**Shri Y. B. Chavan:** As I said, Sir, I am getting further information after questioning etc. If there is any further information which I think I have to give, I will give.

श्री प्रकाशवीर शास्त्री : कच्छ के इस युद्ध में प्रतिरक्षा मंत्री ने अपने वक्तव्य में एक बार इस सदन में कहा था कि इतने सैनिक हमारे मारे गये हैं, इतने उन्होंने बन्दी बना लिये और कुछ मिसिंग हैं यानी

उन की जानकारी नहीं है तो क्या यह बात सत्य है कि पाकिस्तान ने हमारे कुछ इस प्रकार के भी सैनिक बंदी अभी तक अपने पास रखे हुए हैं जिनकी कि हमें जानकारी नहीं है, यदि हां, तो उस सम्बन्ध में सरकार क्या प्रयत्न कर रही है उन को लेने का ?

**Shri Y. B. Chavan:** Well, Sir, there are only two cases where we thought they were prisoners. Now they are found out to be missing. We are making further enquiries about them.

**श्री श्रीकार लाल बरबा :** पाकिस्तान ने हमारे कितने बंदी लौटाये हैं और अपने अनुमान से क्या और भी कुछ बाकी हैं ?

**अध्यक्ष महोदय :** यह तो उन्होंने कहा ।

**श्री श्रीकार लाल बरबा :** गिनती नहीं बतलाई, फीगर्स नहीं बतलाई ।

**अध्यक्ष महोदय :** वह तादाद कितनी है ।

**Shri Y. B. Chavan:** The number of missing Indian personnel in Kutch border was 38 comprising the following: Army 19 and Police 19. Out of these 36 have been accounted for in the exchange of prisoners on the 14th August, 1965.

**श्री यशपाल सिंह :** क्या सरकार ने इस बात की इत्तिहास ली है कि हमारे कैदियों का वजन वहां कम हुआ या इन के कैदियों का वजन हमारे यहां कम हुआ है ? क्या सरकार ने इस बारे में कोई मुकाबला किया है ?

**Shri Y. B. Chavan:** No, Sir; I have not got any information.

**Shri Bishwanath Roy:** I would like to know whether any Pakistani prisoner of war concerning the aggression in Kutch disclosed any information of their plan about the infiltration and aggression in Kashmir?

**Shri Y. B. Chavan:** Well, as I said, Sir, I have to examine this further after interrogation.

**Shrimati Tarkeshwari Sinha:** May I know whether the Government has enquired from the prisoners whether any of them have indicated any information to the Pakistan Government under duress and under harassment?

**Shri Y. B. Chavan:** That exactly is under consideration. It can be assessed only after full interrogation is completed.

**श्री क० ना० तिवारी :** फ्लाइट लैफ्टिनेट सिक्का की बीमारी के बारे में पूछा गया तो जवाब में मंत्री जी ने यह कहा कि उन को मेंटल शॉक लग गया था तो क्या सरकार ने इस बात का पता लिया है कि उनको यह मेंटल शॉक लगने का क्या कारण था ?

**Shri Y. B. Chavan:** This is what I mentioned about the medical report.

**Shri Swell:** The Defence Minister stated that the physical collapse of Flt.-Lt. Sikka was on account of the mental shock he received. I would like to know whether he has enquired from the Flt.-Lt. as to what was the cause of that mental shock that brought about his physical collapse?

**Mr. Speaker:** First the question was put in Hindi and now it is in English.

**Development of Goa as Naval Base**

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\*273. { **Shri Hari Vishnu Kamath;**  
          **Shri Bagri:**

Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 622 on the 29th March, 1965 and state:

(a) whether the firm of Consultants has submitted its report on the development of Goa as a Naval base;

(b) the name of the firm and its main recommendations;

(c) whether these recommendations have been examined and if so, with what result;

(d) whether site investigations have been completed; and

(e) if so, the outcome thereof?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) Yes, Sir.

(b) M/s. Rendel, Palmer & Tritton. The main recommendations, so far as the Navy is concerned, relate to the development around the Alparqueiros point, the Eastern half of the adjoining Vasco Bay being utilised for berthing of longer naval ships and the Vadem Bay being used as a small ship base.

(c) The report is under examination.

(d) and (e). No Sir.

**Shri Hari Vishnu Kamath:** On the last occasion, the 29th March, in the last Budget Session, the Minister, answering a question on the subject, said that "the British firm of consultants may take the help of Indian firms also". And, further, he said: "as far as consultants are concerned I feel they have to work within a given period". May I know which Indian firms have been taken up by the British firm of consultants for collaboration or for assistance, and what is the period that has been fixed for these consultants to finish their work?

**The Minister of Defence (Shri Y. B. Chavan):** I have not got the name, unfortunately, of the Indian firm with me here. As far as the period is concerned, they were supposed to give some sort of an interim report in the latter part of 1964, which they did in September, 1964. The final report was given by them in February or March of this year. The report is with the Government and it is under examination.

**Shri Hari Vishnu Kamath:** Is this naval base project in Goa being

undertaken as part of an integrated naval defence plan or as an isolated project, and if the answer be in the affirmative to the first part of the question—that this is part of an integrated naval defence plan—may I know when this plan is likely to be consummated?

**Shri Y. B. Chavan:** Really speaking, the problem is to make utilisation of the natural advantages of this port, both for commercial and naval purposes. The whole thing will have to be looked at from that point of view?

**Shri Hari Vishnu Kamath:** Commercial purposes?

**Shri Y. B. Chavan:** Both.

**Dr. Sarojini Mahishi:** May I know the reaction of the Government towards the report submitted by the Chairman of the Shipping Board after his recent visit to many of the ports in Southern India that Karwar in Mysore can best be developed as a naval base and Goa can best be developed as a commercial port?

**Shri Y. B. Chavan:** I am not aware of any such report because I have no information about any other port. I am only dealing with this port and the report about it.

**Shri M. R. Krishna:** May I know whether the Government of India had at any time given thought to the question of keeping Goa under the active control of the Central Government in order to develop it as an effective naval base?

**Shri Y. B. Chavan:** That question is not under my consideration.

**Shri Shivaji Rao S. Deshmukh:** May I know the likely financial outlay for establishing a naval base at Goa?

**Shri Y. B. Chavan:** Rs. 8 crores is the amount mentioned in the report. But I do not want to commit myself to any particular figure because the costs are likely to fluctuate and change.

**Shri Basappa:** What are the facilities necessary for establishing a naval base? Do those facilities exist at Goa?

**Shri Y. B. Chavan:** These are matters of detail and the report has certainly gone into them. I would not be able to go into those details at this stage.

#### Facilities by Ceylon Government for Pakistan Planes

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- \*274. { **Shri S. M. Banerjee:**  
**Shri P. C. Borooah:**  
**Shrimati Savitri Nigam:**  
**Shri Rameshwar Tantia:**  
**Shri Vishwa Nath Pandey:**  
**Shri C. K. Bhattacharyya:**

Will the Minister of External Affairs be pleased to state:

(a) whether the attention of Government has been drawn to the facilities granted by the Ceylon Government to Pakistan Planes flying between East and West Pakistan to land at Ceylon Airports thus avoiding flights over India and consequential check by India over such flights;

(b) if so, whether Government have sought any assurance from the Ceylon Government about the nature of planes, cargo and passengers, to be allowed to fly over Ceylon by that Government; and

(c) if so, the nature of the assurances?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) Government are aware that in May 1965 one Pakistan aircraft landed in Ceylon on its way from West Pakistan to East Pakistan.

(b) No, Sir.

(c) Does not arise.

**Shri S. M. Banerjee:** May I know whether any protest has been lodged by the Government of India with the Ceylon Government for giving permission to land in Ceylon en route to East Pakistan

**Shrimati Lakshmi Menon:** No, Sir. The Ceylon Government has every right to grant or withdraw permission as it likes.

**Shri Hem Barua:** On a previous occasion, or rather occasions, when Pakistan was flying her aircraft and carrying troops to East Pakistan we took objection and, as a result of that objection, it was reported in the newspapers that Ceylon has granted permission to Pakistani planes to fly to East Pakistan via Ceylon. If so, may I know whether our Government have told the Ceylonese Government that this is an unfriendly act?

**Shrimati Lakshmi Menon:** I have already said that we have not said anything to the Ceylonese Government nor have we lodged any protest with them. As I have already pointed out, the Ceylonese Government has every right as a sovereign State to give permission or withdraw permission for the landing of planes of foreign countries.

**Shri Hem Barua:** Perhaps she could not get my point.

**Mr. Speaker:** She has got it all right; so did I. The answer has also come.

**Shri Hem Barua:** Now the point is this. The Pakistani planes . . .

**Mr. Speaker:** He feels that it is an unfriendly act.

**Shri Hem Barua:** I am sure you also feel like that.

**Mr. Speaker:** The Minister says that as a sovereign government it has every right to grant or refuse permission for the landing of planes of foreign countries.

**Shri Hem Barua:** When our enemies are given permission . . .

**Mr. Speaker:** Now he is arguing. That is a different point.

**श्री विश्वनाथ पाण्डेय :** क्या भारत सरकार ने लंका सरकार से ऐसा कोई आश्वासन मांगा है कि पश्चिमी पाकिस्तान से पूर्वी पाकिस्तान को ऐसा कोई विमान न जाय और न वहां उतरे जिसमें कि फौजी सामान जा सके ?

**अध्यक्ष महोदय :** अब मंत्री महोदय ने जवाब तो दिया कि वह एक स्वतंत्र देश है और अगर वह उचित समझे तो उन्हें अपने श्री लंका के हवाई अड्डों पर बाहर के विमानों को उतरने देने का हक है ।

# State Information Ministers' Conference

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- Shri D. C. Sharma:
- Shri R. S. Pandey:
- Shri Yashpal Singh:
- Shri Surendra Pal Singh:
- \*275. Shri Naval Prabhakar:
- Shri Hem Raj:
- Shri Onkar Lal Berwa:
- Shri Gulshan:
- Shri R. Barua:
- Shri Bagri:

Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the main recommendations made at the Conference of the State Information Ministers which took place at New Delhi in May, 1965;

(b) whether Government have considered those recommendations; and

(c) if so, the nature of the decision taken thereon?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri C.R. Pattabhi Raman):** (a) to (c). The Conference of State Ministers of Information held on May 7, 1965 discussed various problems of publicity coordination relating to the border situation, the food problem, rational integration, family planning, etc., and made suggestions for the guidance of publicity personnel in the Central and State Governments. A statement, containing the main recommendations of the Conference and the action taken

to implement them is laid on the Table of the House. [Placed in Library. See No. LT-4667/65].

**Shri D. C. Sharma:** It is mentioned in the statement:

"Adequate listening facilities should be provided in the border areas."

What further facilities have been provided in the border areas of Jammu and Kashmir, Punjab, Manipur and Assam?

**Shri C. R. Pattabhi Raman:** As is mentioned in the statement, a high level committee with the representatives of the Ministries of Defence, External Affairs, Home, Prime Minister's Secretariat, Border Security Organisation and the Planning Commission has been set up for giving policy guidance. That has been strengthened.

**Shri D. C. Sharma:** I wanted to know what additional facilities have been provided. The State Information Ministers spend so much time on discussing the things. I have not got any information in regard to that.

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** Certain new stations have been set up and transmitters have been moved from other areas to the border areas.

**Dr. L. M. Singhvi:** May I know whether these recommendations were made after the State Ministers were apprised of the two interim reports submitted by the Information and Broadcasting Ministry and, if they were not so apprised, what are the reasons for not apprising them with these interim recommendations?

**Shri C. R. Pattabhi Raman:** The Conference was on the 7th May, 1965 and subsequently the Information Directors met on the 8th. So, one of the reports had already come—if I remember aright—and actually various guide-lines are given to them.

There were deliberations in regard to various items.

**श्री यशपाल सिंह :** क्या इस सम्मेलन ने कोई ऐसी सिफारिश की है कि आल इंडिया रेडियो का ज्यादातर टाइम ऐयाशी के गाने सुनाने में जाता है और इस लिए देश के डेबेलपमेंट और डिफेंस के बारे में तालीम देने के लिए कोई प्रोग्राम रखा जाये ?

**श्रीमती इंदिरा गांधी :** सब विषयों का अपना अपना वक्त होता है ।

**Shri Hem Raj:** May I know whether more than 50 per cent of the sets which have been provided to panchayats are lying idle because there is no repairing arrangement either by the State Governments or by the Central Government? May I know what is the Central Government going to do about it?

**Shri C. R. Pattabhi Raman:** The figure is not so much high. It is quite true that so far as battery sets are concerned, where the villages are not served with electricity, we have this trouble. We have to have technical men who can do repair work. Actually, we are also endeavouring to get teachers also to know about the rudiments of the working of the sets. The situation has improved.

**श्री श्रींकार लाल बेरवा :** देहाती प्रोग्राम शाम को सवा सात बजे होता जब कि किसान खेतों में रहते हैं । क्या इस टाइम में परिवर्तन करने के लिए कोई भी मुझाव आया है ?

**श्रीमती इंदिरा गांधी :** हमारे यहां इस के लिए लिसनजं रिसर्च यूनिट है । हमारे फार्मज फोरम में किसान स्वयं ही बताते हैं कि कौन सा समय उनकी सुविधा का है । उसी के मुताबिक यह समय रखा गया है ।

**श्री गुलशन :** क्या सरकार के ध्यान में यह बात आई है कि आल इंडिया रेडियो

के दिल्ली स्टेशन से पंजाबी ब्राडकास्ट का समय कम है और क्या पंजाबी प्रोग्राम का समय बढ़ाने के लिए कोई सिफारिश की गई है ?

**श्रीमती इंदिरा गांधी :** जब गई थी, उस समय मेरे सामने यह बात रखी गई थी । कुछ कारणों से हम उस वक्त कार्यक्रम को फौरन बदल नहीं सकते थे, लेकिन अब हम इस को देख रहे हैं और जो जरूरत है, उसे हम जरूर पूरा करेंगे ।

**Shri R. Barua:** May I know whether any arrangement has been made to impart purposeful training to the officers so that the Plan publicity could be made more effective and sophisticated?

**Shri C. R. Pattabhi Raman:** As I pointed out, after the Conference, the officers, the Information Directors, met. There is a continuous correspondence going on, as to what has been achieved, between them and the officers here. There are suggestions from there and there are suggestions from here. That is taking place all the time.

**Shri Tulshidas Jadhav:** In the statement, against item No. 14 it is stated:

"The Conference laid down a few specific directives for the implementation of the publicity campaign for national integration"

I want to know what are the specific directives.

**Shrimati Indira Gandhi:** They have recommended that the present Publicity Group should go into these matters. But, as a matter of fact, since then there is an Emergency Committee of Secretaries and they have been laying down the guide-lines.

**Shri D. C. Sharma:** It is said that Citizens Councils should be formed in important towns and cities. May I know in how many cities and towns these Councils have been formed and what are their functions?

**Shri C. R. Pattabhi Raman:** It was the suggestion of the Prime Minister at the time of inauguration of the Conference that there should be a Citizens Council of important people in every locality. We are informed as to what is worrying that particular locality, whether there is regional imbalance, etc. So it is not such a purposeless Council as the Hon. Member seems to think.

**Shrimati Savitri Nigam:** During the last session when the question that listening facilities should be provided to the border areas was raised, the same reply that action was being taken was given. I would like to know why the recommendations of the Committee which has submitted two long reports on this subject—on rural and border areas—have not been implemented so far and why they have not been laid on the Table of the House?

**Shri C. R. Pattabhi Raman:** If the Hon. Member makes a visit to these areas, he will notice that quite a lot is being done there, apart from publicity units.

**Mr. Speaker:** Ladies should be evicted from the border areas and not be sent there.

**Shrimati Savitri Nigam:** My question has not been answered.

**Mr. Speaker:** He wants you to visit the border areas; I would not allow that.

**Shrimati Savitri Nigam:** I want an answer to the question which I have put.

**Shri Buta Singh:** In view of the fact that Punjabi language is spoken on all the sides of Indo-Pakistan border, may I know whether Government is considering the proposal of making the All India Radio, Jullundur, a primarily Punjabi radio station?

**Shrimati Indira Gandhi:** We are considering this.

**Shri Hem Barua:** May I know whether the Government are aware of the

fact that China is broadcasting all sorts of anti-Indian propaganda through numerous transmitter stations all along the northern frontier for consumption by the people in Assam, Nepal, Nagaland, Manipur, etc., and if so, whether this aspect of the problem was discussed in the State Ministers' Conference and if that was discussed, what steps or actions Government propose to take to counteract Chinese propaganda in these areas?

**Shrimati Indira Gandhi:** The Hon. Member knows that our major deficiency has been that we do not have powerful enough transmitters.

**Shri Hari Vishnu Kamath:** You still don't have them!

**Shrimati Indira Gandhi:** They are in the process of being manufactured. We hope that we will get them soon.

**Shri Hem Barua:** In order to counter Chinese propaganda in these areas—Assam, Nepal, Nagaland and Manipur—you do not need extra transmitters. With the transmitters that we have already, we can do the propaganda. I want to know whether that amount of propaganda has been done?

**Shrimati Indira Gandhi:** In reply to an earlier question, I have stated that we have moved transmitters to all these border areas and that we are doing the best that we can with the existing material.

**Shri Jashvant Mehta:** Against the recommendation regarding community listening sets, it has been stated that a few State Governments have already set up efficient organisations for this purpose. May I know how many States have set up these organisations and how many have not?

**Shrimati Indira Gandhi:** Two States, namely, Assam and Rajasthan, have not set up these organisations.

**Shrimati Akkamma Devi:** There is a recommendation that a Publicity Co-ordination Committee should be set up in every State. May I know how many States have implemented this recommendation?

**Shri C. R. Pattabhi Raman:** Excepting Assam and Rajasthan, all the other States have done.

**Shrimati Renuka Ray:** Apart from the question of transmitters has anything been done, particularly in the eastern region near Darjeeling and Sikkim, to counteract the leaflets that have, of late, been distributed by China and Pakistan in the border areas?

**Shrimati Indira Gandhi:** Our field publicity units have been strengthened, and we have stepped up propaganda in that area.

श्री राम सहाय पाण्डेय : राज्य सूचना मंत्रियों के सम्मेलन में क्या प्रस्तावित टेली-विजन कार्यक्रम के सम्बन्ध में भी वार्ता हुई थी और हुई थी तो क्या उसके सम्बन्ध में भी कुछ बतलाने की कृपा की जाएगी ?

**Shri C. R. Pattabhi Raman:** The main question does not relate to TV.

**Shri Shivaji Rao S. Deshmukh:** May I know whether this conference has also given its attention to this fact about the existence of surreptitious broadcasts by certain anti-national elements on international wavelengths awarded to them, and if so, what the thinking of the conference was on this?

**Shrimati Indira Gandhi:** As far as I know, this was not discussed there.

#### Diwakar Committee Report

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- \*276. { **Shri Vishwa Nath Pandey:**  
**Shrimati Savitri Nigam:**  
**Shri Hukam Chand**  
**Kachhavaia:**  
**Shri Brij Raj Singh:**  
**Shri Bade:**  
**Shri R. S. Pandey:**

Will the Minister of Information and Broadcasting be pleased to refer to the reply given to Starred Question No. 620 on the 29th March, 1965 regarding the Diwakar Committee Re-

port on the conditions of small newspapers and state:

(a) whether the said report has since been submitted to Government; and

(b) if so, its broad recommendations and Government's decision thereon?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri C. R. Pattabhi Raman):** (a) No, Sir.

(b) Does not arise. . . .

श्री विश्वनाथ पाण्डेय : मैं यह जानना चाहता हूँ कि रिपोर्ट के कब तक मिल जाने की सम्भावना है ?

सूचना और प्रसारण मंत्री (श्रीमती इंदिरा गांधी) : उन्होंने कहा था कि हम इसी महीने अगस्त में देंगे। लेकिन अब उन्होंने और समय मांगा है। नवम्बर तक समय मांगा है। हमने उन से यह प्रार्थना की है कि हो सके तो अक्तूबर में दे दें। उन्होंने देर होने का कारण यह दिया है कि उस में कई सदस्य पार्लियामेंट के हैं और जब तक पार्लियामेंट बैठी होती है, उनका दूसरा काम करने का समय नहीं मिलता है।

श्री विश्वनाथ पाण्डेय : क्या उन्होंने कोई इंटरिम रिपोर्ट भी दी है ?

श्रीमती इंदिरा गांधी : जी नहीं।

**Shrimati Savitri Nigam:** Keeping in view the difficult position which many of the small newspapers are facing, may I know whether Government are intending to take some action to provide some help to them, since we do not know even now when this committee is going to submit its report? May I know what action Government are going to take in the meanwhile to help these small newspapers?

**Shrimati Indira Gandhi:** As I have said, we hope to receive the report of this committee by October. In the



meantime, whenever any specific request comes to us, we do our best to meet it.

**श्री रान सहाय पाण्डेय :** समाचारपत्रों को सहायता देते समय क्या यह भी सोचा जाएगा कि भाषा और शिष्य का ध्यान रखा जाए । जो प्रतिष्ठा और सामान्य गरिमा के विरुद्ध लिखते हैं और उनकी भाषा खराब होती है, सहायता देते समय क्या इसका भी विचार रखा जाएगा ?

**श्रीमती इंदिरा गांधी :** जो आजकल का कानून है, जैसा यहां कहा गया है, उस में हम बहुत कुछ कर नहीं सकते हैं । लेकिन यह चीज हमने गृह मंत्रालय के सामने उठाई है और वह इसको देख रहा है ।

**श्री नुनो दास जाधव :** देहातों में जो दैनिक या साप्ताहिक समाचारपत्र होते हैं उनको भरपूर कोटा न मिलने के कारण बड़ी कठिनाई का सामना करना पड़ता है । शहरों के जो अखबार होते हैं, जो बड़े अखबार होते हैं, उनको अधिक कोटा दिया जाता है और छोटे देहातों के जो अखबार होते हैं, उनको कोटा नहीं मिलता है । मैं जानना चाहता हूं कि क्या आपने इसके लिए कुछ किया है ?

**श्रीमती इंदिरा गांधी :** हमारी कोशिश तो है कि उनकी जितनी मदद कर सकें, जितना कोटा दे सकें, दे । लेकिन यह सत्य है कि उनको बहुत कठिनाई होती है ।

**श्रीमती तारकेश्वरी त्रिपाठी :** जो कई अखबार निकलते हैं, उनको अखबारी कागज का कोटा नहीं दिया जाता है लेकिन फिर भी वे कागज बाजार से खरीद कर अखबार निकालते हैं । जब वे कागज बाजार से खरीदते हैं तो यह साफ बात है कि ब्लैकमार्केट से खरीदते हैं । क्या उनके विरुद्ध कोई कानूनी कार्रवाई नहीं की जा सकती है ? इस तरह के अखबार जो कानूनी दृष्टि से बन्द होने चाहियें, क्या बन्द नहीं किये जा सकते हैं ?

**श्रीमती इंदिरा गांधी :** अगर कुछ सबूत मिले तब कानूनी कार्रवाई हो सकती है ।

**श्री भागवत झा आजाद :** अभी बताया गया है कि नियमों और कानून का उल्लंघन करने वाले अखबारों के बारे में कोई प्रभावकारी कार्रवाई नहीं की जा सकती है क्योंकि कानून और नियम ही इस प्रकार के हैं । यह उन्होंने यहां भी कहा है और बाहर भी अगर आप कानून में इतने बंधे हुए हैं, तो मैं जानना चाहता हूं कि इस पर भी विचार कर रहे हैं कि कानून में परिवर्तन किया जाए ताकि कोई कार्रवाई जहां जरूरी हो, की जा सके ?

**श्रीमती इंदिरा गांधी :** जी हां ।

**श्री बड़े :** छोटे छोटे अखबारों को जो फारेन एक्सचेंज दिया जाता है, उसके मिलने में क्या यह सच नहीं है कि बड़ी कठिनाई होती है ? यदि हां, तो इसके बारे में क्या शासन ने विचार किया है कि उनको सुविधा मिले ?

**अध्यक्ष महोदय :** किस काम के लिए फारेन एक्सचेंज दिया जाता है ?

**श्री बड़े :** न्यूजप्रिंट के लिए । अभी मेरे पास इसके बारे में शिकायत आई है ।

**श्रीमती इंदिरा गांधी :** न्यूजप्रिंट का कोटा होता है । उस में फारेन एक्सचेंज का वैसे सम्बन्ध कोई नहीं है ।

#### Recognition of Viet Cong

\*277. **Shri Harish Chandra Mathur:** Will the Minister of External Affairs be pleased to state:

(a) whether any assurance and undertaking has been given to the Government of South Viet Nam regarding the recognition of Viet Cong; and

(b) what was the nature of the assurance asked for?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) No, Sir.

(b) Does not arise.

**Shri Harish Chandra Mathur:** What place have we given to the Viet Cong in our efforts and proposals for a peaceful settlement in this area, and what is the reaction of the concerned authorities to the place we have given them?

**Shri Dinesh Singh:** We have not given any place to the Viet Cong. We have only said that to arrive at a peaceful solution of the Vietnamese question, it will be necessary to talk with the NLF.

**Shri Harish Chandra Mathur:** Has there been any change in the attitude towards the Viet Cong in coming to an agreement over the dispute—the aggression which is going on there—by the various Governments, the Government of South Vietnam, the USA? Are they prepared to talk with these people or not?

**Shri Dinesh Singh:** The U.S. Government have already announced in one of the proposals they have made that they would have no objection if the NLF is included in the North Vietnamese delegation.

**Shri D. C. Sharma:** Is the Viet Cong only a military organisation which infiltrates into South Vietnam and fights a guerilla war there or is it also a regularly organised government which has its sovereignty over certain parts of Vietnam?

**Shri Dinesh Singh:** V. C. is the name given by outsiders to the group of people who are carrying on the struggle in South Vietnam. The main party is the National Liberation Front. Viet Cong is the name given to the fighters there, not by the NLF themselves but by others.

**Shri Hari Vishnu Kamath:** Has Government received reports that the Viet Cong in South Vietnam is being actively assisted by the North Vietnamese Government as well as the Chinese Government either by way of soldiers or by way of arms and equipment? If so has Government de-

manded that this intervention by North Vietnam and/or China in South Vietnam must cease, while criticising certain American action there?

**Shri Dinesh Singh:** The hon. Member asked a similar question on the last occasion.

**Shri Hari Vishnu Kamath:** That does not matter. It was not answered then.

**Shri Dinesh Singh:** The point is that we are the Chairman of the Control Commission in Vietnam and as such, we cannot make any general remarks. Whenever a specific case is brought to our notice we give our findings in consultation with the other members of the Commission. Whenever there has been occasion for us to say that the NLF or the Viet Cong have received assistance from North Vietnam, we have done so. But we cannot make a general statement.

**Shri Hari Vishnu Kamath:** I am sorry the question has been misunderstood. He referred to the International Control Commission. That is a different matter. I did not refer to it at all. I referred to Government's utterances here.

**Mr. Speaker:** He brought in that and said that as Chairman we cannot issue general statements on that, though we might feel about it.

**Shri Hari Vishnu Kamath:** The Government here is different from the ICC there. I am referring to the India Government making a statement. How can he confuse one with the other?

**Shrimati Renu Chakravartty:** Is it a fact that the National Liberation Front of Vietnam has now sway over three quarters of Vietnam and that if any settlement has to be reached in South Vietnam, the National Liberation Front of Vietnam, called the Viet Cong by the Americans, has to be party to the decisions as the party holding sway in the largest area in South Vietnam?

**Shri Dinesh Singh:** It is true that any settlement that has to be reached can only be reached in consultation with the NLF also. I cannot say what area they control, whether it is three-fourths or two-thirds, but they do control a large area.

**Shri Ranga:** Is it not a fact that we recognise only the South Viet Nam Government, and we have never considered the need or the necessity of recognising either openly or indirectly the so-called Viet Cong?

**Shri Dinesh Singh:** We recognise the Government of South Viet Nam.

#### WRITTEN ANSWERS TO QUESTIONS

##### Expansion of Delhi T. V. Centre

\*278. { **Shri P. R. Chakravarti;**  
**Shrimati Savitri Nigam;**  
**Shri Ram Harkh Yadav;**  
**Shri Vishwa Nath Pandey;**

Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the Delhi Television Centre has embarked on a new phase in its expansion;

(b) how Government propose to get over the difficulties of extremely meagre equipment and modest studio space;

(c) whether the West German technicians who have been in the Capital more than once to study India's T.V. requirements have promised to equip fully the new studio; and

(d) whether the new studio will introduce entertainment programmes?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) Yes, Sir. The four times a week service provided in the evenings since 1st June, 1965 has been increased to a daily one hour service with effect from 15th August, 1965.

(b) and (c). A new Television Studio has been set up in the All India Radio Auditorium for which the necessary equipment has been supplied by the West German Government. Their technicians have also helped in the installation of the equipment. More equipment is expected from West Germany in the next few months, when it would be possible to further expand the service.

(d) The daily Television Service is of a broad-based character consisting of entertainment, as well as information and education.

##### Restrictions on Employment of Indians in Ceylon

{ **Shri Mohammed Koya;**  
**Shri S. M. Banerjee;**  
**Shri Hukam Chand**  
**Kachhavaia;**  
 \*279. { **Shri Bade;**  
**Shri Brij Raj Singh;**  
**Shrimati Tarkeshwari Sinha;**  
**Shri Solanki;**  
**Shri P. K. Deo;**  
**Shri Narasimha Reddy;**

Will the Minister of External Affairs be pleased to state:

(a) whether his attention has been drawn to a report that the Government of Ceylon is proposing legislation to bar Indians from private employment;

(b) whether this matter has been brought to the notice of the Ceylon Government; and

(c) if so, their reaction thereto?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) There has been no official pronouncement by the Government of Ceylon, that they are proposing legislation to bar Indians from private employment.

(b) and (c). Do not arise.

बिस्मिल में हुए उर्दू सम्मेलन में पाकिस्तान के उच्चायुक्त की उपस्थिति

\*280. { श्री हुसम चन्द कद्वशी :  
श्री बड़े :  
श्री बजराल सिंह :  
श्री बागड़ी :

क्या वैश्विक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पाकिस्तान के उच्चायुक्त ने गत मई में राजधानी में हुए उर्दू सम्मेलन में भाग लिया था ;

(ख) क्या यह भी सच है कि पाकिस्तान ने इस सम्मेलन का आयोजन किये जाने के लिये वित्तीय सहायता दी थी; और

(ग) यदि हाँ, तो इस मामले में सरकार ने क्या कार्यवाही की?

वैश्विक-कार्य मंत्रालय में राज्य मंत्री (श्रीमती लक्ष्मी मेनन): (क) पाकिस्तान के हाई कमिश्नर ने इस सम्मेलन में भाग नहीं लिया था। बताया जाता है कि पाकिस्तान के डिप्टी हाई कमिश्नर ने 2 और 3 मई 1965 को इस सम्मेलन में भाग लिया था।

(ख) इस सम्मेलन के आयोजन से पाकिस्तान का, वित्तीय अथवा किसी अन्य प्रकार से, कोई संबंध नहीं था।

(ग) प्रश्न नहीं उठता।

#### Chinese on Indo-Pak Border

\*281. { Shrimati Tarkeshwari Sinha:  
Shri Onkar Lal Berwa:  
Shri D. C. Sharma:  
Shri Maheswar Naik:  
Shri Bibhuti Mishra:  
Shri Sarjoo Pandey:  
Shri Daljit Singh:  
Shri D. D. Puri:

Will the Minister of External Affairs be pleased to state:

(a) whether Government are aware that large number of Chinese are re-

ported to have arrived at the southern sector of the Indo-Pakistan border in Khulna district; and

(b) if so, whether the purpose of their arrival on the border is to study the strategy of the entire area?

The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon): (a) The Government have seen reports about increased number of Chinese personnel in certain areas of East Pakistan including Khulna bordering India.

(b) The Government of India are unable to confirm this.

#### Accidents in Jharia-Raniganj Coal Mines

\*282. { Shri Indrajit Gupta:  
Shri Yashpal Singh:  
Shri Mohammad Elias:  
Shrimati Renu Chakravartty:  
Shri Krishnapal Singh:

Will the Minister of Labour and Employment be pleased to state:

(a) whether fatal accidents occurred between the 28th May and 12th June, 1965 at the Bhuchungdih, Poidih, Bhanora, Chinakuri, Rana and Ningha collieries in the Jharia-Raniganj area;

(b) the number of miners who lost their lives in each accident;

(c) the causes of the accidents; and

(d) the steps taken to prevent such disasters?

The Minister of Labour and Employment (Shri D. Sanjivayya): (a) Yes; except in the Bhuchungdih colliery.

(b) One each in Poidih, Bhanora, Chinakuri and Rana collieries and two in Ningha Colliery.

(c) Fall of roof was the cause in all the accidents, except in Bhanora Colliery where the cause was striking against haulage tubs underground.

(d) Surprise inspections are made by the Mines Inspectorate to enforce

strictly the provisions of the Mines Act, 1952, and of the Rules and Regulations, made thereunder. Prosecutions are launched against the defaulting managements wherever necessary. To promote safety education and safety consciousness amongst mine workers, a National Council for Safety in Mines has been set up.

#### Wage Board for Journalists and Non-Working Journalists

- \*283. { Shri D. C. Sharma;  
Shri Onkar Lal Berwa;  
Shri Sidheshwar Prasad;  
Shri Madhu Limaye;  
Shri Ram Sewak  
Yadav;

Will the Minister of Labour and Employment be pleased to state:

(a) the progress made so far by the Wage Boards for Journalists and Non-Working Journalists in submitting their reports;

(b) whether the interim relief recommended by the Wage Boards has been paid by all the newspapers; and

(c) if not, the reasons therefor?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Both the Wage Boards have made recommendations for grant of interim relief.

(b) and (c). A statement showing the progress of implementation of the recommendations for grant of interim relief to Working Journalists, based on the information received from the State Governments which are responsible for the implementation of the Working Journalists Interim Relief Order, is laid on the Table of the House. [Placed in Library. See No. LT-4668/65].

Information regarding payment of relief to non-journalists is being collected from the State Governments.

#### "Payment by Result" Scheme

- \*284. { Shri Raghunath Singh;  
Shri Solanki;  
Shri P. K. Deo;  
Shri Narasimha Reddy;  
Shri Ram Sewak;  
Shrimati Maimoona Sultan;

Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that Government propose to introduce a scheme, 'Payment by Result' in the Industries;

(b) if so, whether the opinion of the working class has been sought; and

(c) the details of the Scheme and when it will be given effect to?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) to (c). A detailed scheme has yet to be formulated and discussed with workers and employers before it is introduced.

#### Payment of Pensions to Indians in Zanzibar

\*285. **Shri Sham Lal Saraf:** Will the Minister of External Affairs be pleased to refer to the reply given to Starred Question No. 1031 on the 26th April, 1965 regarding payment of pensions to the retired Indian Officers in Zanzibar and state the progress made in the matter?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** The Tanzania authorities have since authorised the resumption of payment of pensions including arrears.

#### U. N. Observers in Kashmir

\*286. **Dr. M. S. Aney:** Will the Minister of Defence be pleased to state:

(a) the duties of the Observers nominated by the U. N. O. on the cease-fire line between Kashmir and Pakistan-protected Kashmir;

(b) whether they submit regular reports of the violations and aggressive acts of the powers concerned to the U.N.O. Secretariat and whether copies of the reports are supplied to Governments of India and Pakistan; and

(c) if so, whether Government propose to lay copies of those reports on the Table?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) The primary duty of the UN Observers is to supervise the observance of the terms of the Cease Fire Agreement between India and Pakistan. They are entitled to require that acts contrary to the terms of the Agreement be not committed, or that they be rectified. Finally, they have to award violations against the offending party. They have no power to enforce their decisions.

(b) and (c): The Chief Military Observer intimates his award to the Army headquarters of the country against whom the violation has been awarded.

It is understood that the Chief Military Observer sends reports to the U.N. Secretary-General in New York, but the Secretary-General has so far not thought fit to make them public. In the absence of information about violations awarded against Pakistan, it would not be in the public interest to lay reports received by us from the Chief Military Observer on the Table of the House.

#### **A.I.R. Staff Artistes**

\*257. { **Shri Hem Barua:**  
          **Shri S. M. Banerjee:**

Will the Minister of Information and Broadcasting be pleased to refer to the reply given to Starred Question No. 723 on the 5th April, 1965 and state what further steps have been taken or are proposed to be taken in the matter of giving better amenities and service conditions to the Staff Artistes of All-India Radio?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** A statement is laid on the Table of the House showing the further steps taken to improve the service conditions of Staff Artistes of All India Radio, in addition to those already enumerated in the reply to Starred Question No. 723 on the 5th April, 1965.

#### **STATEMENT**

##### **Allowances:**

(i) Hill (Compensatory) Allowance as admissible to regular Government servants working at various hill stations has been sanctioned for Staff Artistes with effect from the 1st October, 1964.

(ii) Children's Educational Allowance and reimbursement of Children's tuition fee have been sanctioned for staff artistes in the same terms and conditions as are admissible to regular Government servants, with effect from the 27th May, 1965.

##### **Leave:**

Half-pay Leave/commuted leave has been sanctioned for Staff Artistes on the same terms and conditions as are applicable to contract officers of the Government, with effect from the 15th June, 1965.

##### **Contributory Provident Fund:**

Orders have since been issued extending the benefit of Contributory Provident Fund to Staff Artistes with effect from the 1st October, 1964, in lieu of the Gratuity paid to them before that date.

##### **Notice period:**

It has been decided that the notice period will now be 5 months in a 5-year contract, instead of 3 months.

##### **Vacancies to be advertised:**

It has been decided that all vacancies of Staff Artistes will be advertised by All India Radio promptly and selection completed within a reasonable period.

# **Air Space Violation by Pakistan**

- \*288. { Shri Vidya Charan Shukla:  
Shri R. S. Pandey:  
Shri Rameshwar Tantia:  
Shri Yashpal Singh:  
Shri P. C. Borooah:  
Shri Shree Narain Das:  
Shri D. C. Sharma:  
Shri Naval Prabhakar:  
Shri Hem Raj:  
Shri Heja:  
Shri Prakash Vir  
Shastri:  
Shri Jagdev Singh  
Siddhanti:  
Shri Onkar Lal Berwa:  
Shri Gulshan:  
Shri R. Barua:  
Shri Vishwa Nath Pandey:  
Shri Bagri:

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Pakistan has increased Indian air space violations during the last three months;

(b) if so, the details thereof; and

(c) the steps taken to prevent such air space violations by Pakistan?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) and (b): Ten violations of Indian air-space during the last three months have been reported upto 26-8-65. All of these were over the Cease-fire Line in J & K. Two of these occurred on the 16th August, six on the 23rd August and the remaining two on the 26th August 1965.

(c) Complaints are lodged about these air violations over the Cease-fire line with the U.N. Observer Team. It is not in public interest to disclose other steps taken by Government to prevent such violations.

## **Implementation of Indo-Ceylon Agreement**

- \*289. { Shri R. S. Pandey:  
Shri D. C. Sharma:  
Shri Ravindra Varma:  
Shri P. Venkatasubbalah:  
Shri Indrajit Gupta:  
Shrimati Renuka Barkataki:

Shri P. C. Borooah:  
Shri Ram Harkh Yadav:  
Dr. L. M. Singhvi:

Will the Minister of External Affairs be pleased to state:

(a) whether the teams of officials of India and Ceylon have completed their work on the details of the agreement signed between the two countries regarding the stateless persons of Indian origin in Ceylon; and

(b) if so, whether any further steps have been taken towards the implementation of the said Agreement?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) and (b). Officials of Ceylon and India met at Colombo in December 1964 and decided to establish a Joint Committee and also formulated a procedure for implementation of the Indo-Ceylon Agreement.

The Joint Committee which was set up in June, 1965, has been meeting once a fortnight since 1st July. Preliminary steps connected with issue of notices for Indian Ceylonese citizenship, transfer of assets by Indian repatriates have been considered. Public notices calling for Indian/Ceylonese citizenship are expected to be issued in September, 1965.

Officials of the two Governments will meet again later to review the progress in implementation of the Agreement.

## **Development of Nuclear Power**

- \*290. { Shri Harish Chandra  
Mathur:  
Shri Bishwanath Roy:

Will the Minister of External Affairs be pleased to state:

(a) whether during his visits abroad, the Prime Minister had discussed the question of developments of nuclear power by the various countries, particularly by China and its second explosion and its effects on peace in the world; and

(b) what is the reaction of the countries concerned?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) Yes, Sir.

(b) In all the countries which the Prime Minister visited earlier this year, considerable concern was expressed at the increased danger of proliferation of nuclear weapons. China's efforts to acquire nuclear weapons capability came up in the course of discussion on this subject.

**Activities of Ku Klux Klan against Indian Community in London**

- \*291. { Shri P. R. Chakraverti:  
Shri P. C. Borooah:  
Shri Mohammed Koya:  
Shri Hukam Chand  
Kachhavaia:  
Shri Brij Raj Singh:  
Shri Bade:  
Shri Vishwa Nath Pandey:  
Shri D. D. Puri:  
Shri Daji:  
Shri Solanki:  
Shri P. K. Deo:  
Shri Narasimha Reddy:  
Shri Surendra Pal Singh:  
Shri Tan Singh:  
Shri Onkar Lal Berwa:

Will the Minister of External Affairs be pleased to state:

(a) whether the attention of the Government has been drawn to the London AFP Report of the 8th June, 1965 that a burning cross had been wedged in the front door of the house of Mr. Dharam Singh, Leader of the Indian Community at Lemington on the 7th June, 1935;

(b) whether it is a fact that the activities of Mr. Singh were discussed at a meeting of the Birmingham Branch of Ku Klux Klan on the 5th night;

(c) whether the Indian Community was feeling worried by this and other incidents; and

(d) whether the Indian High Commission in London has contacted the Indian Community and the U.K. Government in this connection?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a). Yes, Sir.

(b) Government have seen press reports to that effect.

(c) The Indian Community was worried.

(d) The High Commission in London is in contact with the members of the Indian Community and the U. K. Government. They have been assured that the British Government is tackling the problem suitably.

पाक द्वारा भारतीय अधिकारियों को बीजा देने से इंकार

- \*292. { श्री हुसम चन्द कछवाय :  
श्री बृजराज सिंह :  
श्री बड़े :  
श्रीमती तारकेश्वरी सिन्हा :  
श्री मधु लिम्बे :  
श्री रामसेवक यादव :

क्या बंदेशिक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पाकिस्तान सरकार ने जून, 1965 में पूर्वी पाकिस्तान में भारतीय बस्तियों का निरीक्षण करने के लिये नियुक्त किये गये 15 अधिकारियों के एक दल को बीजा देने से इन्कार कर दिया ; और

(ख) यदि हां, तो इस सम्बन्ध में सरकार ने क्या कार्यवाही की है ?

बंदेशिक-कार्य मंत्रालय में राज्य-मंत्री (श्रीमती लक्ष्मी मेनन) : (क) पश्चिम बंगाल सरकार ने जून 1965 में 40 भारतीय पदाधिकारियों के प्रार्थना-पत्र पाकिस्तान के कलकत्ता-स्थित डिप्टी हाई कमीशन को भेजे थे कि वह उन्हें पूर्व पाकिस्तान की



भारतीय बस्तियों का दौरा करने के लिए बीजा दे। अब तक इन में से 28 पदाधिकारियों को बीजा दिया जा चुके हैं। बाकी 12 पदाधिकारियों के मामले अभी पाकिस्तानी मिशन के पास पड़े हुए हैं।

(ख) पश्चिम बंगाल सरकार पाकिस्तान के कलकता-स्थित डिप्टी हाई कमिशन को इस विषय में कई बार याद दिला चुकी है। इसके अतिरिक्त, भारत सरकार ने भी इस मामले को पाकिस्तान हाई कमिशन के साथ उठाया है और कहा है कि ऐसा अत्यधिक विलंब मुख्य सचिवों के उस करार का आधारभूत उल्लंघन है जो अप्रैल 1965 में संपन्न हुआ था। उनके जवाब की प्रतीक्षा की जा रही है।

#### Meeting between the Prime Minister and President Ayub of Pakistan

- \*293. { Shri Bagri:  
Shri P. C. Borooah:  
Shri Vidya Charan Shukla:  
Shri Shree Narayan Das:  
Shri D. C. Sharma:  
Shri Daljit Singh:  
Shri Basappa:  
Shri R. S. Pandey:  
Shri R. Barua:

Will the Minister of External Affairs be pleased to state:

(a) whether there had been a meeting between the Prime Minister and the President Ayub Khan of Pakistan on the eve of the Commonwealth Prime Ministers' Conference; and

(b) if so, the issues discussed thereat?

The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon): (a) and (b). There was no formal meeting between the Prime Minister of India and the President of Pakistan. But as participants in the same Conference they did meet each other during the course of the Conference.

#### Sino-Pak Border Agreement

- \*294. { Shri D. C. Sharma:  
Shri Bagri:

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that India has sent a strong protest note to the Chinese Government regarding the Sino-Pak Border Agreement; and

(b) if so, the reaction of the Chinese Government thereto?

The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon): (a) Yes, Sir. The Government of India sent strong protest notes to the Chinese Government on the 10th March, 7th April and 19th June this year.

(b) The Chinese Government's reaction is contained in their note dated 17th May 1965. A copy is placed in the Table of the House. (Placed in Library, See No. LT-4669 6).

#### Indian Navy and I.A.F.

\*295. Shri Hari Vishnu Kamath: Will the Minister of Defence be pleased to state:

(a) whether measures are being taken to strengthen, expand and modernise the Indian Navy and Indian Air Force;

(b) if so, which countries are aiding and assisting Government in this task; and

(c) the broad outlines of the action so far taken and of the measures under consideration?

The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju): (a) Yes, Sir.

(b) Assistance is being received mainly from USSR, USA and the UK.

(c) A broad outline of the measures adopted for the strengthening and modernising of the Indian Navy and

the Indian Air Force and the measures under consideration have been given in the Annual Report of the Defence Ministry for the year 1964-65, which was placed on the Table of the House. Measures to strengthen and modernise the Navy and the Air Force are under constant review. Recently a delegation has gone to Moscow to negotiate for the purchase of a number of naval vessels.

#### U.S. Assistance for Fighter Aircraft

- \*296. { Shri Vidya Charan Shukla:  
Shri R. S. Pandey:

Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 836 on the 12th April, 1965 and state:

(a) the nature and extent of requests made to U.S.A. for the supply of capital and other equipment for increasing the rate of production of HF-24 Aircraft and for facilities for training Indian technicians in the United States; and

(b) the response to these requests?

**The Minister of Defence Production in the Ministry of Defence (Shri A. M. Thomas):** (a) Requests have been made to the US authorities for (i) the supply of additional items of plant and machinery necessary for increasing the rate of production of HF-24 aircraft; (ii) the supply of raw materials and components such as can be procured from U.S.A. for HF-24 production; and (iii) for the training of a number of technicians of HAL in certain fields of aeronautical engineering.

(b) The first offer for the supply of some plant and machinery from the list of requirements given to the US Government, has been received from US authorities and this has been accepted. The other requests are under the consideration of US authorities.

#### Khan Abdul Ghaffar Khan

- { Shri P. R. Chakravarti:  
Shri P. C. Borooah:  
Shri Rameshwar Tantia:  
Shri S. C. Samanta:  
Shri Subodh Manohar:  
Shri Hukam Chand Kachhavaia:  
Shri Brij Raj Singh:  
\*297. { Shri Bade:  
Shri S. M. Banerjee:  
Shri Prakash Vir Shastri:  
Shri D. C. Sharma:  
Shri Surendra Pal Singh:  
Shri Heda:  
Shri P. L. Barupal:  
Shri Hari Vishnu Kamath:  
Shri Bagri:

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that Khan Abdul Ghaffar Khan, now in Kabul has expressed his willingness to visit India;

(b) whether Government have extended a suitable invitation to him; and

(c) whether the Indian Embassy in Kabul has contacted him to convey the warm regard of the people of India for his glorious services and their intent desire to have him in their midst once again?

**The Minister of External Affairs (Shri Swaran Singh):** (a) to (c). The Indian Ambassador in Kabul has called on Khan Abdul Ghaffar Khan and conveyed to him that he would be most welcome any time he wished to come to India.

Our affection for Khan Abdul Ghaffar Khan and admiration for his great sacrifices in the struggle for the freedom of India and others still under domination are well known and have been reaffirmed.

#### Recognition of Algerian Government

- { Shri P. C. Borooah:  
Shri S. M. Banerjee:  
Shri D. C. Sharma:  
\*298. { Shri Yashpal Singh:

Shri M. Rampure:  
Shri Kanakasabai:  
Shri R. S. Pandey:

Will the Minister of External Affairs be pleased to state:

(a) whether Government have decided to recognise the new Algerian Revolutionary Government headed by Col. Houari Boumedienne;

(b) if so, the factors taken into consideration to arrive at this decision; and

(c) the steps taken to establish diplomatic relations with that Government?

The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh): (a) and (b). The Algerian Government headed by Col. Houari Boumedienne is recognised as the legal Government of Algeria by the Government of India. It is only a change in Government and as such there was no question of extending formal recognition to the new Algerian Government.

(c) The Indian Embassy in Algeria established in November, 1962, and the Algerian Embassy in India set up in January, 1965, continue to function as before.

#### Unemployment in Delhi

992. { Shri Ram Harkh Yadav:  
Shri Surendra Pal Singh:

Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that Unemployment is on the increase in Delhi;

(b) if so, the number of unemployed persons in the capital according to the latest survey; and

(c) the number of unemployed at the end of 1963?

The Minister of Labour and Employment (Shri D. Sanjivayya): (a) to (c). No information is available in

regard to the number of unemployed persons in Delhi. The number of applicants who remained on the live register of Employment Exchanges in Delhi at the end of each year/period during 1963-65 is given below:

Year/period.	No. of applicants on the live register at the end of the year/period
1963	86,872
1964	1,06,206
1965 (July)	80,783

#### डाक के फार्मों की कमी

993. श्री हेम राज : क्या संचार पत्री यह बताने की कृपा करेंगे कि :

(क) क्या आजकल पंजाब सकल के डाकखानों में डाक के फार्मों की बहुत कमी है ;

(ख) यदि हां, तो इसके क्या कारण हैं ; और

(ग) यह कमी कब तक दूर होने की संभावना है ?

संचार विभाग में उपमंत्री (श्री भगवती) :

(क) जी नहीं । फिर भी, केवल तीन फार्मों को कुछ कमी है ।

(ख) गवर्नमेंट आफ इंडिया प्रेस द्वारा पूरी आवश्यकताओं के अनुसार सप्लाय न कर सकने के कारण ।

(ग) फार्मों को स्थानीय तौर पर छापने की कार्रवाई की गई है ; छापने के लिए जितने फार्मों का आदेश-पत्र भेजा गया था उन में से कुछ पहले ही प्राप्त हो चुके हैं और पूरी आवश्यकता के अनुसार फार्म शीघ्र ही प्राप्त हो जाएंगे ।

### Telephone Exchanges in Punjab

994. **Shri Daljit Singh:** Will the Minister of Communications be pleased to state:

(a) the number of Telephone Exchanges in Punjab State as on the 31st July, 1965;

(b) whether there is any proposal to increase them during 1965-66; and

(c) if so, the names of the places where these are to be installed?

**The Deputy Minister in the Department of Communications (Shri Bhagvati):** (a) 169.

(b) Yes.

- (c) 1. Jallalabad.  
2. Shahkot.  
3. Lakhanwall.  
4. Shankar.  
5. Dharmkot.  
6. Khunkikhera.  
7. Barara.  
8. Indri.  
9. Thuru.  
10. Loharu.  
11. Earwala.  
12. Bhikiwind.  
13. Garhshankar.  
14. Haryana.  
15. Khalara.  
16. Majitha.  
17. Mailpur.  
18. Preetnagar.  
19. Keylong.

### Telephones in Punjab

995. **Shri Daljit Singh:** Will the Minister of Communications be pleased to state:

(a) the number of applications for the grant of telephone connections pending in the various Exchanges in Punjab State as on the 30th June, 1965; and

(b) the steps being taken to give these connections.

**The Deputy Minister in the Department of Communications (Shri Bhagvati):** (a) 10,071.

(b) Steps are being taken to expand the capacity of the existing exchanges to open new exchanges and to lay additional underground cables so that pending demands are met to the maximum extent possible consistent with the available resources.

### Telegraph and Telephone Facilities in Cannanore District (Kerala)

996. **Shri K. K. Gopalan:** Will the Minister of Communications be pleased to state:

(a) whether telegraph facilities have been provided at Frutty, Mattannoor, Pinerai and Peravoor (Cannanore district) in Kerala;

(b) whether telephone facilities have been provided at Paryarm, Azhikode, Karivalloore and Chevathur, (Cannanore district) in Kerala;

(c) whether telegraph and telephone facilities have been provided at Kalliassery and Ancharakandy, Cannanore district in Kerala; and

(d) if not, when these are going to be provided?

**The Deputy Minister in the Department of Communications (Shri Bhagvati):** (a) Telegraph facilities are available at Iritty (not Erutty) and Mattanur. Opening of a Telegraph Office at Pinarayi involves loss and can be sanctioned on guarantee basis only. Sanction has been issued for opening a Telegraph Office at Peravoor.

(b) Public Call Office for Periyaram has been sanctioned. Public Call Offices are available at Azhikode, Kragrivalloore and Cheruvathoor.

(c) Telegraph facilities are available at Kalliassery. Opening of a Public Call Office at this place has been sanctioned. Telegraph facilities for Anjerakandy have been sanctioned. Opening of a Public Call Office at this place involves loss and can be sanctioned on guarantee basis only.

(d) Telegraph facilities at Peravoor and Anjerakandy and Public Call Offices at Periyaram and Kallia-

esery are proposed to be provided within a year's time.

### Kerala P.W.D. Workers

997. Shri A. K. Gopalan: Will the Minister of Labour and Employment be pleased to state:

(a) whether the Kerala Public Works Department N.M.R. Workers' Federation had submitted a memorandum to the Government of Kerala on the 29th December, 1964; and

(b) if so, the action taken thereon?

The Minister of Labour and Employment (Shri D. Sanjivayya): (a) Yes.

(b) The main demand of the N. M. R. workers was the enhancement of their wages, considering the increase in the cost of living. The Government of Kerala have issued orders on 6th August, 1965 enhancing the rate of wages of all categories of the P. W. D. N. M. R. workers by ten paise per day per worker. The other demands in the memorandum are engaging the attention of the Government of Kerala.

### A. I. R. Station at Allahabad

998. Shri Ram Harkh Yadav: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the A. I. R. station at Allahabad has been raised to the status of a Director's Station;

(b) the facilities available to Allahabad citizens thereby; and

(c) whether the new Radio Station is likely to be constructed for the purpose?

The Minister of Information and Broadcasting (Shrimati Indira Gandhi): (a) Yes, Sir.

(b) The Lucknow and Allahabad Stations will continue to share all important programmes. However, Allahabad will broadcast an increasing number of original programmes of local interest.

(c) The power of the transmitter will be increased and a permanent building put up, in due course, to provide adequate studio and office accommodation for the Station.

### Lease of Military Lands to Ex-Servicemen

999. Shri Ram Harkh Yadav: Will the Minister of Defence be pleased to state:

(a) whether Government propose to lease out surplus military lands to Ex-Servicemen and their Cooperative Societies; and

(b) if so, the details of the plan and the acreage of land involved?

The Minister of Defence (Shri Y. B. Chavan): (a) A scheme is already in force as indicated in (b) below.

(b) Lands temporarily surplus to defence requirements are leased out for agricultural purposes after parceling the same into suitable plots having regard to the economic holding and the ceiling prescribed by the law of the State in which the lands are situated. The order of priorities is as follows:—

(1) Tenants displaced as a result of resumption by land owners for self-cultivation.

(2) Cooperative Societies of Ex-Servicemen.

(3) Cooperative Societies of Agriculturists.

(4) Cooperative Societies of landless persons.

(5) Ex-Servicemen.

(6) Landless educated not less than Matriculate unemployed youngmen.

(7) Other landless persons.

(8) Tenants or owners of land who own or hold less than the minimum limit prescribed.

The Military Estates Officer prepares a register of prospective allottees in consultation with the local revenue authorities on the basis of

applications received. Before making any allotment, the Military Estates Officer also gives information to the respective Sailor, Soldier & Airmen's Board. If no application is received from Cooperative Societies of Ex-servicemen or individual Ex-serviceman within two months after the said intimation, the M. E. O. proceeds to dispose of the land to other priority holders. The total acreage of land varies from time to time according to availability and Defence needs.

### San Francisco Film Festival

**1000. Shri Ram Harkh Yadav:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether any Indian Films have entered the competition in the San Francisco Film Festival to be held in October next; and

(b) if so, the names of films seeking entry and their prospects?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) Yes, Sir. This year the 9th Annual San Francisco International Film Festival to be held from 20th to 31st October, 1965, will be non-competitive for feature and short films and competitive for films in the Art and Communication category.

(b) The following feature and documentary films have been entered in this Festival:—

#### Feature Films

- (1) Sangam—Produced by M/S R. K. Films, Chembur, Bombay.
- (2) Haqueeqat—Produced by Shri Cnetan Anand, M/S Himalaya Films, Bombay.
- (3) Charulata—Produced by M/S R.D.B. & Co., Calcutta.

#### Documentary Films

- (1) Lahual and Spiti—Art Category.

(2) Apostle of the Indies—Communication Category.

(3) Exploration of the Upper Air—Communication Category.

(4) All Under Heaven By Force—Short Film Category.

We think our films stand a good chance in the competition, though it is not possible to anticipate the decision of the Jury.

### Foreign Ship Rescued by I.N.S. 'Beas'

**1001. { Shri Raghunath Singh:  
          { Shri Ram Harkh Yadav:**

Will the Minister of Defence be pleased to state:

(a) whether a foreign ship (freighter) which got foundered in the Arabian Sea in July last was rescued by I.N.S. 'Beas'; and

(b) if so, the details of the accident and the assistance rendered by the Indian Naval Ship?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) and (b). On 18th July 1965, information was received that the S. S. AVRA, a freighter belonging to a Greek Shipping Company, was in distress. I.N.S. BEAS, which was on a passage from Bombay to Madras, was immediately directed to render necessary assistance. The freighter was found anchored off Mount Dolly (north of Cannanore) with her No. 1 and 2 holds flooded.

In view of the damage to the ship and the prevailing bad weather conditions the Captain of S.S. AVRA decided to abandon her. I.N.S. BEAS rescued the Captain and 27 members of the crew, and remained for 12 hours in the vicinity of the freighter, which was sinking. Since no other assistance was possible, I.N.S. BEAS sailed for Cochin and landed the rescued personnel there. S. S. AVRA has since sunk and broken up.

**Development of North Bihar**

**1002. Shrimati Ramdulari Sinha:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that during his recent visit to North Bihar, he laid emphasis on greater development of that part of the country from the defence and other point of view; and

(b) if so, to what extent, in what manner and by what time North Bihar is proposed to be developed?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). The Defence Minister during his recent visit to Bihar stated that roads and Communications in border districts of North Bihar should be developed in a manner which would be useful for defence purposes if and when required. It was suggested during that visit that the Border Roads Development Board should take up the construction of roads in North Bihar. The suggestion is being examined.

**Indian P.O.Ws. in Pakistan**

**1003. Shri Hem Raj:** Will the Minister of Defence be pleased to state:

(a) the number of Indian P.O.Ws. in Pakistan custody captured during the Jammu and Kashmir border skirmishes during the last five years and how many Pakistanis are in Indian custody;

(b) how many Indian P.O.Ws. have been repatriated and how many are still with them and how many Pakistani P.O.Ws. are still in Indian custody; and

(c) when the lists of P.O.Ws. captured on this border were exchanged last?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). Information is not immediately available and is being collected.

(c) The last exchange of Indian and Pakistani personnel captured in J. & K. took place on the 30th April 1965 (Ai) LSD—3.

1964. Since then, there has been no exchange of lists of personnel.

**महाराष्ट्र में तारघर और टेलीफोन केन्द्र**

1004. { श्री दे० शि० पाटिल :  
श्री तुलशीदास जाधव :

क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) 1965-66 में महाराष्ट्र में कितने तारघर, टेलीफोन केन्द्र तथा पब्लिक काल घर खोले जायेंगे और वे कहाँ खोले जायेंगे ; और

(ख) क्या वर्तमान टेलीफोन केन्द्रों की क्षमता में वृद्धि की जायेगी ?

**संचार विभाग में उपमंत्रि (श्री भगवती):**

(क) लोक-सभा के पटल पर एक विवरण पत्र रखा जाता है । [पुस्तकालय में रखा गया देखिये संख्या एल०टी०—4670/65]

(ख) जी हाँ ।

**Generation of Electricity**

**1005. Shri Narendra Singh Mahida:** Will the Prime Minister be pleased to state:

(a) whether a detailed analysis of the relative costs of generating electricity in thermal, hydro and nuclear stations in Indian conditions has been made; and

(b) if so, whether nuclear energy is likely to become increasingly competitive when locations are at a distance from cheap coal supplies and hydro-electricity is not available?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) and (b). Yes. The relative costs of generating electricity in thermal, hydro and nuclear stations have been analysed in detail independently by the Department of

Atomic Energy and more recently by the Energy Survey Committee appointed by the Government. These studies have established that in certain locations remote from cheap coal supplies and where hydro energy is not available, nuclear energy is already competitive. During the 1970's when the technology of using thorium has been satisfactorily resolved, nuclear energy will be increasingly competitive, that is, it will be competitive even in areas near the coal fields.

#### Survey of Minerals Division

**1006. Shri Narendra Singh Mahida:** Will the **Prime Minister** be pleased to state:

(a) whether the Atomic Minerals Division has surveyed the country in search of uranium and thorium deposits and other materials of potential interest for atomic energy work; and

(b) if so, the details thereof?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) Yes.

(b) Surveys carried out in the country have yielded the most favourable results in the Singhbhum Trust Belt in Bihar where the main deposits of uranium are located at Jaduguda, Narwa Pahar, Bhatin and Keruadungri. The Uranium Mines at Jaduguda, which are at present the major proved sources of uranium ore in the country, are being developed to produce 1,000 tonnes of uranium ore per day. The other three deposits are also being developed.

Significant uranium occurrences have also been found in Kulu, Panjab and in the range of Himalayas bordering U.P. These deposits are currently under investigation.

Investigations have also shown huge deposits of monazite, which is the principal source of Thorium, in beach placers, coastal dune sands and in the sea beds along both the West and East coasts of India. Rich inland

placer deposits of monazite have also been found in Eastern India.

Detailed information regarding these investigations including their results is furnished in the annual reports of the Department of Atomic Energy, which are circulated to the Members of Parliament.

#### Telephone Exchange, Faridabad

**1007. Dr. B. N. Singh:** Will the Minister of **Communications** be pleased to state:

(a) the stage at which the installation of an Automatic Telephone Exchange at Faridabad (Punjab) stands at present;

(b) when the Exchange will open to public traffic;

(c) the number of industrialists at present on the waiting list for the grant of telephone connections at this Exchange; and

(d) how long it will take to accommodate them after the opening of the new Exchange?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) Final stage.

(b) A 1,000 lines auto exchange will be opened in September, 1965.

(c) No separate waiting list is maintained for the industrialists. However the number of waiting applicants at present is:

OYT—43.

Non OYT—600

(d) By March 1966, nearly 500 connections are expected to be given. To meet the increasing demand the auto exchange is further proposed to be expanded to 1,500 lines.

#### Telephone Exchange, Sundernagar Tatanagar

**1008. Dr. B. N. Singh:** Will the Minister of **Communications** be pleased to refer to the reply given to



Unstarred Question No. 2100 on the 14th April, 1964 and state:

(a) the stage at which the installation of the Telephone Exchange at Sundernagar—Tatanagar (Singhbhum) stands at present;

(b) when the Exchange is likely to be opened;

(c) the number of industrialists on the waiting list for the grant of telephone connections at this Exchange; and

(d) how long it will take to provide connections to them?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) Estimates have been sanctioned and orders for equipment placed. Stores are being received.

(b) Within the current financial year.

(c) Fourteen.

(d) The connections will be provided soon after the exchange is commissioned in service.

#### Contract Labour

1009. { Shri Warlor:  
Shri Vasudevan Nair:  
Shri Prabhat Kar:

Will the Minister of Labour and Employment be pleased to state:

(a) whether Government have any proposal to enact legislation for the protection of contract labour working in the factories;

(b) if so, the salient features of the proposed legislation; and

(c) when the legislation is likely to be introduced in Parliament?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) The proposal is under consideration.

(b) The salient features of the proposed legislation are as follows:

(i) Compulsory registration of establishments;

(ii) Abolition of employment of contract labour wherever possible and regulation where it is not possible to do so;

(iii) Licensing of contractors;

(iv) Specifying by notification, in consultation with the Advisory Boards to be appointed for the purpose, the processes or operations of other work in any establishment or class of establishment where employment of contract labour is to be prohibited;

(v) Imposition of responsibility on the principal employer for proper payments and for provision of welfare amenities.

(c) As early as possible after all consultations and procedural formalities are completed and Government have taken a final decision.

#### Domestic Servants

1010. **Shrimati Savitri Nigam:** Will the Minister of Labour and Employment be pleased to state:

(a) whether there is any proposal to have legislation to regularise the services of domestic servants; and

(b) if so, the stage at which the matter stands at present?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) The Hon'ble Member presumably means legislation to regulate conditions of service of domestic servants. No such proposal is under consideration.

(b) Does not arise.

#### N.W.F.P. Tribals' Rampage in Kashmir

1011. { Shri Onkar Lal Berwa:  
Shri P. C. Borooah:  
Shri Gulshan:

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the tribesmen from the N.W.F.P. who had

been brought to the sectors close to the cease-fire line in Kashmir have begun their rampage in Indian villages along the cease-fire line by indulging in looting and molestation of women;

(b) if so, the number of raids committed by them; and

(c) the extent of damage to life and property on the Indian side in these raids during the last three months?

**The Minister of Defence (Shri Y. B. Chavan):** (a) to (c). As the hon. Members are aware, Pakistani infiltrators, who consist of regular and irregular Pakistani Armed Forces personnel and porters, have indulged in harassment, looting of food stuffs and other commodities, arson and murder in Jammu and Kashmir. It is known that Pakistan moved up elements of the Frontier Corps, close to the Cease Fire Line from about May onwards. It is difficult to give a more precise link up between the tribesmen from NWFP and the type of incidents mentioned by the hon. Members or to give precise details of the number of raids committed and the extent of damage to life and property.

#### **Indo-Kuwait Economic Collaboration**

**1012. Shri Rameshwar Tantia:** Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that the Governments of India and Kuwait have decided to set up a panel for economic collaboration between the two countries;

(b) whether any discussions were held between the two countries in this regard;

(c) if so, whether any final agreement has been reached; and

(d) the details thereof?

**The Minister of External Affairs (Shri Swaran Singh):** (a) Yes, Sir.

(b) Not yet.

(c) and (d). Do not arise.

#### **Riots in Mauritius**

**1013.** { **Shri D. C. Sharma:**  
**Shri Yashpal Singh:**  
**Shri Ram Harkh Yadav:**  
**Shri Vishwa Nath Pandey:**  
**Shri D. D. Puri:**

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that two persons of Indian origin were killed and 100 others injured in rioting in Mauritius in May, 1965;

(b) whether pro-Peking Chinese are believed to be behind the rioting and it is directed against the Island's Indian community; and

(c) if so, the steps taken or proposed to be taken in the matter?

**The Minister of External Affairs (Shri Swaran Singh):** (a) According to information available one person of Indo-Mauritian origin died in the disturbances of May, 1965. The exact number of persons injured is not known.

(b) It is understood that the disturbances were the result of political, racial and communal tensions between the various elements comprising the population of Mauritius and do not appear to have been directed against any particular community.

(c) Persons of Indian origin settled in Mauritius are citizens of that island and their welfare is the concern of U.K. Government and the Government of Mauritius.

#### **Inplant Training**

**1014.** { **Shri Subodh Hansda:**  
**Dr. P. N. Khan:**  
**Shri S. C. Samanta:**  
**Shri M. L. Dwivedi:**  
**Shrimati Savitri Nigam:**

Will the Minister of Labour and Employment be pleased to state:

(a) whether the inplant training for all the industrial institute trainees

has been made compulsory in all the engineering and non-engineering trades;

(b) if not, what are the difficulties to do so; and

(c) whether any Diploma is awarded to those who are not in a position to complete the inplant training?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) No. It is compulsory only in engineering trades.

(b) The duration of non-engineering trades being only 12 months, there is no inplant training in these trades.

(c) The National Trade Certificates are awarded to the successful trainees only after they complete inplant training. Six months period of employment or apprenticeship in approved industries in the trade concerned is also treated as inplant training.

#### **Central Wage Board for Iron and Steel Industry**

1015. { **Shri Warrior:**  
**Shri Vasudevan Nair:**  
**Shri Prabhat Kar:**  
**Shri P. C. Borooah:**  
**Shri P. R. Chakraverti:**  
**Shri Ram Harkh Yadav:**

Will the Minister of Labour and Employment be pleased to state:

(a) whether the Central Wage Board for Iron and Steel Industry has submitted its report;

(b) if so, the main recommendations made by the Board;

(c) whether Government have examined these recommendations; and

(d) if so, the decision taken thereon?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Yes.

(b) to (d). Copies of the Report of the Wage Board and the Government's Resolution thereon were placed on the Table of the Sabha on 17th August, 1965.

#### **Breeding of Mules in Military Farms**

**1016. Shri Surendra Pal Singh:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the breeding of mules in the Military Farms was taken up several years ago; and

(b) if so, the number of mules which have so far been bred up in these farms; and

(c) what proportion of those animals is in service with the army?

**The Deputy Minister in the Ministry of Defence (Dr. D. S. Raju):** (a) The breeding of mules has been taken up in Remount & Veterinary Corps since 1956-57 and not in Military Farms.

(b) 1,252 upto 15th July, 1965.

(c) Young stock bred are issued to Units after they become adults, that is, when they complete four years of age. 102 adults bred by the Remount & Veterinary Corps have so far been issued to Units for service.

#### **China's Association with Disarmament Discussions**

**1017. Shri Hem Barua:** Will the Minister of External Affairs be pleased to state:

(a) whether India is making any attempt to bring China into the disarmament discussions as suggested by Ghana on the 20th May, 1965; and

(b) if so, the broad details thereof?

**The Minister of External Affairs (Shri Swaran Singh):** (a) and (b). India has supported the proposal for the convening of a World Disarmament Conference to which all countries including China would be invited.

## Second Cement Wage Board

1018. { **Shri P. C. Borooah:**  
**Shri Ram Harkh Yadav:**

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that Government have accepted the Second Cement Wage Board's recommendation for the grant of interim relief to the cement workers;

(b) if so, the date from which it will be given effect to; and

(c) how far the recommendation has been implemented?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Yes. Copies of the Government Resolution were placed on the Table of the Sabha on the 16th August, 1965.

(b) 1st January, 1965.

(c) The implementation of the Board's recommendations is being secured through the State Governments. Progress reports have been called for.

## Iranian Prime Minister's Statement regarding Kutch

1019. **Shri Rameshwar Tantia:** Will the Minister of **External Affairs** be pleased to state:

(a) whether it is a fact that the Union Government have sought any clarification from the Iranian Prime Minister regarding the statement published in the Karachi Newspaper 'Dawn' that he supports Pakistan in regard to the Kutch dispute; and

(b) if so, the reaction of the Iranian Government thereto?

**The Minister of External Affairs (Shri Swaran Singh):** (a) and (b) In reply to enquiries made by the Indian Ambassador the Government of Iran have categorically denied that either the Foreign Minister or the Prime Minister had said anything on the lines indicated in Pakistani press.

## Asians in Kenya

1020. **Shri Rameshwar Tantia:** Will the Minister of **External Affairs** be pleased to state:

(a) whether it is a fact that India has informed the Kenya Government that Asians in Kenya should take up that country's citizenship;

(b) if so, whether there were any discussions on this subject with the Kenya Government when the Foreign Minister visited that country;

(c) if so, the details of discussions between the two representatives; and

(d) whether any final decision has been reached in this regard?

**The Minister of External Affairs (Shri Swaran Singh):** (a) Government of India's policy in respect of people of Indian origin settled abroad is well known. Kenya Government is, no doubt, aware of it.

(b) and (c). During his talks in Nairobi the Foreign Minister apprised the President and the Foreign Minister of Kenya of the general policy of the Government of India in regard to people of Indian origin overseas, including Kenya.

(d) The final decision to opt for Kenyan nationality rests with people concerned.

## Space Whistlers

1021. **Shri Rameshwar Tantia:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that scientists at the High Altitude Atomic Energy Laboratory at Gulmarg have recorded 400 "space whistlers" during April-May, 1965;

(b) if so, how far the unique experiment will help the scientists;

(c) whether the achievement will help the nation in sending men to the moon and other planets; and

(d) if so, the approximate period?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) A group of scientists from the Banaras Hindu University has been taking observations of Whistler Atmospheric at the High Altitude Research Laboratory, Gulmarg, since October, 1963.

(b) "Whistler Atmospheric" are repeating whistling sounds heard occasionally in a radio receiver in middle and high altitudes; because of high attenuation they are not usually audible at lower latitudes and therefore cannot be studied in most parts of India; Kashmir happens to be in a region where whistlers can be detected. The origin of whistlers is lightning discharges.

The work is of importance because it gives information about electron densities in the upper part of the Ionosphere, a region which is inaccessible to normal ionospheric sounding.

(c) No.

(d) Does not arise.

#### Calcutta Dock Labour Board

1022. { **Shri S. C. Samanta:**  
**Shri Subodh Hansda:**  
**Shri M. L. Dwivedi:**  
**Shrimati Savitri Nigam:**  
**Dr. P. N. Khan:**

Will the Minister of Labour and Employment be pleased to state:

(a) whether there was any demand for the reconstitution of the Calcutta Dock Labour Board;

(b) if so, when and by whom; and

(c) the action, if any, taken in the matter?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) and (b). In December, 1964, the All India Port and Dock Workers' Federation raised a demand that the Calcutta Dock Labour Board should be reconstituted.

(c) The Board would be reconstituted after the latest verified mem-

bership figures of the Labour Unions of the Calcutta Docks become available.

#### Training of N.C.C. Cadets

1023. { **Shri Ram Harkh Yadav:**  
**Shri Vishwa Nath Pandey:**

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Government have devised the "Be Prepared" scheme to train the N.C.C. cadets to meet possible border threats;

(b) if so, the details thereof; and

(c) when the scheme is likely to be implemented?

**The Minister of Defence (Shri Y. B. Chavan):** (a) to (c). The "Be Prepared" schemes have been devised to give intensive military training and training in civil defence to NCC cadets on a voluntary basis.

In May 1965, the Directorate General N. C. C. introduced a programme of imparting concentrated military training to NCC cadets on a voluntary basis for a period of 4 weeks during the summer vacation of 1965. The aim of the programme was to make the cadets physically tough and teach them basic military subjects. Training was given for 4 hours a day for six days in the week. 210 NCC officers and 28,274 cadets completed the 4 weeks' course. This scheme was named "Be Prepared".

In July 1965, the "Be Prepared II" scheme was formulated to impart training mainly in civil defence to NCC cadets on a voluntary basis. This training is given for 3 to 4 hours per day on Sundays and other holidays from July to December 1965. The scheme also envisages the formation of standing patrols for fire fighting, Rescue and First Aid from volunteers of the NCC who had gone through the "Be Prepared" schemes.

**National Defence Fund**

1024. { **Shri Onkar Lal Berwa:**  
**Shri Vishwa Nath Pandey:**  
**Shri Hukam Chand**  
**Kachhavaia:**  
**Shri Basappa:**

Will the **Prime Minister** be pleased to refer to the reply given to Unstarred Question No. 769 on the 8th March, 1965 regarding the National Defence Fund and state:

(a) the total cash contributions received in the Central Account of the National Defence Fund from the 1st March to 31st July, 1965;

(b) the quantum of contributions received in the form of gold and gold ornaments and other precious metals during the above period; and

(c) the amount so far utilised?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) Rs. 14,06,748.09.

(b) Gold and gold ornaments: 10,549.800 Grammes. Silver and silver ornaments: 2,808.900 Grammes.

(c) A total expenditure of about Rs. 33.35 crores has so far been authorised but the actual expenditure has been about Rs. 28.30 crores.

**Pak Firing on U.N. Observer**

1025. { **Shri Vishwa Nath Pandey:**  
**Shrimati Savitri Nigam:**

Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that a United Nations' Military Observer who had gone to a picket south-west of Naushera (Jammu and Kashmir) near the cease-fire line came under heavy Pakistani fire on the 21st May, 1965; and

(b) if so, the reaction of the U.N.O. in the matter?

**The Minister of Defence (Shri Y. B. Chavan):** (a) On the 21st May 1965, Pakistan troops directed medium machine gun, mortar and rifle gren-

ade fire from across the cease-fire line towards our post in area approximately 5 miles south-west of Naushera. A UN Observer was present on the occasion.

(b) A cease-fire complaint was lodged against Pakistan with the UN Military Observers. The award of the Chief Military Observer is not known as under the revised procedure he informs only the party against which a cease-fire violation is awarded.

**Helicopter Crash in U.P.**

1026. **Shri Vishwa Nath Pandey:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that an army helicopter crashed near the village Bilwa (District Bareilly), Uttar Pradesh on the 12th May, 1965:

(b) if so, the causes of the accident; and

(c) the loss sustained thereby?

**The Minister of Defence (Shri Y. B. Chavan):** (a) An I.A.F. fighter aircraft and not an Army helicopter crashed near the village mentioned on 12-5-65.

(b) The Court of Inquiry could not establish the exact cause of the accident. It however felt that the accident had most probably been caused due to the failure of aileron control system.

(c) The aircraft was a total loss. Pilot escaped with serious injuries.

सशस्त्र सेना को सप्लाई किये गये जूते .

1027. श्री विश्वनाथ पाण्डेय : क्या रक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सशस्त्र सेना को कानपुर के ठेकेदारों द्वारा बड़ी संख्या में सप्लाई किये गये जूते बिल्कुल घटिया चमड़े के बने हुए थे और बेकार सिद्ध हुए ;

(ख) यदि हां, तो इस का क्या कारण है : और

(ग) इस सम्बन्ध में सरकार का क्या कार्यवाही करने का विचार है ?

**प्रतिरक्षा मंत्रालय में उपमंत्री (डा० द० स० राजू) :** (क) से (ग). जी नहीं। तदपि, दिल्ली की एक फर्म द्वारा कि जिसकी फैक्ट्री कानपुर में है मृदुर्या किए गए 378 फौजी बूटों के जोड़ों में एक क्षुद्र राशि का गुणमान स्तर ठीक न था। जो संख्या गुणमान स्तर पर पूरी नहीं उतरी, उसे फर्म अपने खर्च पर बदल कर दे रही है।

#### Deposits in Post Offices in U.P.

**1028. Shri Vishwa Nath Pandey:** Will the Minister of Communications be pleased to state the total number of gross deposits in various Post Offices of Uttar Pradesh under the Small Savings Drive scheme during the year 1964?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** The gross amount of deposits under the various small savings schemes in the Post Offices in Uttar Pradesh during the period from 1-1-1964 to 31-12-1964 is Rs. 63,24,26,169.

#### Pak Propaganda in Arab Countries

**1029. Shri Mohammed Koya:** Will the Minister of External Affairs be pleased to state:

(a) the steps taken by Government to combat the propaganda carried on by Pakistan in the Arab countries especially in Saudi Arabia; and

(b) the additional staff allotted to the Middle East Embassies in recent months in view of Pakistan's strengthening her propaganda machinery?

**The Minister of External Affairs (Shri Swaran Singh):** (a) Government is fully aware of Pakistani propaganda in the Arab countries. All available media of publicity are being utilised not only to present India's point of view in the correct perspective but also to counteract false and

mischievous anti-India propaganda wherever and whenever necessary.

(b) None.

**भारत से मुसलमानों का बिना परमिट के पाकिस्तान जाना**

1030. { श्री हुसम चन्द कछवाय :  
श्री बड़े :  
श्री बजर्राज सिंह :

क्या बंदेशिक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि कूब-बिहार सीमा पर मेक्लॉगंज गांव के कुछ मुसलमान परिवारों ने जून, 1965 में सामान के साथ गुप्त रूप से भारत छोड़ कर पाकिस्तान जाने का योजना बनाई थी ;

(ख) क्या यह भी सच है कि कुछ परिवार अपने सारे सामान के साथ पाकिस्तान जाने में सफल हो गये ;

(ग) यदि हां, तो ये परिवार बिना सरकार की बताये तथा बिना परमिट के पाकिस्तान क्यों गये ; और

(घ) सरकार ने इस सम्बन्ध में क्या कार्यवाही की है ?

**बंदेशिक-कार्य मंत्री (श्री स्वर्ण सिंह) :**

(क) जी नहीं। सरकार को इस प्रकार की कोई सूचना नहीं मिली है। परन्तु, अप्रैल 1965 के आखिरी हफ्ते के करीब सीमावर्ती गांव मेक्लॉगंज के 30 मुसलमान परिवार सीमा पार करके पूर्व पाकिस्तान में उतर गए थे। ऐसा विश्वास किया जाता है कि मार्च 1965 में पूर्व पाकिस्तान राइफल द्वारा बारंबार गोलीबारी करने के बाद ही ये लोग गांव छोड़कर गए हैं।

(ख) ऊपर जो सूचना दी गई है उसके अतिरिक्त सरकार को और कुछ मालूम नहीं है।

(ग) ये मुसलमान परिवार पूर्व पाकिस्तान राइफल के आदमियों द्वारा और आसपास के पाकिस्तानी गांवों के पाकिस्तानी राष्ट्रियों द्वारा उकसाए जाने के कारण ही सीना पाए गए थे।

(घ) भारत सरकार ने लोगों को इस तरह उकसाने के खिलाफ पाकिस्तान सरकार से विरोध प्रकट किया है और सीमावर्ती इलाकों में रहने वाले मुसलमानों को इस बात का आश्वासन दिाने का दिशा में सभी सम्भव कदम उठाए गए हैं कि उनकी समुचित सुरक्षा की जाएगी।

### Supply of Footwear to Coal Mines Workers

1031. { Shri Kishen Pattnayak:  
Shri Dinen Bhattacharya:

Will the Minister of Labour and Employment be pleased to state:

(a) how many pairs of footwear each coal mine worker is entitled to by May, 1965 according to the Award of 1956;

(b) whether there has been any failure to supply the required number of footwears to the miners;

(c) if so, to what extent and who is responsible for violation of the Award;

(d) what action under the Industrial Disputes Act has been taken or is being taken against the defaulting party or parties; and

(e) whether certain employers who had placed orders with the suppliers other than the Ruby Industries for fulfilling the Award were asked by his Ministry to cancel their orders?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) 8 pairs of footwear.

(b) and (c). There has been some failure to supply footwear to the miners for which both managements as well as workers have been responsible. In many cases, although the

management have been prepared to supply the workers have not come forward to take the footwear as they have to share 50 per cent of the cost.

(d) Both the workers and the management being responsible for the default, it has not been possible to take any action in the matter against the parties.

(e) No such instructions were issued by the Ministry.

### Central Hospital for Coal Miners at Asansol

1032. { Shri Indrajit Gupta:  
Shri Yashpal Singh:  
Shri Mohammad Elias:  
Shrimati Renu Chakravartty:

Will the Minister of Labour and Employment be pleased to state:

(a) whether Government are aware that owing to the acute shortage of water, the working of the Central Hospital for coal miners at Asansol has been critically affected;

(b) whether it is a fact that the admission of patients had to be stopped in May and June, 1965 and the new T.B. Ward could not be opened due to shortage of water supply; and

(c) if so, the steps taken or proposed to be taken to ensure adequate water supply to the hospital in future?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) and (b). Owing to shortage of water only emergency cases were admitted to the Hospital during May and June 1965. The T.B. Wing could not also function.

(c) Steps are being taken to augment the water supply from water available in two neighbouring collieries. One of these has already agreed to supply one lakh gallons of water per day. The question of sinking a few wells is also being examined, as a shallow well sunk on an experimental basis has proved a success.



**MIGS from USSR**

1033. { **Maharajkumar Vijaya Ananda:**  
**Shri P. C. Borooah:**  
**Shri Ram Sewak:**

Will the Minister of Defence be pleased to state:

(a) whether the three squadrons of MIG aircraft have been received from the Soviet Union;

(b) if so, when; and

(c) whether they have been tested for their suitability in Indian conditions?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). It is not in the public interest to disclose the information.

(c) A number of Migs have been flying under Indian conditions since 1963 and have been found suitable.

**Thermo-Electric Cooler**

1034. { **Shri Ravindra Varma:**  
**Shri P. Venkatasubbaiah:**  
**Shrimati Renuka Barkataki:**

Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Atomic Energy Establishment at Trombay has launched the pilot production of a thermo-electric cooler; and

(b) if so, the special features of the cooler and the estimated cost of its production?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) Yes. Prototypes of this type of cooler are ready and production is being planned.

(b) The thermo-electric coolers can be used in a variety of applications; one of the very important applications being the transport of serum, vaccines etc. to remote villages. The cooler can keep half a litre of liquid at least upto O.C. with as little as 12 watts of power i.e. 1/3rd of the power required to light a small electric bulb in the

house. This unit is portable and can work on batteries and the total weight does not exceed 5 kilos. The same unit can be used for heating substances also. The cost of production is estimated at about Rs. 400 for a half litre serum cooler.

A photograph of the cooler developed in the Atomic Energy Establishment, Trombay, with explanatory details, was published in the May 1965 issue of 'Nuclear India', a copy of which is available in the Library of the House.

**Pak Broadcasts regarding Sikhs**

1035. { **Shri Gulshan:**  
**Shri Onkar Lal Berwa:**

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that Pakistan Radio has been broadcasting that Sikhs have revolted against Indian Government during the month of May, 1965;

(b) if so, whether there is any truth in this broadcast; and

(c) what action has been taken by the Government of India to counteract this propaganda?

**The Minister of External Affairs (Shri Swaran Singh):** (a) and (b). Yes, Sir. The Pakistan Radio made this fantastic announcement adding that troops had been called out to quell the uprising. This totally false broadcast shows the Pakistan line of stooping to utterly low levels in their hate India campaign.

(c) Statements made by prominent Sikh leaders refuting this absurd Pakistan propaganda were given wide publicity. Also a spokesman of the Government of India refuted on May 18 this propaganda as being utterly false.

**Pak Raid in Rajasthan**

1036. **Shri Gulshan:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Pakistan army raided some villages in

Rajasthan State and looted property of villagers in May 1965; and

(b) if so, the steps taken to restore them their property?

**The Minister of Defence (Shri Y. B. Chavan):** (a) During the month of May 1965, there were two raids into Rajasthan by Pakistani armed civilians with the active support of the Pakistani Indus Rangers, which is a semi-militarised force. The Pakistani raiders set fire to Indian property worth Rs. 500. They also looted some cash, ornaments and cloth of unassessed value, besides taking away a camel to Pakistan.

(b) Suitable compensation has been demanded from the Government of Pakistan.

#### Broadcasting Facilities in Jodhpur

**1037. Dr. L. M. Singhvi:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether Government have received any representation for augmenting radio broadcasting facilities in Jodhpur;

(b) if so, the main suggestions contained in the representation; and

(c) the reaction of Government thereto?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) Yes, Sir.

(b) (i) A separate radio station of All India Radio be set up at Jodhpur.

(ii) A sector of Indo-Pakistan border could be served from Jodhpur.

(c) Jodhpur is only 150 miles from the border. It is not therefore suitable for the location of a transmitter for border service. However, a proposal to instal a higher power transmitter in Jodhpur under the Fourth Five Year Plan is under consideration.

#### Accidents in Coal Mines

**1038. Shri Krishnapal Singh:** Will the Minister of Labour and Employment be pleased to state:

(a) the number of accidents that have taken place in the various Coal Mines throughout the country during the last two months involving death, injury and loss of property;

(b) the causes thereof; and

(c) the action taken in each case so far?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) In May and June, 1965 there were 29 fatal accidents in which 300 persons were killed including the major accident at Dhori Colliery in May 1965 in which 268 persons lost their lives. There were 460 serious accidents in which 464 persons were injured during the three months April to June, 1965.

(b) A statement showing the cause-wise classification of accidents is as follows:

#### STATEMENT

Sl. No.	Cause of Accident	Number of	
		serious accidents	Number of fatal accidents
		April to June 1965	May-June 1965
1.	Fall of roof	44	16
2.	Fall of side	38	1
3.	Haulage	114	7
4.	In Shafts	4	..
5.	Explosives	7	1
6.	Machinery	18	1
7.	At Railway siding belonging to the mine	5	..
8.	Electrical	..	1
9.	Miscellaneous	230	..
10.	Under Investigation	..	2
TOTAL		460	29

(c) Under section 23(2) of the Mines Act, 1952, an enquiry is required to be made into all accidents causing loss of life. Major "serious acci-

dents" not involving loss of life are also enquired into. Responsibility is fixed in all cases where enquiry is made, and suitable action has been taken in each case against those found responsible (except where it is established that the accident was a case of misadventure only). A statement showing the action taken in each of the 29 fatal accidents is laid on the Table of the House. [Placed in Library. See No. LT-4671/65].

#### Working Hours for Chowkidars of the P & T Department

**1039. Shrimati Renu Chakravartty:** Will the Minister of Communications be pleased to state:

(a) whether it is a fact that under the welfare scheme of Government the working hours of all officials have been restricted to 8 hours including lower officials, work-charged establishment and mazdoors on daily wages;

(b) whether it is also a fact that the Chowkidars of the P & T Department (Civil Engineering Wing) who have been transferred from the C.P.W.D. have to work 17 hours daily and no weekly off is granted to them; and

(c) if so, why and the reasons for not paying them the overtime allowance?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) The working hours of different categories of staff are as under:

- (i) Office staff 7 hrs.
- (ii) Other workers 8 hrs.
- (iii) Office Chowkidars 12 hrs.

(b) Weekly off wherever possible is granted to all workers. If any worker is made to work longer hours, he is governed by overtime rules.

(c) This is not correct. All claims are considered according to the rules.

#### Plan Publicity

**1040. Dr. Mahadeva Prasad:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that the Field Publicity Officers are deputed for Plan Publicity; and

(b) if so, the areas which they have to cover and the duties they have to perform?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) Yes, Sir.

(b) A statement showing the areas covered by various Field Publicity Units is laid on the table of the House. [Placed in Library. See No. LT-4672/65].

The duties of a Field Publicity Officer include direct mass communication to promote publicity for the plan, national unity and emotional integration of the people, and help in generating defence preparedness in the country.

The Field Publicity Officer organises publicity programmes through mobile vans in various parts of the country. Such programmes include the organisation of public meetings, group discussions, seminars, symposia, the exhibition of documentary and other films. Also, the organisation of song and drama programmes and the utilisation of other cultural media, etc.

#### Delhi-Patna Direct Dialling System

**1041.** { **Shri P. R. Chakraverti:**  
**Shri P. C. Borooah:**  
**Shri Ram Harkh Yadav:**  
**Shri Kindar Lal:**  
**Shri Vishwa Nath Pandey:**  
**Shri Yashpal Singh:**

Will the Minister of Communications be pleased to state:

(a) whether the Delhi-Patna direct dialling system for trunk telephones has been completed;

(b) if so, when and at what cost; and

(c) the other cities which are to be so connected by direct dialling system in the last year of the Third Plan?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) Yes.

(b) The service was inaugurated on 20-7-1965. It has been provided for most of the distance on the Delhi-Calcutta coaxial cable. The cost of the switching equipment and the Patna-Sasaram cable link is about Rs. 42 lakhs.

(c) Work in connection with the introduction of direct dialling between the following stations is in progress:

Delhi — Meerut  
 Madras — Bangalore  
 Delhi — Ahmedabad  
 Delhi — Jullundur  
 Delhi—Simla.  
 Delhi — Srinagar.

Some of these may not be completed within this year—the last year of the Third Plan.

#### **Sainik School near Nagpur**

**1042. Dr. M. S. Aney:** Will the Minister of Defence be pleased to state:

(a) whether the attention of Government has been drawn to a Resolution passed by the Nagar Congress Committee of Nagpur in June last urging the State Government to open a Sainik School near Nagpur;

(b) whether the State Government have asked for facilities for opening such a school near Nagpur; and

(c) if so, the reaction of Government thereto?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes.

(b) No.

(c) Does not arise.

#### **Indian Police Personnel in Indian Enclaves in East Pakistan**

**1043. Shri Raghunath Singh:** Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that East Pakistan authorities are not allowing Indian police to take more than 30 rounds of ammunition to Indian enclaves in East Pakistan; and

(b) if so, Government's reaction thereto?

**The Minister of External Affairs (Shri Swaran Singh):** (a) On the 9th July, 1965, Pakistani authorities did not allow a party of 17 Indian officials proceeding to certain Indian enclaves in Dinajpur District through Pakistani checkpoint at Chilahati to carry with them the quantum of ammunition which each of them was carrying. The Pakistani authorities only allowed 30 rounds of ammunition for each instead of 50 rounds each.

(b) On the 14th July, 1965, the Government of West Bengal lodged a protest with the Government of East Pakistan. As a result of this, East Pakistan Government have informed West Bengal Government on 23rd July, 1965, that they would maintain reciprocity in such matters in future.

#### **Garden Reach Workshop, Calcutta**

**1044. Maharajkumar Vijaya Ananda:** Will the Minister of Defence be pleased to state:

(a) how far the ship-building yard of the Garden Reach Workshop has been modernised and expanded;

(b) the total outlay involved; and

(c) when the expansion scheme is likely to be completed?

**The Minister of Defence Production in the Ministry of Defence (Shri A. M. Thomas):** (a) and (b). Facilities for the construction of smaller craft required by the Ports and the Navy have been improved and certain

new equipment has been installed in the Hull Shop at a cost of about Rs. 5 lakhs. Material handling facilities for the block assembly area and alongside the construction slipways are proposed to be improved. The total outlay involved in providing these facilities would be Rs. 18 lakhs, which are expected to become available by March, 1966. There is also a proposal to construct a Dry Dock capable of taking Ocean-Going Vessels upto 12,000 DWT to increase Company's ship repairing capabilities. The capital cost of construction of the Dry Dock is expected to be Rs. 2.5 crores.

(c) Modernisation and expansion of the Garden Reach Workshops is a progressive process but it is hoped that most of the present expansion proposals would be implemented within 2 or 3 years.

#### **Anti-Indian Campaign in Indonesia**

1045. { Shri D. D. Puri:  
Shri Himatsingka:

Will the Minister of External Affairs be pleased to state:

(a) whether Government have taken note of the mounting anti-Indian campaign by the leaders and press in Indonesia;

(b) whether this is likely to affect our diplomatic relations with that country; and

(c) the steps Government propose to take to normalise relations with Indonesia?

**The Minister of External Affairs (Shri Swaran Singh):** (a) The Government of India are aware of the criticism against India which has been appearing in the Indonesian Press. Some Indonesian leaders have also been critical of the Government of India.

(b) and (c). This has not affected diplomatic relations between the two countries. Government of India desire to maintain the friendliest of rela-

tions with Indonesia and are, therefore, sorry to see unjustified critical remarks by leaders of a friendly country. The Government of India has therefore, drawn the attention of the Government of Indonesia to this matter. The Government hope that the friendly relations existing between the two countries will be further strengthened and are continuously working towards this end.

#### **Consumer Stores in Mills**

1046. **Shri Himatsingka:** Will the Minister of Labour and Employment be pleased to state:

(a) the number of mills in the country which have set up Consumers' Stores during 1964-65; and

(b) the number of workers taking advantage of them?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) 2204 consumers' cooperative stores and fair price shops (1691 consumers' cooperative stores 513 fair price shops) are now functioning in 3683 industrial establishment in the country employing 300 or more workers. In addition there are 129 branch stores. Figures are not available for mills as distinct from other industrial establishments.

(b) The cooperative stores are set up for the benefit of all the workers in the establishment. The figures of those actually purchasing their requirements would vary from time to time and from stores to store, the details of which are difficult to obtain, and would be considerably larger than the figures of membership.

### **Buchungaih Colliery**

**1047. Shri Mohammad Elias:** Will the Minister of Labour and Employment be pleased to state:

(a) whether any accident took place at the Buchungaih Colliery (N.C.D.C.), Bihar in May, 1965;

(b) if so, the number of persons killed or injured in the accident;

(c) whether any enquiry has been conducted to find out the causes of the accident;

(d) if so, the findings thereof; and

(e) whether the report of the enquiry will be placed on the Table of the House?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) No; the mine has long since been closed.

(b) to (e). Do not arise.

### **New Ghusik Colliery**

**1048. Shri Mohammad Elias:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the award of the Central Government Industrial Tribunal, Calcutta dated 13th March, 1965 (No. 48 of 1964) relating to New Ghusik Colliery has been implemented; and

(b) whether the workman concerned has been reinstated and his back wages paid in full?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Yes.

(b) Yes.

### **Accident in New Dagoria Colliery**

**1049. Shri Mohammad Elias:** Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that certain sections of the Kalipahari Colliery and New Dagoria Colliery (West

Bengal) were closed by the order of the Department of Mines in May and June, 1965;

(b) if so, the reasons therefor;

(c) whether the managements of these collieries have been found guilty of violation of the Mines Rules and Regulations; and

(d) whether the workmen have been paid lay-off or provided with alternate jobs?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Some sections of Kalipahari Colliery were closed in June, 1965 and two quarries of New Damagoria Colliery were asked to stop work in April, 1965 by the Mines Inspectorate.

(b) Closure of certain sections of Kalipahari Colliery was due to inadequacy of ventilation and non-provision of requisite measures to deal with hazards from coal dust. The two quarries in New Damagoria Colliery were asked to stop work owing to unsatisfactory conditions.

(c) Yes; Kalipahari Colliery had contravened the provisions of Regulations 130 and 136 of the Coal Mines Regulations, 1957. In the case of New Damagoria Colliery the contravention was of the provisions of sub-clause (3) of Regulation 98 of the Coal Mines Regulations, 1957.

(d) Alternative employment was provided to some persons and where alternative employment could not be provided lay-off wages were paid, except to a few who did not turn up to collect their wages.

### **Territorial Army**

**1050. Shri Narendra Singh Mahida:** Will the Minister of Defence be pleased to state:

(a) whether the Territorial Army was disembodied on the 31st March, 1965 in spite of the Emergency;

(b) whether officers have been relieved and they have taken up civil appointments;

(c) whether any review of the needs of the Territorial Army has been carried out and if so, with what result;

(d) whether Regular Army officers have been retained in the Territorial Army;

(e) whether the Territorial Army officers are given independent command; and

(f) if not, the reasons therefor?

**The Minister of Defence (Shri Y. B. Chavan):** (a) The Territorial Army is a voluntary citizens' part-time force whose units are embodied on an as required basis to supplement the regular Army in the time of a grave national Emergency. Accordingly, a number of units were embodied at the time of Chinese aggression in 1962. They were disembodied as and when their requirement ceased to exist, and the final batch was disembodied on 31st March, 1965.

(b) The Territorial Army being a part-time force, its officers and other ranks, naturally, reverted to their civil vacation on disembodiment.

(c) Yes, Sir. Steps are being taken to remove the weaknesses observed in Territorial Army and to increase its efficiency.

(d) In Territorial Army units, certain staff including a few officers are appointed for administration and training of Territorial Army officers and other Ranks who report for training every year. In the interest of efficiency of the Territorial Army units, it has been provided in the Regulations that regular Army personnel may be posted to these units for this purpose.

(e) and (f). Subject to their suitability, there is no bar to Territorial Army officers being given independent command of Territorial Army units.

1035 (Ai) LSD—4.

### International Telegraph Office

**1051. Shri Kapur Singh:** Will the Minister of Communications be pleased to state:

(a) whether Government are aware that a Press Conference was held by Master Tara Singh on the 2nd August, 1965 in the Imperial Hotel, New Delhi;

(b) if so, whether it is a fact that foreign Correspondents for the Pakistani Press were refused the facilities of the International Telegraph Office to transmit an account of the Conference to their papers; and

(c) if so, the reasons therefor?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) Yes, Sir.

(b) No such incidence has been reported. Normally telegrams for foreign countries except, our neighbours like Ceylon, Nepal & Pakistan as are worked through the Overseas Communications Service and other connecting Administrations and booked at international rates, are accepted at the International Telegraph office. Telegrams for adjoining countries like Pakistan, Nepal and Ceylon which are directly worked by the P&T and accepted at lower inland rates of tariff, are booked by other telegraph offices, than I.T.O. Some press telegrams containing accounts of the conference were however booked by correspondents of Pakistani Press at the C.T.O., New Delhi which is very close to the Imperial Hotel, on 2nd August, 1965.

(c) Does not arise.

### Press Information Bureau

**1052. Shri S. M. Banerjee:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that an Officer of the Press Information Bureau distributed copies of a document supposed to be an agreed code of conduct made by different factions

of the Punjab Congress to the news-men at a Press Conference held by the Union Home Minister at Chandigarh on the 7th July, 1965;

(b) whether this is allowed under the rules; and

(c) if not, the action taken against the Officer?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) No, Sir.

(b) and (c). Do not arise.

**तार**

1053. { श्री मधु लिमये :  
श्री रामसेवक यादव :

क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या तारों के वितरण में लिम्बव होने की शिकायत अब भी आ रही है ; और

(ख) यदि हां, तो स्थिति को सुधारने के लिये क्या कार्यवाही की जा रही है ?

**संचार विभाग में उप-मंत्री (श्री भगवती) :**

(क) जी हां, किन्तु उनकी संख्या कम है। 1962-63 के दौरान देश में बुक किए गए तारों की संख्या के अनुपात में शिकायतें 0.15 प्रतिशत थी। 1963-64 के दौरान यह संख्या घटकर 0.12 प्रतिशत रह गई। 1964-65 के आंकड़े अभी इकट्ठे किये जा रहे हैं।

(ख) इस दिशा में उठाए गए विभिन्न कदम का दिग्दर्शक एक विवरणपत्र अलग से नभा-पटल पर रखा जाता है। (पुस्तकालय में रखा गया, देखिये संख्या एल० टी०—4673/65)

**मंत्रियों के भाषण**

1054. { श्री मधु लिमये :  
श्री रामसेवक यादव :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या आकाशवाणी के समाचार बुलेटिनों तथा अन्य कार्यक्रमों में मन्त्रियों के भाषणों और दोरों को अधिक महत्व न देने के सम्बन्ध में कोई निर्णय किया गया है ; और

(ख) यदि हां, तो इसकी मुख्य रूप-रेखा क्या है ?

**सूचना और प्रसारण मंत्री (श्रीमती इंदिरा गांधी):** (क) और (ख). आकाशवाणी के समाचार विभाग को हिदायत दी गई है कि मंत्रियों के भाषणों में जो बातें खबर के लिहाज से महत्व की हों, वे ही समाचार बुलेटिनों और न्यूज़रीलों में ली जाएं। उसको यह भी सलाह दी गई है कि समाचार बुलेटिनों और अन्य कार्यक्रमों में गैर-सरकारी लोगों के विचारों और गतिविधियों को भी उपयुक्त स्थान मिलना चाहिए।

**“तास” और “पी० टी० आई०” के बीच समाचारों का आदान-प्रदान**

1055. { श्री मधु लिमये :  
श्री रामसेवक यादव :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या रूसी समाचार एजेंसी “तास” तथा भारतीय समाचार एजेंसी “पी० टी० आई०” के बीच समाचारों के आदान-प्रदान के सम्बन्ध में रूस सरकार अथवा “तास” की ओर से कोई प्रस्ताव प्राप्त हुआ है ; और

(ख) यदि हां, तो इस बारे में सरकार की क्या प्रतिक्रिया है ?



**सूचना और प्रसारण मंत्री (श्रीमती इंदिरा गांधी) :** (क) और (ख). प्रेस ट्रस्ट आफ इंडिया एक गैर-सरकारी संगठन है, जो सरकार के नियंत्रण में नहीं है। इसलिये प्रेस ट्रस्ट आफ इंडिया और तास के बीच समाचारों के विनिमय का प्रश्न उन दोनों में आपस की बातचीत से ही तै हूना चाहिये। अतः प्रत्यक्षतः सरकार की प्रतिक्रिया का प्रश्न नहीं उठता। पर सरकार समाचारों को लेने देने के लिए भारतीय और विदेशी समाचार एजेंसियों के बीच व्यवस्था का सामान्यतः स्वागत करती है ताकि अधिकाधिक भारतीय समाचार विदेशों में जाएं, और विदेशी समाचार भारत में मिलें।

पता चला है कि तास एजेंसी ने प्रेस ट्रस्ट आफ इंडिया से प्रस्ताव किया है कि वे एक दूसरे के समाचार रेडियों पर सुन कर लिया करें। परन्तु जहां तक हमें मालूम है, अंतिम रूप से कोई फ़ैसला नहीं हुआ है।

**प्रेस ट्रस्ट आफ इंडिया**

1056. { श्री मधु लिमये :  
श्री रामसेवक यादव :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि प्रेस ट्रस्ट आफ इंडिया को केन्द्रीय सरकार की ओर से प्रत्यक्ष या अप्रत्यक्ष रूप से कितनी सहायता दी जाती है ?

**सूचना और प्रसारण मंत्री (श्रीमती इंदिरा गांधी) :** प्रेस ट्रस्ट आफ इंडिया को सहायता के रूप में रुपया नहीं दिया जाता। पत्र सूचना कार्यालय इसे स्वीकृति देता है और समाचार लेने की अन्य सुविधाएं देता है। देश विदेश के समाचारों को एकत्र करने और देने के लिए डाक तार विभाग ने इन वे-तार और टेली प्रिंटर लाइन जैसी कुछ विशेष संचार सुविधाएं दी हैं। आकाशवाणी और

पत्र सूचना कार्यालय प्रेस ट्रस्ट आफ इंडिया से निर्धारित दर पर खबरें लेते हैं।

1965-66 में दी जाने वाली राशि इस प्रकार है :—

आकाशवाणी—11.34 लाख रुपये

पत्र सूचना कार्यालय—12,000 रुपये (टेलीप्रिंटर मशीन के किराए सहित) इनके अतिरिक्त, विदेश मंत्रालय आदि कुछ मंत्रालय भी प्रेस ट्रस्ट आफ इंडिया से खबरें लेते हैं।

पार्लियामेंट स्ट्रीट में अपनी जमीन पर इमारत बनाने के लिए ऋण के वास्ते प्रेस ट्रस्ट आफ इंडिया की प्रार्थना पर सरकार विचार कर रही है।

**अन्तर्राष्ट्रीय अणु शक्ति आयोग के अधीन अणु शक्ति केन्द्र**

{ श्री रामसेवक यादव :  
1057. { श्री मधु लिमये :  
श्री व० बा० गांधी :

क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या बंडवेल केन्द्र के सम्बन्ध में ब्रिटेन की पेशकश सम्बन्धी समाचारों के पश्चात् भारत सरकार को ब्रिटेन अथवा किसी अन्य देश ने सुझाव भेजा है कि भारत को अपने अणु शक्ति केन्द्रों को अन्तर्राष्ट्रीय अणु शक्ति आयोग के अधीन कर देना चाहिये; और

(ख) यदि हां, तो इस सुझाव के बारे में सरकार की क्या प्रतिक्रिया है ?

**प्रधान मंत्री तथा अणु शक्ति मंत्री (श्री लाल बहादुर शास्त्री) :** (क) ब्रिटेन अथवा किसी अन्य देश द्वारा भारत सरकार को ऐसा कोई सुझाव नहीं भेजा गया।

(ख) प्रश्न नहीं उठता।

### Atomic Station at Tarapur

1058. { Shri Ram Sewak:  
Shri P. G. Sen:

Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Kuljian Corporation, an Indo-American firm has been appointed technical consultants for India's first Atomic Station at Tarapur; and

(b) if so, the terms of the agreement executed with this firm?

**The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri):** (a) Yes.

(b) A copy of the agreement is available in the library of the House.

### Enquiry into an accident of N.C.C. Cadets at Dehra Dun

1059. { Shri Ram Sewak:  
Shri P. G. Sen:

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that 14 N.C.C. cadets were injured in an accident at Dehra Dun by the overturning of the Military truck carrying them;

(b) if so, the causes of the accident;

(c) whether any enquiry has been held; and

(d) if so, the result thereof?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, but the number of injured was 29 including the civilian driver of the vehicle.

(b) Over-loading of the vehicle and over-speeding by the driver.

(c) and (d). Yes. The Court of Enquiry has held that the driver of the vehicle was guilty of over-speeding and 4 JCOs were guilty of ineffective supervision in checking over-loading of the vehicle. Further action

on the findings of the Court of Enquiry is in progress.

### Seminar on Agricultural Labour

1060. { Shri D. J. Naik:  
Shri D. S. Patil:  
Shri Tulshidas Jadhav:  
Shri Sidheshwar Prasad:

Will the Minister of Labour and Employment be pleased to state:

(a) whether an All-India Seminar on Agricultural Labour was recently organised in Delhi; and

(b) if so, the main recommendations made by the Seminar?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) Yes.

(b) The Seminar adopted the Reports of its four Committees and the Joint Report of the Chairman of these Committees. A statement showing the main recommendations contained in these reports is placed on the Table of the House. [Placed in Library. See No. LT-4674/65].

### Communications via Satellites

1061. { Shri R. Barua:  
Shri R. S. Pandey:

Will the Minister of Communications be pleased to state:

Will the Minister of Communications

(a) whether it is a fact that the Government of West Germany have made an offer to the Government of India to assist her in the setting up of ground station for communication via satellites in the country; and

(b) if so, whether any agreement has since been signed in the matter?

**The Deputy Minister in the Department of Communications (Shri Bhagavati):** (a) No, Sir.

(b) Does not arise.

**मंगोलिया में भारतीय मिशन**

1062. श्री श्रींकार लाल बेरवा :

क्या वैदेशिक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत का मंगोलिया में अपना मिशन खोलने का विचार है; और

(ख) यदि हां, तो कब ?

**वैदेशिक-कार्य मंत्री (श्री स्वर्ण सिंह) :**

(क) श्री (ख). उलान बटोर में एक रिटायर्ड मिशन खोलने के सवाल पर विचार किया जा रहा है। मास्को-स्थित भारतीय राजदूत साथ ही मंगोलिया लोक गणराज्य में भी प्रत्यायित है।

**नई दिल्ली में थियेटर कम्प्यूनिकेशन बिल्डिंग में स्थित डाकखाने में चोरी**

1063. { श्री श्रींकार लाल बेरवा :  
श्री प० ला० बाबूपाल :  
श्री मोहन स्वरूप :

क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि गत जुलाई में कनाट प्लेस, नई दिल्ली में थियेटर कम्प्यूनिकेशन बिल्डिंग में स्थित डाकखाने की इस्पात की ग्रन्थारियों के ताने टूटे हुए पाये गये ;

(ख) यदि हां, तो चोरी के परिणाम-स्वरूप कितनी हानि हुई; और

(ग) इस सम्बन्ध में कितने व्यक्ति गिरफ्तार किये गये हैं ?

**संचार मंत्रालय में उप-मंत्री (श्री भगवती) :** (क) जी हां। चोरी का 2 अगस्त, 1965 को पता चला, जब कि उप डाकपाल सुबह डाकघर खोलने आये और उन्हें मुख्य दरवाजे में ताला गायब मिला।

(ख) 286 रुपये 90 पैसे नकद और स्टॉक की कुछ दस्तुएं।

(ग) अभी तक कोई गिरफ्तारी नहीं हुई। पुलिस-जांच चल रही है।

**हवाई अड्डों के लिये चेकोस्लोवाकिया से सुरक्षा सम्बन्धी उपकरण की खरीद**

1064. श्री मोहन स्वरूप : क्या रक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार ने देश में हवाई अड्डों की सुरक्षा सुनिश्चित करने के उद्देश्य से चेकोस्लोवाकिया से कुछ सुरक्षा सम्बन्धी उपकरण खरीदने का निश्चय किया है ;

(ख) यदि हां, तो उस पर कितना खर्च होगा ; और

(ग) क्या यह भी सच है कि ऐसे उपकरण बनाने के लिए भारत में कारखाना स्थापित करने के निमित्त चेकोस्लोवाकिया ने सहायता देना स्वीकार किया है ?

**प्रतिरक्षा मंत्रालय में प्रतिरक्षा उत्पादन मंत्री (श्री अ० म० धामस) :** (क) हवाई अड्डों को प्रकाशित करने का साज-सामान के भारत में निर्माण के लिए चेकोस्लोवाकिया से एक समझौता बिछा गया है।

(ख) व्यय उन हवाई अड्डों की संख्या पर निर्भर है कि जिन में वह साज सामान लगाया जाना है, और साजसामान लगाने का काम कुछ समय में हो पायेगा।

(ग) निर्माण वर्तमान फैक्ट्रियों में किया जाएगा। चेकोस्लोवाकिया ने भारत में इस साजसामान के निर्माण के लिए स्थापन कार्य में सहायता देना स्वीकार किया है।

**International Awards for Indian Films**

**1965, Shri D. C. Sharma:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that India has won nine International awards for films this year;

(b) if so, the details of the films which have won the awards; and

(c) the steps taken or proposed to be taken to raise the standard of films in the country?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) Yes, Sir. India has won nine International awards for films this year.

(b) A list of films which have won awards so far during this year is placed on Table of the House. [Placed in Library. See No. LT-4675/65].

(c) The following steps have inter-alia been taken by Government to improve the standard of films:—

- (1) State Awards have been instituted for the best films in various categories viz., feature documentary, educational and children's films;
- (2) Grant-in-aid is given annually to the Children's Film Society, a body set up under the Societies Registration Act, for the production of films specially suited to children;
- (3) A Film Finance Corporation has been set up to grant loans for the production of good films;
- (4) The Film Institute of India has been set up to give training in various technical aspects of film making;
- (5) The Government have exempted upto 8 films imported annually by the Federation

of Film Societies and the University Film Council from payment of customs duty. The former has been sanctioned a grant-in-aid of Rs. 5,000 during the year 1965-66.

**Acquisition of Land in Yol Cantonment (Punjab)**

**1966, Shri Hem Raj:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that during the Second World War, Government had taken on lease the lands of the agriculturists in Yol Cantonment on paltry sums;

(b) whether it is also a fact that Government have now started land acquisition proceedings;

(c) if so, at what stage they stand at present;

(d) whether any representation was made to Government by the Agriculturists for compensation; and

(e) if so, the outcome thereof?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Land measuring 765 acres at Yol in Kangra District was requisitioned during the year 1941-42 for use as Prisoner of War Camp, at an annual recurring compensation of Rs. 2,840.87.

(b) and (c). The land was acquired with effect from February 1964.

(d) and (e). Representations from certain persons were received for payment of recurring compensation and for the cost of acquisition of their lands. The recurring compensation to the affected persons upto the date of acquisition has been paid in full, while the acquisition cost has been placed at the disposal of the civil authorities for disbursement to the owners.

**Invitation cards issued for Independence Day Celebration**

1068. { Shri Daljit Singh:  
Shri Chuni Lal:  
Shri Sadhu Ram:

Will the Minister of Defence be pleased to state:

(a) the total number of invitation cards issued for the Independence Day Ceremony at the Red Fort on the 15th August, 1965 to the various categories of the invitees; and

(b) whether seating arrangements were adequate enough to accommodate all the invitees?

**The Minister of Defence (Shri Y. B. Chavan):** (a) 9519.

- |  |      |
|--|------|
| (i) Ministers, Members of Planning Commission and other dignitaries.   | 122  |
| (ii) Members of Parliament, Councillors of Delhi Municipal Corporation, relations, guests and friends of Ministers and Members of Parliament | 1731 |
| (iii) Diplomates   | 280  |
| (iv) Civil and Military Officers   | 2289 |
| (v) Representatives of the Press and Publicity Organisations.  | 447  |
| (vi) Others  | 4650 |

(b) The seating arrangement was adequate to accommodate the invitees who attended the ceremony.

**Indian Delegation to Geneva Disarmament Conference**

1069. { Shri P. C. Borooah:  
Shri Raghunath Singh:  
Shri R. Barua:

Will the Minister of External Affairs be pleased to refer to the reply given to Starred Question No. 13 on the 16th August, 1965 and state:

(a) the proposals made by the Indian delegation to the Disarmament Conference held recently in Geneva

to deplore the nuclear weapon tests; and

(b) what was the general reaction of the Conference thereto?

**The Minister of External Affairs (Shri Swaran Singh):** (a) At the recent meetings of the Eighteen Nation Disarmament Committee in Geneva, the Indian delegation has persisted in its efforts to secure a complete prohibition of all nuclear weapons tests. India has proposed the extension of the treaty to cover underground tests and called for the discontinuance of all such tests pending such extension.

(b) There is considerable support for the move to prohibit all nuclear weapons tests. There have, however, been certain differences between the Western powers and the Soviet bloc countries on the extension of the Test Ban Treaty to cover underground tests. This question is still under consideration by the Eighteen Nation Disarmament Committee.

**Indian Films Week in U.S.S.R.**

1070. **Shrimati Maimoona Sultan:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that the Soviet Union proposed to hold an Indian Film Week in the Soviet Union in August this year;

(b) if so, whether the proposal materialised;

(c) which of the Indian films were exhibited thereat;

(d) the basis on which these films were selected; and

(e) the films which were found most popular in that country?

**The Minister of Information and Broadcasting (Shrimati Indira Gandhi):** (a) to (e). It has been decided to organise a Festival of Indian films in the Soviet Union during 1965-66 under the Cultural Exchange Programme between India and USSR. It is proposed to hold the festival in October, 1965. The details are being

worked out in consultation with the Government of USSR and the Indian film industry.

12 hrs.

# RE: MOTIONS FOR ADJOURNMENT AND CALLING ATTENTION NOTICES

## FOOD SITUATION IN IMPHAL AND THE FIRING THERE

**Mr. Speaker:** I have received six notices of adjournment motions, by Shri Bagri, Shri S. M. Banerjee, Shri Madhu Limaye, Shri Bade, Shrimati Renu Chakravartty and Shri Kishen Pattanayak, and Calling Attention notices from Shri S. M. Banerjee, Shri Daji, Shri Bagri, Shri Vasudevan Nair, Shri Warior, Shri Surendra Pal Singh, Shri Swell, Shri Hem Barua, Shri Surendranath Dwivedy, Shri S. T. Singh, Shri Kishen Pattanayak, Shri Ram Sewak Yadav, Shri Madhu Limaye, Shri Yash Pal Singh and Shri Bade.

This is about the food situation in Imphal and the firing there. Shri Bagri's is the first name.

श्री बागड़ी, क्या आप बतला सकते हैं कि गवर्नमेंट की कौन सी असफलता है जिसके लिये आप चाहते हैं कि इस ऐडजर्नमेंट मोशन को ऐडमिट किया जाये।

**श्री बागड़ी (हिमार) :** दरअसल वहाँ पर जो खाली स्थिति है वह इतनी गम्भीर हो चुकी है कि लोगों को पेट भर रोटी नहीं मिली। उन्होंने बार बार मांगा कि हमें रोटी मिले। न वहाँ पर खाद्यान्नों के भाव बंध सके और न जो सरकारी दुकानें थीं उन से बंधी कीमत पर उन्हें अनाज मिल सका। बल्कि ऐसी परिस्थिति उस इलाके में हो गई कि खराब और गन्दा चावल भी 50 और 60 रु० मनु तक मिल रहा था। ऐसी परिस्थिति के अन्दर तमाम इलाके में लोग भूखों मरने लगे और उन्होंने रोटी का सवाल उठाया। वह इलाका केन्द्रीय शासन के तहत है, खास तौर

पर मणिपुर। जब नागा लोगों ने वहाँ पर कर्मचारियों से अपनी रोटी की बात कहना चाहा तो वहाँ पर जो केन्द्रीय सरकार के प्रतिनिधि बैठे थे उन से मिले भी नहीं क्योंकि वह रोटी का मतला हल करने में फेल हुए और उन्होंने रोटी के सवाल का जवाब गोलियों से दिया। अभी तक वहाँ खाली स्थिति इतनी गम्भीर है कि अगर उसका इलाज नहीं सोचा गया और फौरी तौर पर उसका इलाज सरकार ने नहीं किया तो आग और फैलेगी और ऐडमिनिस्ट्रेशन बँट जायेगा।

**Shri Bade (Khargone):** I want to support him.

**अध्यक्ष महोदय :** श्री बागड़ी इस के बारे में कह चुके हैं।

**Shri Bade:** He has forgotten to give two more grounds.

**Mr. Speaker:** No.

**The Minister of Home Affairs (Shri Nanda):** I do not find any ground whatever, any point of substance at all, in support of a motion of this kind, and if I am asked to explain, I am prepared to do so.

**Mr. Speaker:** He says about failure.

**Shri Nanda:** There has been no failure at all, so far as the supply to that area is concerned.

**श्री मधु लिमये (मुंगेर) :** सारा देश खत्म हो जायेगा तब भी सरकार असफलता नहीं मानेगी।

**Mr. Speaker:** The only failure that he has pointed out is the failure of the Government to provide sufficient quantities of foodgrains resulting in all these difficulties and subsequent firing and all that.

**Shri Nanda:** No, that is not a fact. I can give, if I am required to do, now or later on, figures about the food situation, and I think that they have been fairly well supplied, and there should not have been any kind of difficulty at all.

**Shri S. M. Banerjee** (Kanpur): Let the Food Minister say.

**Shrimati Renu Chakravartty** (Barackpore): The price of rice in Manipur is Rs. 40 to Rs. 50 a maund.

**Mr. Speaker:** The hon. Member should listen.

**Shrimati Renu Chakravartty:** He must make a statement about the food situation there.

**Shri Nanda:** I am prepared to make a statement. When a Member asks for answers to questions and I am answering even on behalf of another Minister, she is not prepared to listen. It is said that the Government should be prepared to deal with any question; I am prepared to answer questions regarding food but the hon. Member says: the Food Minister should be called in.

**Mr. Speaker:** Is the hon. Minister prepared to make that statement now?

**Shri Nanda:** So far as food is concerned, I have got some information with me but if it is required that I should or the Food Minister should give full statement, in a few hours it could be done.

**Mr. Speaker:** Should I keep it at a later time for the Food Minister?

**Shri Nanda:** I will consult the Food Minister also; it may be done tomorrow.

**Shri S. M. Banerjee:** On the basis of the calling attention notices, some time is allowed; let the calling attention notice be moved and let the Minister make a reply for that.

**Shrimati Renu Chakravartty:** It is an adjournment motion; you have taken up the adjournment motion and why is he raising the question of calling attention notice?

**Mr. Speaker:** Instead of the lady Member asking me, she should ask him. Is it the desire that I should take it up tomorrow morning?

**Some hon. Members:** Yes.

**Mr. Speaker:** I will take that up tomorrow morning. The hon. Home Minister had to reply and give that statement about Sant Fateh Singh's fast. He has asked that more time be given to him. I will give him that time. When can I expect him?

**Shri Nanda:** I shall communicate to you, Sir.

**श्री जगदेव सिंह सिद्धान्ती** (झंझर) : अध्यक्ष महोदय, पंजाबी सूबा के बारे में मैं नहीं सुना कि मंत्री महोदय ने क्या कहा।

**अध्यक्ष महोदय :** उन्होंने कहा कि वह कुछ और बतलाते हैं और कब लिया जाये इस की इत्तला वह दे देंगे।

**श्री बागड़ी :** हालत बिगड़ रही है। इसमें जल्दी करना चाहिये।

**अध्यक्ष महोदय :** मैं पूछ लूंगा वह कब बयान देंगे।

**एक माननीय सदस्य :** जल्दी होनी चाहिये।

**श्री बूटा सिंह** (मोगा) : गृह मंत्री आज बयान दें।

**अध्यक्ष महोदय :** अगर माननीय मंत्री कोई बात कर रहे हैं और सोच रहे हैं कि क्या किया जाये तो सदस्य लोग क्यों चाहते हैं कि इन्हीं बत बयान दिया जाए। उस से किसी को फायदा नहीं होगा।

**श्री बागड़ी :** लेकिन उन्होंने यह नहीं बतलाया कि वह क्या सोच रहे हैं। वह गफलत की बिना पर बयान नहीं दे रहे हैं।

**अध्यक्ष महोदय :** गफलत की बिना पर वह ऐसा नहीं कर रहे हैं।

**श्री बागड़ी :** आप उन्हें बचा रहे हैं।

12.09 hrs.

# PAPERS LAID ON THE TABLE

## ANNUAL REPORT OF CENTRAL VIGILANCE COMMISSION

**The Minister of Home Affairs (Shri Nanda):** Sir, I beg to lay on the Table a copy of the First Annual Report of the Central Vigilance Commission. [Placed in Library. See No. LT-4664/65].

## NOTIFICATION UNDER INDUSTRIAL DISPUTES ACT

**The Minister of Labour and Employment (Shri D. Sanjivayya):** Sir, I beg to lay on the Table, under sub-section (3) of section 40 of the Industrial Disputes Act, 1947, a copy of Notification No. S.O. 2193 dated the 10th July, 1965, adding certain items to the First Schedule to the said Act. [Placed in Library. See No. LT-4665/65].

12.10 hrs.

# RE: BREACH OF RULES

## INTIMATION re: RELEASE OF MEMBERS

**Mr. Speaker:** There was a notice received about which I have decided that though it was not a breach of privilege, it was a breach of rules and I had asked the hon. Home Minister to ask the Magistrate why he has not been able to give information about the release of Mr. Bagri and Mr. Kishen Pattnayak.

I have to inform the House that I have received the following communication, dated the 27th August, 1965, from the Sub-Divisional Magistrate, New Delhi:—

"I have the honour to inform you that Shri Mani Ram Bagri, Member, Lok Sabha, who was detained on the 16th August, 1965, in a case under section 107/151, Criminal Procedure Code was released on bail on the 21st August, 1965. The next date of hearing fixed in the case is 1st September, 1965.

With your permission, Sir, I would like to explain that intimation about his release on bail was not submitted earlier under the impression that the Third Schedule appended to the Rules of Procedure did not provide for such intimation to be submitted prior to the conviction of the Member. I was under the impression that none of the forms A, B and C prescribed in the Third Schedule covered this case. However, as a doubt has arisen about this matter, I have decided to submit the above information with my apologies in case delayed submission has caused any inconvenience in any quarters."

I have received a similar communication in respect of Shri Kishen Pattnayak also.

So far as these forms are concerned, I will get them examined. If there is some flaw there, I shall get that remedied.

**Shri Hari Vishnu Kamath (Hosangabad):** Mention was made about the third schedule. Third Schedule to what, Sir?

**Mr. Speaker:** Of the rules.

**Shri Hari Vishnu Kamath:** Which rules?

**Mr. Speaker:** Our rules.

12.12 hrs.

# COMMITTEE OF PRIVILEGES

## SECOND REPORT

**Shri Krishnamoorthy Rao (Shimoga):** I beg to lay on the Table the Second Report of the Committee of Privileges.



12.12½ hrs.

STATEMENT RE. SITUATION IN  
KASHMIR

**The Minister of Defence (Shri Y. B. Chavan):** Mr. Speaker, Sir, I would like to inform the hon. Members that on 26th August our Army units crossed the cease-fire line south of Uri to clear up all raiders established in the area of the bulge made by the cease-fire line. It was from these bases that Pakistani infiltrators had moved towards Gulmarg and the Kashmir valley and it was from these bases that they were being supplied. The bases had been well protected by Pakistani troops and reliable information had been received that large bands of raiders were concentrated here for future infiltration.

These cleaning up operations undertaken by the army have met with complete success and our units are now in occupation of the Hajipir Pass which is the main route through which these raiders have been moving. In the course of these operations, our troops have also captured the important feature of Bedore and a number of other posts. The Hajipir Pass is five miles south of the cease-fire line as the crow flies but a considerable distance longer by tracks as the country is high, mountainous and difficult. In these operations we have captured substantial quantities of arms, ammunition and equipment, designed to supply the raiders as well as to defend the area. Casualties of our own troops have been light and details of casualties of PAK forces are still being received.

I am sure that the hon. Members will join me in congratulating the troops and units which took part in these very difficult but well-planned and well-conceived operations.

12.14 hrs.

## FINANCE (No. 2) BILL, 1965

**The Minister of Finance (Shri T. T. Krishnamachari):** Sir, I beg to \*move:

"That the Bill further to amend certain laws relating to direct taxes, to provide for voluntary disclosure of income, to increase or modify duties of customs on certain goods imported into India and to increase or modify and to impose duties of excise on certain goods produced or manufactured in India be taken into consideration."

Sir, in my speech introducing the Bill I had explained the background in which these proposals have become necessary and also outlined the main features of its important provisions. The Explanatory Memorandum which has been distributed to hon. Members explains the details of these provisions... (Interruption).

**Mr. Speaker:** Order, order. Those who want to go may quietly walk away.

**Shri T. T. Krishnamachari:** In the field of direct taxes, the provisions of the Bill are mostly in the direction of giving reliefs and exemptions, some of which had been announced by me in this House during the last session. These are primarily designed to encourage investments by individuals in small savings schemes, to facilitate expansion of industry during the Fourth Plan period and to bring about a greater utilisation of indigenous equipment for such expansion. A new scheme for voluntary disclosure of income has also been provided for in the Bill with the objective of quickening the process of bringing out unaccounted income for the greater benefit of the the economy. Some of the provisions are intended to afford relief from hardship. I shall now refer to some of the more important of these provisions.

Hon. Members will recall that the provisions in the income-tax Act relating to allowance of development rebate in respect of new machinery or plant installed for the purpose of the business were recently revised on the principle of selective support to certain basic industries and a higher rate

\*Moved with the recommendation of the President.

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of rebate of 25 per cent was provided in respect of machinery or plant installed after 31st March 1965 in certain priority industries. With a view to giving further encouragement for expansion of capacity in such industries and achieving import substitution in a greater measure, I propose to increase from 25 per cent to 35 per cent the rate of development rebate in respect of machinery or plant installed in such industries during the five-year period from 1st April, 1965 to 31st March, 1970. This increase will also offset to some extent the effect on industry of the proposed increase in the import duty on machinery and equipment. Coal and lignite are also proposed to be added to the list of articles relating to priority industries, so that machinery or plant installed for coal mining, which is already entitled to development rebate at the rate of 35 per cent for a temporary period which is due to expire on 31st March, 1966, will continue to qualify for development rebate at the same rate along with machinery installed in other priority industries upto 31st March, 1970. Simultaneously with this increase in the preferential rate of development rebate, the period of operation of the general rate of development rebate of 20 per cent is also proposed to be extended upto 31st March, 1970, after which date the lower general rate of 15 per cent will come into effect.

The Income-tax Act provides in the case of an industrial undertaking newly set up in India an exemption from tax for a specified period on its profits to the extent of 6 per cent of the capital employed in the undertaking. The period of exemption in the case of an industrial undertaking owned by a co-operative society is seven years and in other cases, it is five years. The provision as it stands now is applicable to an industrial undertaking which begins to manufacture or produce articles in India at any time during the 18-year period from 1st April, 1948 to 31st March, 1966. It is now proposed to

make this tax-holiday concession available to industrial undertakings going into production at any time during the five-year period from 1st April, 1966 to 31st March, 1971. This is meant to provide an incentive for the establishment of new industrial undertakings and installation of fresh capacity in existing undertakings during the Fourth Plan period.

A scheme for the grant of tax credit certificates in relation of export of selected commodities has already been notified by Government in implementation of the provision made in this matter, in the Income-tax Act by the previous Finance Act. Under the existing provisions of the law, the amount for which a tax credit certificate is granted is to be adjusted against the tax liabilities of the recipient and any excess that remains after adjustment towards such liabilities becomes payable to him in cash after a period of 12 months from the date of production of the tax credit certificate before the Income-tax Officer. However, as in the case of exporters, the delay of 12 months may give rise to a ways-and-means problem, it is proposed to eliminate this waiting period. Under the proposed provision, the amount of the certificate will be adjusted only against the existing tax liability, if any of the exporter on the date of production of the certificate before the Income-tax Officer and the balance of such amount will be payable to the exporter forthwith.

The problem of unaccounted money and its harmful effect on the economy and society have been under constant review of the Government. It has been the Government's endeavour to devise better and more effective measures to bring such money into the open by way of strengthening the machinery for detection and also of facilitating voluntary disclosures by persons who desire to take to the path of civic responsibility. The Bill accordingly incorporates a new scheme for voluntary declaration of income which has not already been disclosed before the income-tax authorities

nor detected by them. The new scheme, which will remain open upto 31st March, 1966, differs in several respects from the scheme contained in the Finance Act, 1965, which was in operation for a period of three months upto 31st May, 1965. Under the new scheme, tax will be charged on the disclosed income (as reduced by any amount which is already detected or is deemed to have been detected by the Income-tax Officer before the date of the declaration) taken as a single block at the rates prescribed by the Finance Act, 1965, for personal income or corporate income, as the case may be. For the purpose of levy of surcharge, such income will be treated as earned income.

As unaccounted money may, in many cases, be locked up in investments which are not readily realisable, the scheme provides due facilities for payment of the tax in instalments over a period not exceeding four years as against six months in the earlier scheme. Instalments will, however, be allowed only if not less than 10 per cent of the tax due is paid within the time allowed, that is, within 35 days of the demand, and proper security is furnished for the payment of the balance. Simple interest at 6 per cent per annum will be chargeable on the outstanding tax in the same manner as it is chargeable on arrears of tax under the Income-tax Act.

I would mention that income which has been detected or is deemed to have been detected on the basis of materials available before the date of declaration under the scheme will be charged to tax in the usual manner under the Income-tax Act and not under this scheme. Such income will be determined by the Commissioner within 30 days of the declaration. The declarant will have the right of appealing to the Central Board of Direct Taxes against the Commissioner's order. I need hardly emphasise that searches and seizures will also continue.

Provisions already exist in the Income-tax Act enabling the Central Government to enter into an agreement with the Government of a foreign country for relief from or avoidance of double taxation of income. However, an agreement under these provisions can cover only income-tax. Now that we have a surtax on company profits in addition to income-tax, it is necessary to make a provision enabling the Central Government to enter into similar agreements in relation to surtax. The Companies (Profits) Surtax Act, 1964, is proposed to be amended for this purpose.

The rest of the amendments proposed to the direct taxes enactments relate, *inter alia*, to the exemption of the commuted value of pension from tax (subject to certain limits in the case of private employees); exemption of persons, other than Government employees, resident in Ladakh from tax on their income from sources in Ladakh and outside India for the period up to the assessment year 1969-70; exemption of professional associations or institutions like the Bar Councils, approved in this behalf by the Central Government, from income-tax on their income other than income from house property or investments or fees for specific services; the waiver or reduction of the minimum penalty imposable under the Wealth-tax in the case of voluntary disclosures of wealth and immunity from prosecution in such cases; exclusion of a wholly or mainly religious purpose from the scope of charitable purpose for the purposes of rebate of income-tax and exemption from gift tax and estate duty in respect of donations, gifts, etc., for a charitable purpose; and increase in the rate of simple interest on delayed payments of tax and that payable by Government on delayed refunds under the Wealth-tax Act and Gift-tax Act from 4 per cent to 6 per cent per annum on the same lines as the provisions in the Income-tax Act.

I turn now to the proposals regarding import duties. These have

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been framed to secure revenue and rationalise the tariff.

The interest of the public is focused mainly on the increased duties on machinery. It seems to me that this is the area in which import substitution will be of the greatest benefit to the economy in the years to come. We cannot have self-sustaining growth unless our growing requirements of machinery are met to an increasing extent from domestic production. Till now the duties on many items of machinery were actually lower than the duties on basic materials. Under such conditions, the machine building industries cannot flourish. It is only in under-developed countries which import all the machinery that they need that an import duty structure of that sort can make sense. We are, I am glad to say, long past that stage. In the developed countries sophisticated items of equipment are charged to duty at higher rates than raw materials in order that the capital goods industries which are the foundations of industrial progress may grow. We cannot at this time go so far, but the measures that I have presented are based on a recognition of the significant progress that we have so far achieved under the three Plans.

It may be argued that import control can secure import substitution. As our industrial structure, particularly in the engineering field, becomes more and more complex, the effectiveness of the import control as a means of securing rational import substitution diminishes. In any case, I do not see why we should not use fiscal policy in addition to promote our policy of developing the machine building industries. I should like to be able to give industries greater freedom than at present to choose which items to import and which to make at home, on the basis of import tariff which provides the legitimate protection which domestic industry deserves.

I should like particularly to invite the attention of the House to the new item in the import tariff under which equipment needed for setting up new projects or undertaking expansions in selected fields will be assessed. Not only complete equipments but also the components and raw materials needed to fabricate equipment for the project can be imported under this item. Too often in the past equipment has been imported when idle capacity has existed at home for manufacture of the equipment, simply because the rate of duty on the finished machinery has been lower. A general increase in the rate of duty on machinery will by itself surely discourage this practice. The introduction of the new tariff item is a further means of serving this objective, apart from removing the administrative delays and difficulties resulting from individual assessment of each consignment of equipment for a project.

I am aware that the rise in costs of equipment will cause difficulties, particularly for the firms which have projects in hand and for which financing arrangements had been completed on the basis of the old rates of duty. The financial institutions will give sympathetic consideration to cases of hardship of this kind, having regard to the priority of the industry concerned. The increases in development rebate, to which I have referred, will also be, I believe, of considerable help, and will be available both on indigenous and imported equipment. The advantage is greater, so far as the unit is concerned, if a large part of the equipments are made indigenously.

In steel, as in machine building, import substitution is of vital importance for our economic development. I see nothing wrong in helping this process through higher import duties. It may be that the higher duties will also be of some help to us in simplifying the system of controls. Some

months ago a number of categories of steel were de-controlled and the other day Government announced the de-control of pig iron. If we can secure adequate additional supplies of flat products, particularly of the categories important for our investment programme, we may be able to allow the basic industries using steel to secure their supplies without being hampered by a system of allocations.

The high priority which we attach to agriculture has been indicated in the structure of the new tariff. Sulphur, which was charged to duty at 10 per cent., is now free. Rates for agricultural equipment will be 15 per cent. as against the general effective machinery rate of 35 per cent. I shall deal later with the changes in the excise duties; but in the context of assistance to agriculture I must mention the exemption proposed from excise duty on stationary diesel engines of 10 HP or less.

The House will have noted that machinery and metals provide the bulk of the additional revenue from import duties. In the case of chemicals, the increase involved is relatively small, as the rates were mainly 55 per cent. inclusive of surcharge, and the increase proposed is to 60 per cent. Nor are the variations in duties on other categories of imports very substantial, keeping the simultaneous withdrawal of the surcharge in view.

The major simplification of the tariff is, however, an important feature of these proposals which I would specially commend to the House. We have to attempt to secure greater simplicity and rationality in our tax structure so that it may be an enduring one. In the budget that I presented last February, the structure of personal income taxation was sought to be simplified. In this budget the import tariff is rationalised. There is unfinished work of this

kind in the field, among others, of corporate taxation, and if I have the privilege of continuing to be in charge of the country's finances, it will be my endeavour to bring further measures for simplification for the approval of Parliament.

Sir, in regard to excise duties, the main increase in revenue is from petroleum products. The effect has been not only to raise revenue but to move towards a more rational structure. We are helping agriculture by reducing the rate of duty on light diesel oil, and stimulating the consumption of the lower grade coal by raising taxes on furnace oil. The price of high speed diesel oil, which is in short supply, will rise more than that of motor spirit. The increase in the duty on superior kerosene is unavoidable to prevent evasion but the duty on inferior kerosene is not proposed to be raised.

In the Finance (No. 2) Bill, 1965 there has been an unfortunate printing error in sub-clause (d) of clause 26. I shall make a statement about this error before long.

Moderate increases have been proposed in the rates of duty on steel, particularly on flat products which are in short supply. As for non-ferrous metals, the specific rates proposed are of the order of 40 per cent. of what might be regarded as normal c.i.f. prices. The House is aware that import prices for these items fluctuate considerably and it is best to charge specific rates of duty.

In conclusion, Sir, I shall briefly recapitulate the justification for this Budget. Additional revenue is needed in the current year if inflationary financing is to be avoided. Further developments in relation to our security during the few days since I presented the Budget to this House underlines the need for mobilisation of further resources without loss of time. We have to raise resources for the Plan; we must show that the

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hopes entertained in some quarters that aggression against us will lead us to give up economic growth will not be fulfilled. We have to create the right framework within which import substitution and export promotion will be vigorously pursued. As I told the House the other day when intervening in the debate on the No-Confidence Motion, I do not mean by import substitution the reduction of imports; on the contrary, I hope that larger exports and assistance will result in growing imports. What I look for is a sustained and intensified effort to use our own resources to the full so that the imports that come in can be used to the best advantage.

Sir, if I may be permitted, I would like to make the statement that I referred to. In the Finance (No. 2) Bill, 1965, there has been an unfortunate printing error in sub-clause (d) of clause 26. Whereas the amendment proposed in the sub-clause should have read as "Ninety rupees per metric tonne", the entry in the authenticated copy reads as "Eighty rupees per metric tonne". The word "Eighty" is an obvious printing error for the word "Ninety". This error had crept into the final print of the Finance Bill, whereas in all the proof copies including the final proof the entry was correctly worded. This would be borne out by the proposed rate of duty shown against serial No. 4 on page 17 of the Memorandum explaining the provisions of the Bill, as also by the relevant passage in my speech made while introducing the Bill, where I had stated that "the duty on 'light diesel oil' is being reduced by about Rs. 125 per tonne".

Further, the amendment in the sub-clause proposes a reduction in the existing rate of duty on 'Light Diesel Oil' and, therefore, the declaration made under the Provisional Collection of Taxes Act does not apply to it as such a declaration had effect only in

respect of those provisions which either impose or increase a duty of customs or excise. The amendment will, therefore, become effective only after the Bill as passed by the Parliament is assented to by the President. In the meantime, however, the duty on 'Light Diesel Oil' has been effectively reduced by an executive notification to ninety rupees per metric tonne, at which rate all the customs and excise formations are currently charging duty on this product. Correction of the printing error from "Eighty rupees" to "Ninety rupees" will, therefore, not have any adverse consequences either to the Government or to the Oil Companies. In these circumstances, I could have proposed that the printing mistake be corrected by a corrigendum, but this being a Money Bill, I shall move a formal amendment of the entry in the sub-clause at the appropriate time.

It is in the light of these considerations that I mentioned before that the detailed proposals which I have presented must be examined by the House. I move.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend certain laws relating to direct taxes, to provide for voluntary disclosure of income, to increase or modify duties of customs on certain goods imported into India and to increase or modify and to impose duties of excise on certain goods produced or manufactured in India, be taken into consideration."

11 hours have been allotted for all the stages of the Bill. I would like to know the views of the House on the break-up of the time allotted for this Bill.

**Shri M. R. Masani (Rajkot):** May I suggest 7 hours for the general discussion, 3 hours for clause-by-clause consideration and 1 hour for the third reading of the Bill?

**Mr. Speaker:** Will an hour be sufficient for the third reading?

**Shri M. R. Masani:** I think so.

**Mr. Speaker:** All right. Then we have:

Third Reading—One hour.

General Discussion—Seven hours.

Clause-by-clause Consideration—Three hours.

As the Members are aware, the time limit for ordinary speech will be fifteen minutes each; the Leaders can have twenty to thirty minutes as the Speaker thinks fit.

There are two amendments for circulation; one by Mr. Banerjee.

**Shri S. M. Banerjee (Kanpur):** I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 20th September, 1965." (4)

**Mr. Speaker:** The other by Mr. Yashpal Singh. He is not present here. Mr. Ranga.

**Shri Ranga (Chittoor):** Mr. Speaker, Sir, I rise to oppose this Supplementary Budget except for the few reliefs and rebates that the Hon. Finance Minister has thought fit to give. This is a bitter and poisonous pill. That it is so recognised by the Congress Party is evident from the fact that there are so few people—far less than 50—on their side present today whereas more than 280 people rushed to the House the other day in order to defeat our no-confidence motion. They have already decided to swallow this pill in the Party meeting. Therefore, they do not find any more interest or pleasure in listening to the repetition of what my Hon. friend has already included in his Explanatory Memorandum. I thought he was going to announce some concessions today or at least he was going to give some enlightenment to the House; but neither any concession nor enlightenment was forthcoming today.

1035 (Ai) LSD—4.

Sir, our Party is opposed totally to the political motives and financially unscrupulous approach that are behind the Supplementary Budget. There is no need at all for the supplementary Budget. My hon. friend has given three reasons. One is the provision to be made for Dearness Allowance. This was there at the time of framing of the last Budget and he had made provision for it. I do not know why he wants this extraordinary measure. Secondly, there is the border trouble. Did he think that the Kutch trouble was going to be over so soon? Did we not sanction more than Rs. 700 crores for the Defence? Is it not enough, within the whole of that sum, to make provision for these border incidents and struggles? The third is the need to provide money for the States. This is the most objectionable thing. I want to make only a few remarks now and I hope the House will not take it for granted that, merely because it would be obliged to pass this Supplementary Budget, this question does not merit a separate discussion in this House, because it raises a very important constitutional question; it goes against the very idea of the federal finance as well as State autonomy. If the Union Government is to make any grants at all to the States, it should be in accordance with the recommendations made by the Finance Commission or it should be in connection with specific projects which are undertaken by the States with partial responsibility of the Centre, so that the Centre can be expected to give a subsidy or make a grant. But for the Hon. Finance Minister to come over here bidding good-bye to all that he must have read about the principles of public finance and especially federal finance and then say that some States, which are his pet children have gone into troubles with regard to ways and means and, therefore, some money has to be given to them and that money has got to come from the Central Budget, is something which beats anybody's imagination. This kind of thing is possible only for my Hon. friend here, because he is pre-

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pared to swallow that pill; he has become blind-folded in regard to every decent principle of finance and thinks that he can do whatever he likes as if he is a dictator. I take very strong objection to this and I hope that the House will be given a separate opportunity to discuss the question of financial relations between the Centre and the States.

Having dealt with that, I shall now take up the other point that my hon. friend has made, namely that the budget is going to help him to have a balanced budget. We have been asking for a balanced budget for all these years, but this Government would not agree with us, and they indulged in inflation in spite of the warnings given by us. All over India, we had carried on a demonstration in a peaceful manner against those inflationary policies but the Government did not heed our advice. But now my hon. friend comes and says that he wants to have a balanced budget. He says 'I want to balance my budget; I do not want to indulge any longer in the earlier sin of inflation and deficit finance; therefore, I want more money'.

I want to remind him of what used to happen when the British were here, and what was happening in England also several times. Whenever they were up against this kind of trouble that India is facing today, and they had come near the brink of financial bankruptcy, as we have, what did they do? They imposed a block cut of 10 per cent or 5 per cent or 15 per cent and sometimes even 20 per cent on every one of the estimates that had been sent up by the spending departments. The Finance Ministry here has become completely bankrupt of statesmanship, not to speak of the degree of control it has had, as though being the bull dog or the watchdog over all the Ministries, with the result that these various Ministries have been indulging in a spree of expenditure, extravagant and wasteful expenditure too. Now, the time has

come for my hon. friend to think on those lines and to bring in what they called in England the 'Geddas Axe'. If my hon. friend is fortunate enough to continue to be there for quite some time, then he may call it the 'Krishna-machari axe'. Let there be an axe to the extent of 10 per cent or 15 per cent, and sometimes even 20 per cent, according to the kind of demand that comes up before him. If he were able to do it on the Union front, there would be a saving of about Rs. 200 crores; if he were able to secure this on the State front, then there would be a saving of about Rs. 100 crores; so, in all there would be at his disposal about Rs. 300 crores; and for five years, it would come to Rs. 1500 crores. I would submit that he should be able to do it. If he is not going to do it, then he does not deserve to be in the place which he occupies by way of office at present.

Now, I shall come to his claim that this budget is not going to push up the prices. I want to tell him that even as it is, the incidence of these excise duties is ranging from 25 to 40 and even 60 per cent sometimes, in the prices that are demanded from the consumers; the import duties have accounted for not less than 40 per cent in most cases, in the cost that is charged on the consumers in this country. So, how does it lie in the mouth of my hon. friend to say that all these import duties which he has imposed are not going to push up the prices here in this country? Is it not inconsistent for him to say that by this process he would be giving encouragement to import replacements here? If the prices are not going up then how on earth can there be import replacements? For, it is because the prices go up that they find a kind of protection and they can say that they want to take advantage of it and that is how they would be able to invest more and more funds in this country on the so-called import replacement machine making industries. Therefore, let my hon. friend make up his mind one way or the other. The



prices are bound to go up. When they go up, what happens? That is why I have used the word 'unscrupulousness' purposely. In the olden times, objection used to be taken whenever any Finance Minister raised indirect taxes, because that was going to affect the fortunes of the masses, but in a very indirect way and in an invisible manner; that was always considered to be an unscrupulous thing and an indecent thing. Therefore we used to say that every Finance Minister should try his best to concentrate more and more to the extent possible on direct taxes and less and less on indirect taxes. But what we are seeing now is worse. My hon. friend has introduced a new system here which goes against the very marrow of economic teaching that we have had all these years. On the mother industries, on mother products, on raw materials, whether they are agricultural or industrial or relating to machine-manufacture, he should not put any excise duty or other duty, because that is likely to be passed on to the consumers with a snow-balling effect in a cumulative manner through the various agencies, such as the heavy industries, the machine-making industries, medium-scale industries, tertiary industries and finally the consumer industries, and the backs of the poor consumers would come to be broken. Is there anyone who is prepared to say that more than half of our people will not be using something or the other which comes out of iron and steel or out of the various other products such as non-ferrous metals etc? Are not those people going to pay for all these sins that would be padded on one after the other by middlemen, by wholesalers, by manufacturers, right up to the taxes which are being levied by my hon. friend on those products?

My hon. friend seems to have improved upon the earlier Finance Ministers who were imposing these unscrupulous duties or invisible duties known as indirect taxes. This is the worst possible offence that anybody could have committed in regard to finance, because my hon. friend has

violated the earliest possible dictum that has been placed before all financiers by the theoreticians what is more, he has initiated a new move, and yet my hon. friend tells us that the simplicity and the rationality that he has introduced would be an enduring one. Is there any guarantee that my hon. friend is not going to increase these duties at the time of the introduction of the next budget? Would he give that assurance here to this House? How will the simplicity and the rationality be an enduring one when it has resulted in the raising of these duties already and they will be further increased also in the next budget?

Therefore, I give this warning to all those people who are interested in the machine-making industries in this country that they should be prepared to bear higher and higher burdens if my hon. friend the Finance Minister were to continue to be in his office, and if this Government continues to be also in power.

Now, I shall give you some details to show that this measure is plainly inflationary. As I have said, it will push up the cost of imported capital goods, of imported components, spares and intermediary products etc. by about 15 to 20 per cent, of intermediate products by about 20 to 30 per cent, of imported products manufactured by about 40 to 50 per cent, and there will be also a sympathetic rise in the cost and price of indigenously produced capital goods, spares components and manufactured goods. The resultant general rise in prices plus the direct and indirect incidence, as I have said, of new and additional excise duties as well as the snow-balling effect they will have will, within a short time descend like a further burden on the consumer by a further rise of 10 to 15 per cent in the general price level and in the cost of living, and this will start a new cost-price spiral. This will in turn lead to an inflation which will be much worse.

The objective stated by my hon. friend is that he wants to find

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resources for the Plan. The physical targets of the Fourth Plan and the estimated money outlays were based on 1963 prices. They were already out of date by 25 per cent. With the rise in prices of today, they will be further eroded by a substantial rise in the capital cost of all products, resulting directly and indirectly from this taxation measure.

The only way to achieve a balance between the resources and the outlay on the Fourth Plan will be not by additional taxation in this manner and that too by this backdoor method of a supplementary budget but either by cutting down the Plan or by extending the period of the Plan, as my hon. friend Shri M. R. Masani has been repeatedly warning the Government, over a period of seven years, as Mr. Khrushchev himself recommended for the benefit of his own Soviet compatriots, or by imposing rigorous economies in expenditure. It is here that I would suggest, as I have already done, that there should at least be a cut of 10 to 20 per cent depending upon the specific demand for expenditure. Further, there should be an efficient implementation and operating of the public sector projects. Can we hope for this?

Last year, at the time of the discussion of the general budget and the Finance Bill, I challenged Government that it would not be within their capacity to improve the efficiency and the profitability of the public sector undertakings. My hon. friend wants us to believe that their efficiency has risen. I have been a Member of the Committee on Public Undertakings, and I know something about it. The position is not at all encouraging. I would, therefore like to warn Government against investing more and more funds in these public sector projects in the manner in which they have been doing, without taking proper care—because they have never been able to take proper care—to see that they are run in an efficient manner.

Concerning foreign exchange—and that is more necessary—he wants to restrict imports and encourage import substitution. My hon. friend also says, 'yes, yes, I am going to do it'. I do not think it would be possible for him to do it in the manner he has suggested. This is plainly a contradiction in terms because we can secure either decreased imports, which implies little or no additional revenue, or increased revenue, which implies very little reduction in imports.

With regard to increased exports, how is he going to push up exports? Actually, the result has been just, the opposite because of higher production costs. The whole thing is completely futile. The only sufferer will be the common man without achieving any of these objectives.

Therefore, I wish to ask the Prime Minister and the Government of the country: what are the achievements of this Government through their Finance Ministers—this Finance Minister as well as his predecessor? The Gold Control Bill—you know what happened to those 5 million displaced goldsmiths dealing with thousands of crores of rupees worth of gold; and the owners of it have turned into law-breakers. We warned our hon. friend that it would put out of legitimate employment all these people.

Secondly, there was the CDS, the abortive CDS, and later his own innovation. With what result, we know. Then there was the imposition of a 10 per cent *ad valorem* duty on imports just before the introduction of the last budget, which he has now incorporated into this. Then the restriction imposed on advertisements in the press. What happened? He was obliged to withdraw it soon after. Where was their wisdom then? Then the demand for a 25 per cent deposit on all imports. How the importers clamoured, how they cried? At last the Finance Minister saw wisdom and said he was going to withdraw it. He is doing it in this Bill. Wisdom

has now dawned on him! I do not know whether wisdom dawns on him during the day or during the night!

Then the expenditure tax. He imposed it. His successor withdrew it. He came back and re-imposed it. We asked why. These do not give sufficient justification. There is no proper way of looking at these things. He is treating it as a matter of wreaking vengeance on those people who are supposed to be spending so much more than what my hon. friend thinks is reasonable.

The latest proposal is to negate the federal-state financial responsibility. There is this undemocratic and surreptitious procedure adopted, as I have said, by the Finance Minister in introducing this supplementary budget. Regarding the arbitrary use of the powers vested in the Finance Ministry in regard to searches—my hon. friend, Shri Dandekar raised his powerful voice against it—is it not time that an impartial inquiry, an impartial scrutiny, be made of the manner in which the Finance Minister, the Finance Ministry and the other organisations which are below them are using these powers, openly, surreptitiously or on the sly? Now, we do not know whether there is no personal animus in using these vast and varied powers vested in them to exercise discretion. We have been hearing complaints for some time about the arbitrary highhanded, improper and harmful manner in which these powers are being used by the echelons in the Ministry which exercise powers. Failure is writ large in this very Bill. He himself has admitted the failure. Otherwise, there would have been no need for him to come before this House with this supplementary budget when we sanctioned so much money last time. So many taxes were imposed and sanctioned by this Parliament. He had all that money at his disposal. At the same time, he failed in such a miserable manner. This record of continuous failures, stands to the

credit of the Finance Ministry and the Finance Minister. All these have brought this country into an unenviable, painful, parlous financial states, a state of bankruptcy.

Only the other day we asked the House to throw out this Ministry. The House in its wisdom said 'No'. We asked the Congress Party to reorganise their own Ministry. They have not been able to exercise that much of wisdom. Can we not at least now ask the Prime Minister to consider whether the time has not come for him to reorganise his whole Ministry? He ought to dismiss the Finance Minister and have another Finance Minister, giving this Finance Minister an opportunity to get out of personal animus and this dogged and dogmatic personal way of looking at financial matters and queering the pitch and landing the country in this kind of bankruptcy.

Therefore, I demand this in all seriousness. This has nothing to do with my personal feelings for my hon. friend, Shri Krishnamachari. I have never disliked him, nor can I say that I liked him. But I have always been neutral. I was one of the people who, hailed when he came into the Finance Ministry for the first time, felt satisfied. But when he went back to Madras, then also I was satisfied because he chose to go—he was sent—for very good reasons. But I think it was a calamitous mistake made by the late Prime Minister, Shri Jawaharlal Nehru, to have asked him to come back and go through all this terrible trouble. Having come back into this Ministry, he does not seem to have made any good job of it. On the other hand, he has managed the financial affairs in such a way as to bring the country down to this pass by all these things. I think it is high time for him to go on another long holiday which he has been deserving for some time.

**Shri Yashpal Singh (Kairana):** I was not there when I was called. I may be given a change to move my amendment.

**Mr. Speaker:** One has already been moved, I will allow him.

**Shri Yashpal Singh:** Sir, I beg to move—

“That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th October, 1965. (1).”

**Mr. Speaker:** The amendment is also before the House.

**Shri Daji (Indore):** The hon. Finance Minister has presented his third budget in 8 months. There was the record of the Government of Her Majesty the Queen in England where they produced their third budget in 9 months. Here Shri Krishnamachari has produced his third budget in 8 months. In England it was the new Government come to power on fresh elections which was trying to follow a new policy while in India it is not only the same Government as was there before but it is the same Finance Minister who has had to change his financial policies and impose burdens three times within 8 months. This itself, I submit, shows the muddle-headed thinking in basic financial matters that is going on.

What is the logic mentioned by the Finance Minister himself in his speech? The logic for the new budget is this. First, because prices have risen. Second, because he wants to avoid deficit financing; third, because resources have to be raised for fulfilling the existing responsibilities and for enlarging the resources for the Fourth Plan. It is on these that this budget is based.

If we examine his logic a little closely, we will find that instead of trying to remedy the ailments, the

budget itself has given another increased dose of the very same ailments which the Finance Minister is seeking to fight. For example, let us take this question of prices. In this budget, the Finance Minister has alluded to the question of prices in a very interesting way. He admits that prices have reached a new peak in July 1965. There has been a phenomenal rise in prices. What is the cause of it? Unless we are able to analyse the causes of the price rise, we cannot prescribe the proper medicine. Has the Finance Minister analysed the cause of the price rise? Is the price rise fortuitous? Is it something like famine? Or is it something like excess monsoon? Or does it follow logically from the very financial policies of the Minister. I submit that the price rise is not fortuitous. As regards the price rise, though the Finance Minister may have been taken by surprise, we had all warned him about the possibility of price rise as a result of the policies he was following. Now he comes forward and pleads innocence and says, ‘What can I do?’ Suddenly the prices have gone up and reached a new peak. There is nothing like a new peak so far as prices are concerned. Every month they are breaking all past records and reaching new peaks. Has the Finance Minister proposed even a single halting step to reverse the process of price rise? I submit that this Budget will only accelerate the increase of prices. Today he says that because of increase in prices, he has to pay Rs. 25 crores to the Central Government employees, and therefore he wants these imposts. When there is a further price rise, he will say that he has to pay Rs. 10 crores more by way of dearness allowance, and therefore he should be allowed to make additional imposts. After all, this vicious circle has to be broken. Has the Finance Minister applied his mind to this question?

13 hrs.

I can say that the entire financial policies of this Government are bankrupt, in as much as no attempt is being made to break the vicious circle which our country is facing and which has brought the country to the verge of financial bankruptcy and the deepest economic crisis and trouble ever known to our country. I make bold to say that the financial crisis, the economic crisis, that we are facing today is grave as the threat of outside attacks on our borders. You cannot minimise it. When the bank rate was raised to 7 per cent, I said that it was not an ordinary increase of bank rate, it almost showed that there was an emergent situation. Today, once again I warn that the policies which the Government are pursuing instead of stopping the price rise, are going to bring about more price rise.

After all, I have no quarrel with the strategy of the imposts. If you want to decrease imports, encourage national production, anybody would be with the Finance Minister and the Government, but we are dealing with a country where already imports are fully controlled. Again, we cannot draw a parallel with England where the import tax was imposed. There it was not so closely controlled. There, it might reduce imports. But in India, where every import is scrutinised and allowed by Government, one fails to understand the implication of increasing import duties, because they will be reflected in increased costs, increased charges for services, increased prices. Has the Government proposed any price mechanism worth the name which can control the prices at the existing level and still squeeze out these imports from the profit margins? There is no such price mechanism in our country.

I was surprised to hear the Finance Minister this morning when he said that despite controlling imports he found that some unnecessary imports were being made. He said that even when machine-building capacity exist-

ed in the country, instead of utilising this capacity, import of machinery was being made by some industrialists. When every import application is scrutinised by the Finance Ministry and other Ministries, how is it that import licences have been given for machinery that can be obtained in India? I wrote to the Government about a licence for Rs. 1 lakh given to a firm of Birlas for importing wire nails which are manufactured in India and the industry is closing down in India for lack of orders. To my utter surprise, the reply I got from the Ministry was, "Kindly furnish details." How am I to furnish details? The Ministry does not know anything, they want me to furnish the details. The next letter would be that I should go and arrest Birla myself.

**Shri Hari Vishnu Kamath** (Hoshangabad): They did not deny it anyway.

**Shri Daji:** For the Minister to come and say that because imported machines are cheaper they are being imported and the local industry is not encouraged, is an absolute confession not only of bankruptcy but of utter incompetence, utter failure to carry through the policies of the Government.

What will be the next result of these imposts? Apart from the import duties, there are excise imposts. What is going to be the total impact of these imposts, which will be Rs. 160 crores for the remaining period of this year and Rs. 176 crores for a full year? Every pie is going to be thrown on the consumer. The range of commodities is such that a general rise in the level of prices cannot be helped. Right food to fodder, from fuel to transport, to utensils, everything is going to go up. Prices of all these essentials are going to rise. Except for the wishful thinking of the Finance Minister that these will not result in a price rise, there is not a

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word in the entire speech to show that a price mechanism has been built.

A very eminent economist of our country has this to say:

"These imported items were being sold at 2½ times their landed cost, and, therefore, he saw no reason why their prices should be increased further, but he admitted that prices were being rigged even when there were no additional fiscal levies. In Indian conditions, and considering the vastness of the country, the free-market economy could not be depended on to behave. The important thing, he said, was to have some kind of control of the distributive trade. He said he was a firm believer in the State controlling the main arteries of distribution. There was also need to control wholesale trade, he added."

This was no one else or less than the Finance Minister himself, speaking at Bombay on the 21st August. It is the Finance Minister giving a certificate to his own department that the imported things are sold at two to three times their value, that he is unable to control it, that unless Government controls the distributive agency and wholesale trade, nothing is going to happen. Therefore, it is wishful thinking that this will not increase but decrease prices when he himself says that prices are rigged up, even when there is no additional fiscal levy, to the extent of two to three times the landed cost.

What sort of an economy is this? I do not call this even a controlled economy or a social welfare economy, much less a socialist economy. If persons are free to get import licences and sell the imported articles at two to three times the landed cost

and the Finance Minister pleads helplessness to stop the rigging of prices, it is abdication of authority, abdication of governmental power, of your responsibility to the common people.

Therefore, I say that all these imposts are bound to be felt by the consumer. In Delhi itself, the ordinary middle class family's cost of kerosene is going to go up by Rs. 1.56. The transport costs are going to rise. The DTU has already served notice, the scooterwallas and the taxiwallas have already served notice that they are going to increase the fares. Building material is going to cost more; bulbs and electrical apparatus are going to cost more. How does the Finance Minister propose to see that these additional duties do not reflect in a price increase but are squeezed out from profits? Therefore, I say that the contradiction created by the situation can be resolved not by such *ad hoc* increase of excise and import duties, but by a complete reorientation of the basic financial and fiscal policies of the Government, so as to carry out a squeeze in the enormous profits already being made in the country and to give relief to the consumer by reducing prices. Unless that is done, I am afraid these policies are not going to take the country out of the morass of the economic crisis in which it has landed itself.

This is only the beginning. What are we going to do, what will be our strategy, for finding resources for the Fourth Plan? Because the argument of the Fourth Plan has been used by the Finance Minister as one of the reasons for these imposts, I am asking: is the country entitled to know or not, after this what next? This Budget is not merely heavy fare, it is a budget absolutely of desperation, of brinkmanship. I would like to ask the Finance Minister, and he owes a reply to the country, after

this what next? The Finance Minister says that he will have nothing to do with deficit financing. Very good. But, after all, there are two ways leading to the same end. One is deficit financing, increasing the total money in circulation, the other is devaluation in the real value of the rupee. Both result in the same thing, both create inflationary pressures from different angles.

The Finance Minister has announced that the Government does not want deficit financing, but the Government is permitting the value of the rupee to go down. Practically speaking, the Finance Minister has yielded, after denying it, to the pressures of the World Bank, and I am afraid, if he has yielded to the pressure of the World Bank in one respect, as to what would happen when he goes to America to talk, to negotiate for aid for the Fourth Plan, when he will have to face further pressure about devaluing the rupee. How is he going to stand up to those pressures when he has already in effect devalued the real value of the rupee by imposing taxes to the tune of Rs. 176 crores, and, what is more, has shown that the thinking of the Government for raising resources for the Fourth Plan is going to be on these lines alone. Thinking on these lines has got the Government and our economy into a blind alley. This bid is like the last desperate throw of the gambler. This Government is staking its all in its final bid to come out of the situation somehow and in that process the country is being led to a blind alley. What has the Finance Minister done about increasing production? The whole theory reflects the bankruptcy of thinking. How does he propose to encourage production? By increasing the tax holiday, by giving development rebates and by adding new industries in the list of priority industries. That is how the Government and the Finance Ministry had succumbed and is succumbing and is going

to succumb more and more to the unholy pressures of big business and monopoly interests who have been impressing upon the Government one factor only. According to them what stands in the way of production is higher returns. Guarantee higher returns and we will produce more, they say. This Finance Bill shows that the Government has succumbed to the blackmail of big business. A dialogue was initiated at the last meeting of FICCI by the Prime Minister and it was further carried on by the Home Minister in Calcutta flirting with Mr. Birla and the Minister of Communications also was going there and giving them bouquets as shown by the first page cartoon in the *Eastern Economist* which represented big business as a fair lady to whom Mr. Sinha and Mr. Nanda offer bouquets on bended knees. That dialogue has brought us to this dismal conclusion and new concessions being granted to the man of the industry and man of monopoly capital by the Finance Minister. On the one hand they want to appoint a Monopoly Commission to go into the question of increasing disparity and concentration of power in a few hands; on the other hand the Finance Minister comes forward with a measure profusely giving new concessions to these very men. Is there any logic in such a proposal? Can there be any logic in this where with one voice they are bewailing the growth of monopoly capital and with the other voice they are giving them more and more concessions? Are we going to build a sound economic structure for our country by giving more concessions to the men of industry and men of monopoly capital? Is this the road to socialism and the socialist society which Congress has set as its goal? Is this the way in which you are going to guarantee at least a minimum of life to the under-dog, who according to the latest figures gets 27 nP per day; one crore of our population who live in our villages get 27 nP each a day. The real crisis of the economy is not foreign exchange; it is only a symptom; the

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real crisis of the economy is not the increasing prices; that is another symptom; the crisis is not the difficulty about the resources; that is also another symptom; the real crisis of the economy in an under-developed economy is that the economy can be built only along socialist lines and in no other way. Unless you face that logic you are going to go along the dismal road which is leading to bankruptcy and brinkmanship. The Finance Minister himself says: I have been giving concession after concession to these men of industry but they are not taking any advantage of it. He said last time: I gave the concession of tax certificates but no advantage had been taken. So, what has happened? If you give one concession to the men of industry and they do not take advantage of it, give them another? They will want some third concession. It is just like the story of the farmer and a pack of wolves behind him. In order to avoid the pack of wolves, the farmer threw away one horse; then he had to throw away the second horse, then a third horse and so on until the last horse. Only the last horse had remained and even that had to be thrown to the wolves. The wolves here will not spare the horse or the Finance Minister; the Finance Minister will have to be a prey to the pack of wolves. You cannot meet the challenge of the Indian economy by giving increased concession to the industrialists. You have to reverse the process and unless you are prepared to do so, you better resign; let the entire Government go; you are not going to build the economy of the country that way.

They are talking of the Fourth Plan; the whole talk is bogus. They say: we are going to double the outlay of the Third Plan in the Fourth Plan. Are you honest about it? In between prices had risen by 35 per cent. Double outlay will be, double minus 35 per cent. At this rate prices

are bound to go up and by the end of the Fourth Plan, there will be another 35 per cent rise. Actually speaking you are planning for a marginal increase of 30 per cent in the national income by the end of the Third Plan.

**Mr. Speaker:** Whom is he addressing that side? The Minister is here on this side.

**Shri Daji:** The Minister is busy talking.

**Mr. Speaker:** Both the Ministers are very attentive.

**Shri Daji:** Now, on the question of black money. Last time even the Congress Members spoke against that scheme. Shrimati Vijayalakshmi Pandit lashed out and said: you cannot have this soft treatment for black money. Why should we be so soft and give them inducements and more inducements; give only ten per cent today and the rest afterwards, as if the State knows no other measures. Are these persons who have sequestered black money to be wooed? Is the Government's attitude towards all the people the same? When people collect to demonstrate for food, does Government woo them? If the workers want to go on strike for a basic wage, do the Government woo them? Then the question of D.I.R. comes, and then violence. The hon. Prime Minister said the other day: if there is any violence we are going to meet it with whatever force we have got. This is not the language which helps the country. What is violence? If an ordinary farmer, if a common man is unable to get two square meals a day and he is forced to starve, he is also the victim of violence. On the same day on which the speech of the Finance Minister was published from Bombay, 21st of August, there was a docketed item of news from Agra saying that a man out of sheer starvation and joblessness had to die; there was not a grain left in his house. Is this not violence?



Every year there is a courtesy week celebrated by the various Government departments; the police department also celebrates it; for 51 weeks they can belabour and blow the people and for one week they should observe a courtesy week? Why this courtesy week for the black-money and why D.I.R. for the common people? Let us have a stern attitude to the black money. But you are giving them further inducements. Are these inducements going to bring out the black money? Last time you got a paltry sum of Rs. 40 or 50 crores out of what is believed to be 1500 or 2000 crores. After this new concession, I do not expect anything more to come. It is the same thing about the gold policy: the more concessions and the more soft attitude you show to them, the more recalcitrant they become. I will make an exception in respect of the Bird and Company which had been fined one crore of rupees, because we were expecting the Finance Minister would succumb to pressure that the company would bring upon him. I ask him to convey the congratulations of the House to those officers who did not deviate from their duty in respect of this case. It appears that the searches conducted during the conduct of this case disclosed that the director of that company had written an open letter which had been seized by the Government, saying: please do under-invoicing. It is not an accidental case; instructions were sent from England in which the director had given written instructions to do under-invoicing . . .

**Shri Raghunath Singh (Varanasi):** That is prevalent all over the country.

**Shri Daji:** Not only that; the document seems to mention some other big business houses also; it seems to say: please do under-invoicing as such and such company does under-invoicing, etc. Is this one crore fine sufficient for such dealings in high finance? Send that concerned person straightaway to the prison. It is not something radical or communist; even

in a country like the United States, tax evaders are sent to prison; not only are their funds sequestered; they are given jail sentences also. But what is happening in India? There was some minimum fine required for evasion of tax; even that minimum fine is done away with. This is the attitude you take towards persons who are avoiding tax, who are sequestering money and who are collecting black money. In respect of foreign exchange, I am told on good authority, that the accounts of the Reserve Bank vis-a-vis the export promotion are somewhat fishy; there is something fishy about it. At one time it was said that something between Rs. 90 crores and Rs. 100 crores are found missing. Now we are told that it is about Rs. 70 crores. Whether it is Rs. 70 crores or Rs. 90 crores, it is quite a huge sum. Under export promotion scheme, we give special foreign exchange, inducements to those who export, and now we find that because of this trickery of over-invoicing and under-invoicing, the export accounts of the Reserve Bank of India are showing an unaccounted money of Rs. 70 crores. I want not a statement from the Finance Minister, whitewashing this and saying that a better system of accounting has now been introduced in the Reserve Bank, but I want to know how it is possible that a bank like the Reserve Bank had not a sufficiently good method of accounting by which this thing can come about. I want solemnly a high-power enquiry, a high power court of enquiry, to enquire into the matter, not only into the affairs of the Reserve Bank but also into the affairs of the export promotion council, to show to the country how the hard-earned foreign exchange to the tune of Rs. 70 crores to Rs. 90 crores could remain unaccounted with the premier financial institution of our country.

**Shri Rameshwar Tantia (Sikar):** On what basis does Shri Daji say that the difference is Rs. 70 crores, between deposits and the actual exports? He must have got some figures. (Inter-  
ruption).

**Shri Daji:** This country is being run by nincompoops, by persons who do not know their jobs whether it is true or not in the Ministry, it is true in the administrative services. The head of the Health Department is not a doctor; the Director-General who is a doctor is a subordinate of the IAS officer sitting there. The head of a heavy engineering project is not an engineer, but another Secretary. This IAS seems to think that they have the monopoly of all wisdom. And what about government expenditure? There is an emergency today. At 4 O'clock today, I am going to negotiate with the Minister of Communications in respect of the telephone operators who are demanding a certain adjustment in their overtime allowance. They say this is an emergency, and during this emergency, the authorities appeal to us, ask us, do not ask for any overtime allowance, because this is emergency, and Pakistan is invading and we are being harassed and so on. But, then, during this emergency, we have heard that the pay of the Secretaries and the Joint Secretaries has been raised by Rs. 500 and Rs. 250 respectively, and today, in the newspapers there is a news item saying that the starting salary of IAS officers is going to be revised. The whole thing is absolutely topheavy. The whole government administration is suffering from the working of Parkinson's law overtime; not only Parkinson law, but it is Parkinson's law working at overtime! There are more officers created; there are still more offices created—Secretary, Joint Secretary, Deputy Secretary, Secretary on Special Duty, Secretary on Special, Special Duty and so on. The whole hierarchy is going on.

Therefore, unless there is a drastic revision in the entire administrative set-up, unless there is a bold attitude for breaking this hard steel-frame, as the Britishers called it, no resurgence in the development activities of the country can come about. Has the

Government given thought to this angle of the matter? I am afraid nothing has been done in this respect also.

**An hon. Member:** What about the committee?

**Shri Daji:** The difficulty is that the committee for administrative reform would again be headed by a Secretary who will again report that there is no scope for administrative reform. There is no fresh thinking anywhere. Therefore, I submit that the treatment proposed by the Finance Minister is a treatment which will only worsen the disease. It will not solve our economic problems. I say this is the last throw of a losing game. It shows pathetic faith on the loot and squandering of the private sector, and the possibility of the private sector playing the game fair. And therefore, there are the new concessions, new inducements and succumbing to the blackmail. This is the line followed by the Finance Minister; this is the line of total bankruptcy and ruin. This is the line of setting your face against socialism and against the professed aims of the Government which have been declared too often.

Therefore, I submit before the House passes this Bill, the House should give thought to the basic requirements of a basic change in the entire economic policies of the Government, which sets its face against further concessions and which should see that the economy is geared to the task of building socialism in the country by a bold policy of nationalising such consumer industries and such banking and financial institutions as are required in the national interests and can yield sufficient returns so that the shortfall in the budget can be made up by our control of such industries and such enterprises.

13-25 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

**Shrimati Tarkeshwari Sinha (Barh):** Mr. Speaker, Sir, I have listened to

the two speeches which have been delivered, and I was surprised why the hon. Members have completely overlooked the problem which they have been persistently indicating to this House, and that is, the users' licences are being used for having a black market profit. This is the main argument which has been given by the Finance Minister when he brought this supplementary budget and when he made the statement in Bombay. I have some figures which show how this thing is manipulated. I was studying the matter in respect of some of the items, and was trying to find out the profit between the ratio of the landed cost and the market price. I was surprised and probably the House will also be shocked to know that the profit varies from 30 per cent of the landed cost to 650 per cent. It is something beyond imagination that so much of profit goes into the pockets of those undeserving people and which has nothing to do with the cost of a productivity programme; which has nothing to do with the cost factor of the productive programme, but which indirectly goes into the pockets which become fat by those undeserved profits.

I will give you some examples wherein the profits go so high. Take for example the cost of machine cloth—the variety of cloth which is used in the machines. It is 30 per cent; not very high margin, but take again the case of art silk yarn. In the case of art silk yarn, the profit ratio between the landed cost and the market price is 650 per cent. This is the phenomenon to which the Finance Minister drew attention, and I think he rightly took steps to mop up that profit.

Suppose these are the basic estimates of the prevailing market prices, nobody can really support those classes of people who are carrying on with these undeserving profits and the profits are so much that the amount goes up to Rs. 460 crores in 1963-64, basing the estimates on the then prevailing market prices, which

today are much higher than what they were in 1963-64. Through the prevailing market prices, the wind-fall that went to the pockets of some undeserving hands was nearly Rs. 460 crores. All these gains have been retained mostly by those people who have not used those commodities for productive purposes. Therefore, the argument of Shri Daji and Shri Ranga that these items will swell the market and raise productive prices is not correct in every respect. There is some basic truth in what they have said, but this is not the way to meet this argument; they say that you should not levy this import. This supplementary budget which has been placed before us is mostly in the shape of excise duty and import duty. We have to enquire and examine every item and see whether that item goes to add to the cost of production. There is no case for generalisation in these matters. I am sorry to submit that it requires much more study and much more valuation of the basic factors which operate in the economy. There is no generalisation that should be made that import duty in every respect is bad, that excise duty in every respect is bad and that the indirect tax is in every respect bad.

There has to be some proportion as to what excise duties are going to swell the cost of production which would affect the individual, the ordinary individual and also inflation, *vis-a-vis*. There are two kinds of inflations; the cost of production, if it adds to the inflation, is worth studying and is worth rectifying if it adds to the production programme, if the cost of the productive things go to the channels of the consumers. But here it is not always a fact that the cost of production goes to swell the productive programme. There is also an inflation which is known as a demand inflation; the demand of a particular thing is so much that in spite of the levies and in spite of the duties, you just cannot pull down the demand. So far as these price rises in imported goods are concerned, a big margin of them are influenced by

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this demand inflation and not cost inflation. So far as cost inflation is concerned, I agree with Mr. Daji that it must be rationalised.

I do not know what has happened to the promise of the Finance Minister when he said that he is seriously considering an enquiry into the cost of production of various things. We have no information from any statutory body of government about this and the only information we get about this is from some of the private agencies who have been conducting such an enquiry into the cost of various leading productive items. I have some such information with me. This includes the ex-factory cost and cost of other duties on some of the industrial items. The cost as worked out by these agencies comes to 40 per cent to 65 per cent in regard to cloth, i.e. taking together the cost of production and the excise duties and import duties, which play a very important part. For sugar, the figure is 65 per cent, for cement 60 to 65 per cent, steel 50 to 54 per cent, straw-board 49 per cent, Rayon 49 to 65 per cent and so on. Even for superior kerosene, the cost, including the ex-factory price and the incidence of excise duties and import duties, works out to 58 per cent, in the case of matches 53 per cent, in the case of coarse cloth 11 to 39 per cent, sugar 29 per cent, steel 21 per cent and so on. These are the cost ratios which have been worked out by various agencies and publicised from time to time. Either we have to rely on them or we should find out some reliable data which can disprove these arguments which are so genuinely advanced, namely that these high percentage of duties increase the cost of production of usable commodities, which naturally affect the consumer very much. The arguments advanced by the opposition members in this regard appear very genuine and they should be examined. More than ever, today it is necessary, before we launch on the fourth plan, to undertake this study.

I know it is impossible to carry out the study for all sectors of the economy. But at least some sectors which directly affect the individual should be chosen and this study made.

For instance, take the car industry. There is so much controversy being created about it. The manufacturers say the cost is very high. The Government say it is artificial. The people say they suffer, because both the arguments do not satisfy their demand and they have to pay high prices. Some serious study, therefore, should be made into the question of cost of production and how much import duties and excise duties and taxation add to the cost of production. Of course, direct taxation does not present that kind of problem, because it is a sort of basic incidence. Some percentage has been put and it is very clear that so much percentage has been levied on the company. That is easy to work out, but the indirect incidence of the import duties and excise duties should be worked out.

But Sir, what are we going to do about the problem of demand inflation, which is applicable today in regard to the import duties? If the hon. Finance Minister thinks that by levying these high import duties, he will be able to reduce the demand, I support him. I am not one of those who just play to the gallery and on ideological grounds say something which they themselves feel is not justifiable. If these import duties go to reduce the demand of the consumers and check the spiralling prices in the black market, I am all for it. But in today's conditions, there is so much demand for these commodities that in spite of these levies, I am sure the prices will not come down. The prices will become higher, but all the things will be sold out. It may be that marginal profit-makers who, on the pretence of manufacturing something, take these licences and use it for black-market purposes. I know what happens about aluminium, copper

and steel bars. Mostly, those licences which have been issued to the actual users, they go into the black-market.

I am sorry to say that there is no comparison between the rising demand and short-supply. For some time, this is going to continue. So, unless and until the Finance Minister is in a position to check these loopholes, the whole scheme which he has drawn up is not going to materialise. If you are in a position to control the vicious channels, the House will support that. But please do not allow these channels to be diverted to those channels which really suffer from the high increase in cost of production.

Take the export industry. In this country, we are not placed in a situation where we are manufacturing all the raw materials for ourselves. We are not; we are taking recourse to the import of many semi-manufactured goods for assembling here and for manufacturing here in a different shape and size and for exporting them again. I am sure these export industries which today survive by huge quantum of import of raw materials will suffer. When we are having such an adverse balance of payment position, we can ill-afford any increase in the cost of the exportable material. So, this aspect should be examined.

I find that from 1956-57 to 1963-64, the increase in revenue collection has amounted to Rs. 8,000 crores. The whole of this colossal amount has gone to feed the consumption of either the private individual or of the State, which means added demands of the States, added recurring expenditure, increased grants-in-aid and loans to States and increased expenditure of the Government of India. So, all these resources which have been added to the government revenue have gone to the channel of consumption expenditure. That is why, when they have not been able to produce much, these resources have gone to spiral the inflationary pressure. I do not know whether any machinery can be devised—I

have been in the Finance Ministry myself and I know this is a very difficult proposition. But some method must be devised by which government should keep a portion of the revenue surplus which goes to the pocket of the Government of India, which should be used not for the recurring expenditure, but for capital expenditure and productive programmes. Supposing out of the revenue surplus of Rs. 8,000 crores created by different sources of taxation, direct and indirect, if Rs. 2,000 or Rs. 3,000 crores could have been kept for developmental programmes and not for fulfilling the consumption programme of the States or of the Government of India or of the private sector, we would have been in a position to increase the savings by 25 to 50 per cent. I think it is easy. So far as excise duties are concerned, government may not be in a position to do this because they are levied on items which go directly into the consumption. But so far as import duties are concerned, a portion must go to the developmental programme and thus we should create added resources.

The Finance Commission has completed its enquiry and has submitted its recommendations. The report has not come to us. But from the newspaper reports, we hear that nearly Rs. 800 crores worth of additional demand has to be met by the Government of India. I pity the Finance Minister. There is a tendency in this House and, I am sorry to say, there is a growing tendency in this country, that for any problem that comes up you demand more and more revenue from the Finance Ministry, you demand more and more resources from the Finance Minister and when the Finance Minister or his associates want to bring up those resources by certain measures you immediately want to cut the neck of the Finance Minister by saying that the Finance Minister is not good, he has added to the inflation in the country, he has added to the poor

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man's misery and, therefore, the only remedy is to remove the Finance Minister, as if the removal of a Finance Minister and bringing in a new Finance Minister again and again is going to solve the problem. Are we not suffering from a myopia to think that any Finance Minister individually is responsible or any Finance Minister individually is capable of solving all our problems when there is more and more demand?

**An hon. Member:** What about his Deputies?

**Shrimati Tarkeshwari Sinha:** My remark applies to his deputies also. I certainly do not believe that his able deputies, the able Minister of State like Shri Bhagat and the able Deputy Minister, Shri Sahu, alone will be able to solve all the problems for us. This is not an easy job.

Sir, we see that more States are demanding more assistance. Almost all the States have come with greater demands. In Hindi we say: *Nanad Rusan*—the sister-in-law always get annoyed when the *bhabhi* gets everything increased. I do not think all of them deserve this pampering. I have been following the newspaper reports. Almost all the States have come to the Government of India at the stage of the formulation of the Fourth Plan with greater demands. Not one State has come and said that it wants less revenue because its capacity to raise more revenue is not there. They have all shown growing shortfalls so far as their own capacity to raise resources is concerned. Not one of them has come forward and said that it has raised revenue as required, as was its responsibility, in the Third Plan period and therefore it has a deserving case to ask for additional revenue from the Centre as a part of the bigger plan programme. Not one has said that it is not a defaulter, that it has fulfilled the programme entrusted on its shoulders. All of

them have been permanent defaulters. By 'permanent defaulters' I mean that they have never been able to raise more revenue. So the Government of India remains the milch cow. You go on milking, milking and milking the cow without giving anything to it. Like a milch cow the Government of India goes on giving them revenue whether they deserve it or not. We, in the Parliament, represent the people. We also canvass in support of the States and say that the States must get more revenue. But what can the Government of India do, in that position, except to raise more revenue for feeding the channel's which have to be fed for the economic growth and economic development?

Sir, this is the price we are paying for our development. It is not an easy job. You cannot say, please give more revenue to the States for development but do not increase any resources. So far as resources are concerned, resources can be increased by savings, by taxation and by so many other things.

**An hon. Member:** By cutting down expenditure also.

**Shrimati Tarkeshwari Sinha:** Yes, by cutting down expenditure also. Even if you cut down expenditure by 50 per cent, of the Government of India, that will not be enough. I am not talking about the public sector enterprises which are always low profit based industries. We, probably, do not realise that in other countries of this world these public sector enterprises like coal, steel, transportation etc., have been called low profit based industries. For generations and generations some of the industrialised countries have had to deny even a penny of profit to these companies which floated these concerns and manufacture these things. Even till yesterday, probably, the United States of America could not give any profit to the railroad company because they were carrying on basic transportation of the

country. They could not have any profit. Therefore, these industries are low profit based industries. Therefore, in the public sector if the returns are low we should not be surprised. I do not mean to say that if there is inefficiency that should not be removed. By all means, remove inefficiency wherever it is. But what I am saying is that by their very nature they are low-based industries and we cannot expect overnight that the public sector industries would be in a position to give you the returns that you expect—it is generally quoted, 12 per cent, 13 per cent, 15 per cent and so on. They are not in a position to show that because they are utility services. They are not only consumer services. They are utility services, they are basic services and they have to be provided whether the cost is low or high.

Therefore, if today the Government of India or the Finance Ministry are not in a position to inflate the resources that are available with them, they have to be guided by the resources that are available to them and decide what they can take up. So, we have to fundamentally decide whether really we want to incur the additional expenditure, take up the additional responsibility and have a development programme along with a deficit economy. If we want to take up this responsibility, then let us not blame the Finance Minister like this. Let us realise that it is not the fault of the Finance Minister only. Any Finance Minister who will come here at this stage will have to face the same problems.

Sir, there is one more small thing that I want to say. I want to draw the attention of the Finance Minister to this matter. I have been connected with the small savings work. We, in our own humble way, did quite a lot for small savings and the amount of small savings increased for which we got a good cheering and clappings from Parliament. The work done by the various voluntary organisations was appreciated by Parliament. One of the conditions or the spirit under-

lying this was that for the certificates which one takes from the small savings organisation—the House may remember here that there is a limit of Rs. 30,000 or Rs. 35,000 to which one individual can hold such certificates—there was no tax to be paid on the interest received. One of the arguments that we all have been putting forward—of course, I have no longer anything to do with that work—was, by many voluntary organisations and social service institutions, that this was a very attractive proposition because it gave tax-free interest to the investors. It is a fact that many people have taken advantage of the tax-free incentive given under this scheme and more people are taking advantage of it. As I said, there is a limit of Rs. 30,000 or Rs. 35,000 up to which one individual can hold such certificates. But in the last Budget that was placed before the country income-tax has been levied on interest on small savings. I did not have the opportunity to say this at that time because I did not speak. Now an amendment has come, giving some sort of a concession, saying that this income will be assessed separately from the total income. But what has been the necessity for levying income-tax on this source? May I know whether the sources of the Government of India have all dried up that this source also should be tapped? But the result is—I do not want to take credit for everything that happened in the past—that the percentage of small savings has shown a downward trend.

What has happened? Why is it that the rate of small savings has been going down? One argument is that the prices have risen. Another argument is that the concession which was shown to small savings has been withdrawn. You know, if you take out from the small savings and invest it in the market today you can get 12 per cent returns in six months while, on the other hand, in small savings, in the first year there is no return and after 12 years on the accumulated savings you get a return

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of 5½ per cent or nearly 6 per cent. Is that such a high return that it should be taxed? He gets it after 12 years of sacrifice in the small savings certificate. Therefore, I would request the Finance Minister—this is not going to save any revenue for the Government of India—to accede to my request and withdraw the income-tax that he has levied on the national savings certificates.

**श्री रामेश्वर टांडिया :** उपाध्यक्ष महोदय, प्रति वर्ष फरवरी के अन्त में वित्त मंत्री बजट रक्खा करते हैं और उसी के हिसाब से व्यापारी या उद्योगपति अगले वर्ष के लिये अपना कार्यक्रम बनाते हैं। परन्तु इस वर्ष पता नहीं क्यों यह तीसरा बजट उन्होंने रक्खा है। पहला बजट दस दिन पहले 100 करोड़ रु० का आयात कर में 10 प्रतिशत वृद्धि करने के लिये आया था उस के बाद दूसरा बजट 27 फरवरी को रक्खा गया और छः महीने के बाद फिर यह तीसरा बजट रक्खा गया है जिस में 173 करोड़ रु० के नये कर लगाये गये हैं।

करों को देने की एक सीमा होती है। जब कर लगते ही जायें तो आखिर एक समय जरूर आयेगा कि या तो लोगों की कर देने की शक्ति नहीं रहेगी या जिन चीजों से कर मिलता है वह चीजें ठप्प हो जायेंगी। आज हालत ऐसी ही होती जा रही है। एक तरफ आप कर बढ़ाते जा रहे हैं और दूसरी तरफ कारखानों की कमा कर देने की शक्ति घटती जा रही है। तीन मिलें इन दिनों में बन्द हो गयीं, एक मिल कानपुर में—म्योर मिल—बन्द हो गयी और उस के 6000 मजदूर बेकार हो गए और दो मिलें बम्बई में बन्द हो गयीं, जिन के 6000 मजदूर बेकार हो गए। इस प्रकार 12 हजार मजदूर बेकार हो गए, जिसका मतलब यह है—यदि एक मजदूर

क परिवार में पांच आदमी माने जाएं—कि 60 हजार आदमी बेकार हो गए—कारण यह हुआ कि जैसे सरकार ने अधिक कर लगाए हैं वैसे कारखानों की शक्ति कम हो गयी है। आज पूंजी नहीं मिल रही है। आज 12 और 15 पर सेंट ब्याज पर रुपया मिलता है, जब कि कुछ साल पहले सात या साढ़े सात प्रतिशत पर रुपया मिल जाता था।

वित्त मंत्री ने कहा था कि ज्यादा कर लगाने से शायद मुद्रा स्फीति में कमी होगी और चीजों के भाव नहीं बढ़ेंगे, लेकिन वह बात बाद में गलत साबित हुई। बिहार और बंगाल में, जो कि चावल के उत्पादक प्रान्त हैं, हालत यह है कि आज चावल डेढ़ रुपए किलो बिक रहा है और दाल भी इसी भाव बिक रही है, सरसों का तेल साढ़े चार रुपए किलो बिक रहा है। इन चीजों की आवश्यकता तो गरीब से गरीब आदमी को भी पड़ती है। अगर और चीजों के भावों को छोड़ भी दें, तो इन आवश्यक चीजों के भाव इतने बढ़ गए हैं कि वित्त मंत्री का यह कहना अब तक गलत साबित हो रहा है कि नए कर लगाने से चीजों के दामों की बढ़ोतरी रहेगी।

आखिर वित्त मंत्रालय के पास सलाहकार समितियां हैं, और दूसरी संस्थाएं भी उनको सलाह देती हैं। जो मजदूरों की संस्थाएं हैं या जो व्यापारिक संस्थाएं हैं वे भी जरूरी मसलों पर उनको सलाह देती हैं। परन्तु खेद है कि उस मंत्रालय के आफिसर समझते हैं कि वे सब मसलों के बारे में सर्वज्ञ हैं और दूसरे की सलाह की कोई दरकार नहीं है।

तीन बार उन्होंने वालंटरी डिसबलोजर की स्कीम अभी तक रखी है। अब तीसरी बार उस को रखा गया है। पहली स्कीम उन्होंने सात प्रतिशत कर और 6 महीने की अदायगी की रखी। उस वक्त लोगों ने कहा



कि अदायगी के लिए दो तीन बरस का समय दे दीजिए तो शायद उसका अच्छा परिणाम आएगा। उस समय वित्त मंत्री का अनुमान था कि देश में छिपा हुआ धन 1000 या 1500 करोड़ रुपए का है। लेकिन उस स्कीम का नतीजा यह हुआ कि कुल 52 करोड़ की रकम का डिसक्लोजर हुआ। दूसरी स्कीम उन्होंने इनकम टैक्स ऐक्ट की धारा 271 के मातहत रखी। उसमें केवल आठ करोड़ रुपए की रकम आयी। अब तीसरी बार, 19 अगस्त को, उन्होंने तीसरी स्कीम रखी, जो कि पहली दोनों स्कीमों से अच्छी है क्योंकि इसमें अदायगी के लिए अधिक समय दिया गया है। मैं पूछता हूँ कि आज से 6 महीने पहले जो पहली स्कीम रखी थी उस समय जब बहुत से संसद सदस्यों ने और दूसरी संस्थाओं के प्रतिनिधियों ने यह मांग की थी कि अदायगी के लिए उचित समय दिया जाए तो अधिक छिपा धन निकल आवेगा—मैं यह नहीं कह सकता कि कितना धन छिपा हुआ है—तो इस मांग को क्यों स्वीकार नहीं किया गया। फिर तीसरी स्कीम रख कर उसी बात को स्वीकार किया गया। पहले कहा गया था कि अगर आप छिपा धन निकालना चाहते हैं तो लोगों को मौका दीजिये, क्योंकि अगर उनके पास ऐसा धन है तो वह नकद नहीं है कारोबार में लगा है, लेकिन उस समय लोगों की बात नहीं मानी। अब बाद को 19 अगस्त को उन्होंने यह स्कीम रखी है।

सरकार को यह जानना चाहिये कि इस प्रकार की रोज-रोज की बदला-बदली से, कभी कुछ लाद दिया, कभी कुछ लाद दिया, जनता को परेशानी होती है।

देश में आर्थिक संकट है। इसके कई कारण हो सकते हैं। हो सकता है कि इसका कारण यह है कि हमारे सुरक्षा का खर्चा बढ़ रहा है या हमारे दैनिक खर्च बढ़ रहे हैं। आज लोगों में विश्वास की भावना पैदा करने का समय है, न कि यह जब मर्जी आयी तब नया

बजट रख दिया, जब मर्जी आयी तब नया कर बढ़ा दिया।

मैं आप के द्वारा यह कहना चाहता हूँ कि जो कर लगाए जाते हैं आगे जा कर उन का भार गरीब उपभोक्ताओं पर ही पड़ेगा। चीजों के दाम बढ़ रहे हैं और बढ़ने वाले हैं। जितना भी आप कर लगाएंगे उतना उत्पादन का खर्चा बढ़ेगा और फिर चीजों के दाम बढ़ेंगे और चीजें बाजार में और भी कम उपलब्ध होंगी। आखिर स्थिति यह आ सकती है कि लोगों को बिना खाए रहना पड़ेगा। यहां पर हमारे बिहार के माननीय सदस्य श्री श्रीनारायण दास जी कहते हैं कि बिहार में एक एक परिवार में ऐसा भी होता है कि उनको जो आधा सेर चावल मिलता है उसको वे पानी में भिगो देते हैं और उसकी कढ़ी जैसी बना कर उसमें नमक डाल कर परिवार के 6 या 7 लोग खा लेते हैं। उससे पेट भरने का तो सवाल ही नहीं है। यही हालत बंगाल में हो रही है।

एक तरफ नाना प्रकार के करों की बढ़ोतरी की जा रही है। यदि उन करों को देश की भलाई के लिए या उत्पादन को बढ़ाने के लिए लगाया जाता तब तो समझ में आता कि चलो इससे देश का उत्पादन बढ़ रहा है। लेकिन ये कर उत्पादन बढ़ाने में नहीं लगाए जाते और जहां लगाए जाते हैं वहां गलत तरीके से लगाए जाते हैं। आज सरकारी कारखाने अच्छी तरह नहीं चल रहे हैं। उनमें आज देश की 2000 करोड़ की पूंजी लगी हुई है। पिछले साल का जो उनका लेखा जोखा आया है उससे पता चलता है कि उनमें कोई मुनाफा नहीं हुआ है। अगर इस पूंजी पर दस प्रतिशत का भी मुनाफा होता तो 200 करोड़ का मुनाफा होना चाहिए था। इसका क्या कारण है? कारण यह है कि आज इन उद्योगों का संचालन सरकारी

[श्री रामेश्वर टांटिया]

अफसरों द्वारा किया जाता है। एक आई० सी० एस० आफिसर को रांची हेवी इंजीनियरी के सामान के कारखाने का जनरल मैनेजर बना दिया जाता है। फिर उसको भोपाल को हेवी इलेक्ट्रिकल्स फैक्टरी का जनरल मैनेजर बना दिया जाता है। जैसा मैंने पहले भी कहा था उनका उपयोग अमृतधारा की तरह किया जा रहा है, बुखार हुआ तो वह दवा दे दी, पेचिश हुई तो वह दवा दे दी और कोई रोग हुआ तो वह दवा दे दी। उनको चाहे किसी चीज की जानकारी हो या न हो उस काम का संचालन उनको सौंप दिया जाता है। यह कोई अच्छी बात नहीं है। यह तो जनता की मेहनत की कमाई का दुरुपयोग है, और आज तो जनता कमा भी नहीं पा रही है। यह बहुत दुःख की बात है कि इस रुपये का दुरुपयोग हो रहा है और इससे जनता का भला नहीं होता।

आज हमारी आर्थिक स्थिति बहुत खराब है, छोटे कारखानों को तो पूंजी मिल ही नहीं पाती। एक तरफ सरकार कहती है कि हम छोटे उद्योगों को बढ़ावा देना चाहते हैं और दूसरी तरफ उनको पूंजी नहीं मिलती। सरकार उनको कैसे बढ़ावा देना चाहती है। मेरे पास छोटे उद्योगों के मालिक आते हैं। वह कहते हैं वे छः और बारह बारह महीने दिल्ली में घूमते रहते हैं पर सेक्रेटरी और ज्वाइंट सेक्रेटरी तो क्या उनको डाइरेक्टर तक से मिलने का मौका नहीं मिलता और वे काफी समय तक घक्के खाने के बाद अपने घर बैठ जाते हैं। हां, पब्लिक सेक्टर के कारखानों को पूंजी मिल जाती है और जो बड़े कारखानेदार हैं, जिन्होंने अपने यहां रिटायर्ड आफिसर्स को बड़ी तनखाहों पर नौकर रखा है, जो कि सब से मिल सकते हैं, उनको तो एन० आई० सी० डी० सी० आदि संस्थाओं से और सरकार से सहायता मिल जाती है, लेकिन साधारण कारखानों को सहायता नहीं मिल पाती और इसलिए उनका उत्पादन

अच्छी तरह नहीं हो रहा है। मैं कहना चाहता हूं कि उत्पादन बढ़ाने का यह उपाय नहीं है कि आप रोज-रोज नए-नए बजट लाकर नए-नए टैक्स लोगों पर लादते जाएं। वे इस भार को नहीं सह सकेंगे। भार सहने की भी एक सीमा होती है। आज हिन्दुस्तान में विश्व के सब देशों से ज्यादा कर लग रहे हैं। यदि यह ज्यादा करों का रुपया इस तरह उत्पादन के कामों में लगाया जाए जिससे जनता को उपभोग की चीजें अधिक उपलब्ध हों, उनको कपड़ा ज्यादा मिले, खाना ज्यादा मिले, तब तो उसका औचित्य है अन्यथा नहीं। आज हालत यह है कि डेढ़ रुपये सेर दूध है। डेढ़ रुपया सेर चावल है, डेढ़ रुपया सेर दाल है, साढ़े चार रुपया सेर सरसों का तेल है। इस हालत में हम इस बात का कोई औचित्य नजर नहीं आता कि नया बजट लाकर 173 करोड़ के नए कर बढ़ाए जाएं।

श्री बड़े (खारगोन) : उपाध्यक्ष महोदय, मैं ने फाइनेंस बिल नम्बर 2 पर वित्त मंत्री का भाषण सुना और अब फाइनेंस बिल नम्बर 2 को देखा। इससे मेरी मन में यह शंका उत्पन्न हो गई कि फाइनेंस मिनिस्टर साहब के विचार में स्टेबिलिटी, स्थिरता हैं या नहीं है। जैसा कि अभी श्री दाजी ने कहा कि एक साल में आठ नौ बार वह अपनी पालिसी बदल चुके हैं और फिर टैक्सेज बढ़ाते जा रहे हैं।

14 hrs.

जब वह पहला बजट लाए थे तब उनको धन्यवाद दिया गया था कि उन्होंने टैक्सेज में कोई वृद्धि नहीं की थी। लेकिन फिर दो चार महीने पीछे वह बजट लाए और 167 करोड़ के टैक्स उन्होंने लगा दिए। मैं समझता हूं कि इस तरह से आये दिन टैक्सेशन लगावे से दरअसल देश में एक क्षोभ और अशान्ति का वातावरण उत्पन्न हो गया है और मैं माननीय वित्त मंत्री महोदय से यह जानना चाहूंगा कि आखिर वे देश में शान्ति

चाहते हैं या अशान्ति ? स्पष्ट है कि उनका यह फ़ाइनैस (नम्बर 2) बिल अशान्ति को बढ़ाने में घी का काम कर रहा है। माननीय वित्त मंत्री ने यह कहा था कि वह टैक्सेज आदि बढ़ाने से चीजों के भाव नहीं बढ़ेंगे और मार्केट पर उनका कोई प्रतिकूल प्रभाव नहीं पड़ेगा लेकिन 28 अगस्त, 1965 के दैनिक वीर अर्जुन में "पूरक बजट का प्रभाव" शीर्षक के अन्तर्गत तफ़सील में बतलाया गया है कि केन्द्रीय वित्त मंत्री द्वारा घाटे की अर्थ व्यवस्था में कुछ सुधार के लिए अचानक पूरक बजट पेश किए जाने के तुरन्त बाद ही दिल्ली की मंडियों में विभिन्न वस्तुओं में तेज़ी का तूफ़ान देखने को मिला।

गत फरवरी मास की तेज़ी का झटका जनता व खपत वाले उद्योग अभी सह भी न पाए थे कि उत्पादन कर फिर बढ़ाए जाने से मिश्रित धातु व बर्तन बाज़ार में तेज़ी का नया तूफ़ान आ गया। केन्द्रीय वित्त मंत्री महोदय ने तांबे व ज़िंक पर 500 रुपये प्रति टन का उत्पादन कर बढ़ा कर लघु उद्योग धंधों को दी गई उन रियायतों पर पानी फेर दिया जो कि वार्षिक बजट पेश करने के पश्चात् उन्होंने दी थी। भारी टैक्सों के भार से व्यापारिक क्षेत्रों का दिचार है कि लघु उद्योग या तो अपने आप समाप्त हो जायेंगे और या घूम फिर कर टैक्सों का ये बोझा जनता की पीठ पर ही लादा जायेगा। जरा देखिए, धातुओं में ये तेज़ी की चमक जिससे घबरा कर हो सकता है जनता को आगे चल कर मिट्टी के बर्तनों में खाना खा कर आदम युग को याद करना पड़ जाये।

फिर आगे जो भाव बढ़े हैं वे इस प्रकार हैं। चादरी पीतल में 820 रुपये पर 40 रुपये प्रति क्विंटल की तेज़ी आई जब कि रांगे के टुकड़े 3100 से भड़क कर 3400 रुपये प्रति क्विंटल बोले जा रहे थे।

शीशे के पिंड विदेशी 525 की बजा 600 रुपये मुने गये, जब कि तांबे के तार

1550 से खिंच कर 1650 रुपये प्रति क्विंटल तक जा पहुंचे। ज़िंक इलेक्ट्रोलेटिक में 590 रुपये पर 65 रुपये की लहर आई। तांबे की फूट 50 रुपये के लाभ के साथ 200 रुपए बेची गई। पीतल की फूट 720 रुपये की बजाए 740 और तांबे की चादर 1575 से फँस कर 1650 रुपये प्रति क्विंटल हो गई।

कहने का तात्पर्य यह है कि पूरक बजट पेश होने के बाद से सभी वस्तुओं में तेज़ी आई है।

वित्त मंत्री जी का कहना है कि अभी हमने हाई स्पीड डीज़ल आयल पर टैक्स बढ़ाया है और उस के साथ में पेट्रोल, पेट्रोलियम तथा डीज़ल पर टैक्सेशन बढ़ाया है लेकिन नतीजे में हम देखते हैं कि हर एक जगह हर एक स्टेट में जितनी भी पैसजर्स बसेज हैं उनकी भाड़े की दरें काफी बढ़ गयी हैं और साथ ही में जो माल ढोने वाली मोटर ट्रक्स हैं उनके रेट भी बढ़ाये जा रहे हैं। जाहिर है कि उनके द्वारा ढोये जाना वाला महंगा पड़ेगा और सामान्य जनता पर उसका प्रतिकूल प्रभाव पड़ेगा। आज हमारे चारों तरफ़ टैक्सों का एक बिसश सर्किल शुरू हो गया है। वित्त मंत्री जी इस में से बाहर निकलने की कोशिश कर रहे हैं लेकिन वह निकल नहीं पा रहे हैं। आम जनता की परेशानी और हैरानी दिन पर दिन बढ़ रही है और प्राइसेज बढ़ती जा रही हैं।

वित्त मंत्री जी का कहना है कि वह लघु उद्योगों को पनपाना व विकसित करना चाहते हैं। अब लघु उद्योग में पिग आयरन लगता है लेकिन इस पिग आयरन पर भी उन्होंने टैक्स लगा दिया है। इस टैक्सेशन का लघु उद्योग पर बड़ा बुरा प्रभाव पड़ेगा और मैं उन्हें बतलाना चाहता हूँ कि इस तरह से तो हमारे मध्य प्रदेश में सभी छोटी इंडस्ट्रीज ख़त्म हो जायेंगी। मैं अपने वित्त मंत्री जी से यह पूछना चाहूंगा कि आखिर वे चाहते क्या हैं।

## [श्री बड़े]

हैं? क्या वह बड़े बड़े पूँजीपतियों को आगे बढ़ाना चाहते हैं या लघु उद्योगों को बढ़ाना चाहते हैं? मुझे तो ऐसा प्रतीत होता है कि पूँजीपति ज्यादा बढ़ते जायेंगे उनको ज्यादा प्राफिट होगा यह हो सकता है कि लघु उद्योग भी बढ़ें।

इसी प्रकार हम देखते हैं कि तांबे का भाव काफ़ी बढ़ गया है और उस के फलस्वरूप हम जितने बर्तनों का उत्पादन करने वाले लोग हैं उनका धंधा ही डूबने जा रहा है।

अभी माननीय वित्त मंत्री ने इस ऐडिशनल टैक्सेशन के तीन कारण बतलाये हैं एक तो यह कि स्टेटों को और अधिक पैसा देना है। चूँकि स्टेट्स को और पैसा देना पड़ेगा इस वास्ते वे कहते हैं कि हम यह टैक्स बढ़ा रहे हैं। उसमें यह दिया है :—

“Despite repeated appeals to the States to avoid recourse to overdrafts from the Reserve Bank and to consolidate their financial position, some additional assistance to a number of States has become inevitable; and this may account for an additional outlay of about Rs. 40 crores.”

इस बात की शिकायत की गई है कि स्टेट्स आवरड्राफ्ट्स से बाध नहीं आती। इस सम्बन्ध में श्री मुरार जी देसाई ने भी जब कि वह वित्त मंत्री होते थे तब कहा था कि राज्यों को आवरड्राफ्ट्स नहीं करना चाहिए और हम इसलिए उन्हें पैसा नहीं देंगे। लेकिन जैसा कि बतलाया गया है वह आवरड्राफ्ट्स की बीमारी बदस्तूर जारी है और यही कारण है जो यह 40 करोड़ का ऐडिशनल आउटले का बंदाबस्त करके राज्यों को मदद दे जा रहा है। स्टेटों में भी डेफिसिट बजट पेश होने हैं। हमारे राज्य मध्य प्रदेश में 6 करोड़ के नये टैक्स डेफिसिट को मोट करने के लिए लगा दिये हैं। इसके साथ ही जो म्युनिसिपैल्टीज

हैं उनको भी अपने टैक्स बढ़ाने की परमिशन दी जाती है और हम देखते हैं कि म्युनिसिपैल्टीज और पंचायत कमेटियों द्वारा भी टैक्स बढ़ाये जाते हैं। इस तरह से वहाँ पर म्युनिसिपल टैक्स व हाउसिंग टैक्स आदि बढ़ते हैं। इन के अलावा 40 करोड़ रुपये का ऐडिशनल टैक्सेशन स्टेट्स को देने के वास्ते हैं। लेकिन मेरा कहना है कि इस तरह से समस्या हल होने वाला नहीं है और जनता की कठिनाइयाँ व परेशानियाँ दिन पर दिन बढ़ने ही वाली हैं। आज आवश्यकता इस बात की है कि हम सैल्फ-सफिशिएंट (आत्मनिर्भर) बनें, हर क्षेत्र में हम आत्मनिर्भर बनने का सक्रिय प्रयत्न करें। हमें अपने यहां एकोनामी करना चाहिए जिसकी कि बहुत काफ़ी गुंजाइश मौजूद है। स्टेटों में एकोनामी करने की बहुत गुंजाइश है। यह आपके सामने आँकड़े मौजूद हैं और वित्त मंत्री जी ने यहां इसी हाउस में कहा था कि वे एकोनामी कट करेंगे और जो वेस्टफुल एक्सपेंडीचर (फिजूल खर्चा) है उसमें वे कटौती करेंगे, कमी करेंगे लेकिन उसके लिए उन्होंने कोई अमली कदम नहीं उठाया। उसके बजाय हम पाते हैं कि स्टेटों के अतिरिक्त खर्चों का मोट करने के लिए यह 40 करोड़ उन्हें देने पड़ेगे। इनकमटैक्स का जो शेयर मिलता है वह कम मिलता है और इनकमटैक्स का शेयर उन्हें ज्यादा मिलना चाहिए। इस के लिए स्टेटों ने आपके पास में प्रार्थनापत्र दिये हैं और उसी के कारण यह 40 करोड़ रुपये का टैक्स वित्त मंत्री जी ने और बढ़ाया है स्टेटों ने जैसा मैं ने पहले कहा चूँकि आवरड्राफ्ट किया है इस वास्ते यह 40 करोड़ का ऐडिशनल टैक्स लगाना पड़ा है।

दूसरा कारण वित्त मंत्री जी ने यह दिया है कि चूँकि महंगाई बढ़ती जा रही है और सरकारी नौकरों का महंगाई भत्ते की शकल में 25 करोड़ रुपये दिया गया है इस वास्ते यह टैक्सेशन जरूरी हो गया। लेकिन मेरा कहना है कि यह डिपरनेस एलाउंस समस्या को

हल नहीं पा रहा है क्योंकि दिन पर दिन रुपये की कीमत कम होती जा रही है। हमारे वित्त मंत्री जो विद्वान हैं और वे इन बात से बखूबी वाकिफ हैं कि मंहगाई का यह विषय सकल (दूषित चक्र) दिन पर दिन बढ़ता ही जा रहा है और प्राइवेट, कानूनी बढ़ता हो जा रहा है। सरकारी नौकरों का तो फिर सरकार मंहगाई भत्ता देनी है और उते कर्मों कर्मों बढ़ाता भी रहती है लेकिन क्या सरकार ने उन गरीब काश्तकारों की अवस्था पर भी कर्मा ध्यान दिया है कि आज वे इन मंहगाई के कारण किस कदर परेशान व दुःख हैं? जहाँ पहले गरीब काश्तकारों को रुपये का दस सेर गेहूँ मिलता था, वह घट कर पांच सेर बा हो गया और अब दो सेर का हो गया है। रुपये की कीमत घट कर दो आने रह गयी है। गरीब किसान जहाँ का तहाँ मौजूद है। और लोगों का आय बर्दा भी है लेकिन उसकी वही खस्ता हालत बर्दस्तूर जारी है और आज इस बढ़ती हुई मंहगाई के कारण उसकी कमर टूट चुकी है।

यह जो मंहगाई भत्ता देने के बाद सप्ली-मेंटरी बजट आता है उसके लिए वह कहते हैं कि यह उस एडिशनल एक्सपेंडिचर जो कि डिफरन्स एलाउंस के लिये आवश्यक हो गया है उसको मोट करने के लिए रखा गया और 25 करोड़ रुपये का टैक्स लगाया गया है।

तीसरा कारण उन्होंने यह दूसरा फार्ड-नैस बिल लाने का यह बताया है कि :

"Honourable Members would also appreciate that in view of renewed hostilities at a number of points on our borders...."

भारत की सीमाओं की सुरक्षा के हेतु यह टैक्स आवश्यक हो गया है। अब वित्त मंत्री जी को कम से कम यह तो समझना ही चाहिए कि यहाँ पर जो एम० पी० बँडे हैं उनके भी वृद्धि है। यह टैक्सेशन बढ़ाने की दलालें हम समझते हैं कि झूठी हैं तो भी वह कृते हैं चूँकि होस्टिलिटीज बढ़ गयी हैं इस लिए हमें यह टैक्स लगाना पड़ रहा है।

मेरा कहना है कि जब प्रथम बजट पास किया था तब भी सुरक्षा की ओर सीमाओं की सुरक्षा करने की समस्या हमारे सामने थी और इस बेसिस पर आपने बजट में टैक्सेशन लगाये भी। सीमाओं की सुरक्षा की समस्या उस समय भी मौजूद थी तो अब आज यह कौन सी परिस्थिति उत्पन्न हो गयी है कि 100 करोड़ रुपये की टैक्स लगाने की आपको आवश्यकता महसूस हुई? पार्लियामेंट का कोई भी सदस्य भारत की सीमाओं की सुरक्षा के हेतु गवर्न-मेंट को पैसा जुटाने के लिए एतराज नहीं करेगा लेकिन हम यह चाहते हैं कि जब आप अपना बजट लाया करते तो उस वक्त आप सही अंदाज लगा कर टैक्स आदि लगायें ताकि इस तरह से दुबारा टैक्स लगाने की बीच में आपको आवश्यकता न पड़े। आपके जो नीचे का स्ट्राफ़ है वह भी सही बजट का अंदाज नहीं लगा पाता है और आप सब लोग एक तरह से प्रोप इन दी डाक करते हैं। उनको पहले से ही अंदाज सही लगा कर सुरक्षा के हेतु टैक्स लगाना था।

वित्त मंत्री महोदय ने ब्लैक मनी जिसको कि मनी नम्बर टू कहते हैं उसकी जानकारी शासन को देने की अपील की थी और इसके लिए उन्होंने कुछ रियायतें भी प्रदान की थीं। वित्त मंत्री जी को मालूम है कि आज देश में काफी लोगों के पास यह ब्लैक मनी दबा पड़ा हुआ है और वे उसको शासन को नहीं बतला रहे हैं। हमें ब्लैक मनी अर्थात् मनी नम्बर टू को बाहर निकालने के लिए वित्त मंत्री ने पहले भी अपने कुछ सुझाव दिये थे और अभी भी अपने इस सैंक्रेड बजट में उसके लिये सुझाव दिये हैं। वित्त मंत्री जी को मालूम है कि किन लोगों के पास यह पैसा है लेकिन उनकी अपील और रियायतों का कोई असर उन पर नहीं पड़ा है और वह ब्लैक मनी बाहर नहीं आया है। दरअसल बात यह है कि वित्त मंत्री जी अंधेरे में जा रहे हैं और वह मास्टर चार्ली जिससे कि वह ब्लैक मनी रूपी ताला खुल सकता है उसका वह प्रयोग न करके गलत चार्ली का बार-बार प्रयोग करते रहे हैं और यही कारण है

[श्री बड़े]

कि अभी तक वह इसमें असफल सिद्ध हुए हैं। ज़रूरत दरअसल मास्टर की लगाने की है। मास्टर चाभी अभी मिली नहीं है। जब सैंकेंड टाईम उन्होंने ब्लैक मनी बाहर निकालने की कोशिश की तो उस 250 करोड़ में से केवल 40 करोड़ रुपया ही प्राप्त हुआ। यह एक फेवॉर मालूम पड़ता है और चूंकि वह सक्सेस-फुल नहीं हुआ है इसलिए यह दूसरा प्रावि-जन ला रहे हैं ब्लैक मनी निकालने के लिए लेकिन उससे भी सफलीभूत न होंगे जब तक यह घूसखोरी चलती है। वे लोग जिनके पास ब्लैक मनी है वे परमिट और लाइसेंस आदि प्राप्त करने के लिए उसे अपने पास रखते हैं और जाहिर है कि वह हिसाब में उसे नहीं बतला सकते हैं। वह ब्लैक मनी फॉरेन एक्सचेंज व लाइसेंस पर-मिट आदि की प्राप्ति में घूसखोरी में लगता है। यह चीज मैं ने अपने मध्य प्रदेश में बड़े-बड़े व्यापारियों से बातचीत करने के दौरान में सुनी है। उन्होंने मुझे साफ कहा कि हमको जब लाइसेंस और परमिट्स आदि प्राप्त करने होते हैं तब हमको घूस में पैसा देना पड़ता है तो उसके लिए हम इसी ब्लैक मनी पर डिपेंड करते हैं। तीन-तीन, चार-चार और छ छ हजार रुपया बतौर घूस के हमें इन के लिए देना पड़ता है तब कहीं जाकर काम बनता है। उस के लिए उन्होंने मुझे बतलाया कि हम पैसा कहां से लायें ? वह पैसा हिसाब में हम बतला नहीं सकते। हालत यह है कि आज वगैर पैसा दिये, घूस दिये परमिट, लाइसेंस और फॉरेन एक्सचेंज आदि मिलता नहीं है। उन्होंने कहा कि लाइसेंस और परमिट लेने के लिए जो कम्पन, भ्रष्टाचार और घूसखोरी होती है, उस के लिए हम पैसा कहां से लायें ? उन्होंने बताया है कि हम को ब्लैक मनी इसलिए रखना पड़ता है, क्योंकि इससे हम लाइसेंस और परमिट तथा फारेन एक्सचेंज लेते हैं। शासन को इस बात की तरफ ध्यान देना चाहिए कि लोग यह जानते हुए भी ब्लैक मनी क्यों रखते हैं कि वे पकड़े जायेंगे और उन को सजा होगी।

मैं समझता हूं कि उस का कारण यह है कि इस सरकार की योजना गलत है। इस योजना में विभिन्न क्षेत्रों में फारेन कोलाबोरेशन और फारेन मशीनरी लाने की व्यवस्था की गई है। हमारे देश के बिड़ला, टाटा जैसे बड़े पूंजीपति भी फारेन कोलाबोरेशन और फारेन मशीनरी की व्यवस्था करते हैं। फारेन कोलाबो-रेशन और फारेन मशीनरी प्राप्त करने के लिए फारेन एक्सचेंज की आवश्यकता होती है और फारेन एक्सचेंज प्राप्त करने के लिये भ्रष्टाचार करना पड़ता है। फारेन मशीनरी, फारेन कोलाबोरेशन और फारेन एक्सचेंज से तथा इम्पोर्ट ड्यूटी बढ़ाने से यहां का उत्पादन मंहगा होता है, जिस का परिणाम यह होता है कि हमारे देश के साधारण व्यक्ति को सामान मंहगा मिलता है। उस से प्राइसिज बढ़ती है, जिस के बाद सरकार टैक्स लगाती है।

आज आवश्यकता इस बात की है कि सरकार अपनी योजना को बदले। आज सब पार्टियों की तरफ से यह कहा जा रहा है कि सरकार को योजना की तरफ ध्यान देना चाहिए। आज स्थिति यह है कि ज्यादा मशीनें, मदर मशीनरी लाने, कारखाने तैयार करने और फारेन कोलाबोरेशन पर पैसा लगाने से हमारा प्राइवशन बहुत मंहगा होता है। इसलिए सरकार को छोटी छोटी इंडस्ट्रीज की तरफ ध्यान देना चाहिए। अगर ऐसा न किया गया और हमारा प्रोडक्शन मंहगा होता गया, तो हमारे देश में मंहगाई कम नहीं होगी।

आज सरकार की नीतियों के कारण देश में एक क्राइसिस पैदा हो गया है, बड़ा क्षोभ पैदा हो गया है। इन्फाल, महाराष्ट्र, इन्दौर, देश में हर जगह मैं दू दि स्ट्रीट मंहगाई की वजह से त्रस्त है। वे शासन को कोसते हैं, और एम० पी० को भी कोसते हैं कि आप लोग पार्लियामेंट में क्या करते हैं, जो मंहगाई कम नहीं हो रही है। आज हालत यह है कि लोग घंटों क्यू में खड़े-खड़े चक्कर खा कर गिर पड़ते हैं। अखबार में यह समाचार

भी आया है कि किसी स्थान पर किसी औरत को क्यूं खड़े हुए डिलवरी हो गई। सरकार को यह सोचना चाहिए कि इस महंगाई को, इन राईजिंग प्राइसिस को रोकने के लिए क्या करना चाहिए। समय समय पर अलग अलग तरीके अख्तियार करने से मार्केट में बिलिटी नहीं रहेगी। माननीय मंत्री ने इस बिल को इन्स्टीट्यूट न करने का कारण यह बताया है कि इस से देश में एक दम मार्केट की (फलवट्टाएशन) घटबढ़ होगी। इस प्रकार उन्होंने ने 167 करोड़ रुपये के और टैक्स लगा दिये हैं।

माननीय मंत्री जी ने अपने भाषण में कहा है, "यह स्पष्ट करने का प्रस्ताव है कि परोपकार के प्रयोजन में वह प्रयोजन शामिल नहीं होगा, जिस का स्वरूप पूर्णतः या मुख्यतः धार्मिक हो। इस संशोधन का प्रभाव उन दोनों पर पड़ेगा, जो 1-1-1964 को या उस के बाद किये जायें। दान कर अधिनियम और मृत शुल्क अधिनियम में भी इसी प्रकार के संशोधन करने का विचार है।" यह संशोधन लाने का कारण उन्होंने ने यह बताया है, "हाल में एक उच्च न्यायालय ने यह मत प्रकट किया है कि परोपकार के प्रयोजन में धार्मिक प्रयोजन भी शामिल रह सकता है।" शायद पंजाब हाई कोर्ट ने यह जजमेंट दिया है कि चैरिटेबल इंस्टीट्यूशन में मन्दिर, मस्जिद और गुरुद्वारे भी आते हैं। सरकार को यह देखना चाहिए कि आज देश में बहुत से मन्दिर, मस्जिद और गुरुद्वारे हैं, जो केवल चैरिटेबल इंस्टीट्यूशन से चलते हैं, लेकिन उन के साथ एज्यूकेशनल इंस्टीट्यूशन भी हैं। इस से देश में बड़ा क्षोभ पैदा हुआ है। आज देश में यह प्रचार हो रहा है कि यह संशोधन केवल हाई कोर्ट के जजमेंट के कारण किया गया है, इस का दूसरा कोई उद्देश्य नहीं है। हम यह जानना चाहते हैं कि अगर हाई कोर्ट का जजमेंट बदलेगा, तो क्या सरकार की दृष्टि भी बदल जायेगी। चैरिटेबल इंस्टीट्यूशन के अन्तर्गत जो मन्दिर, मस्जिद और गुरुद्वारे चलते हैं और उन के साथ यदि एड्युकेशनल इंस्टीट्यूशन भी हैं, तो उन को छूट देनी चाहिए।

अन्त में मैं यह कहना चाहता हूं कि इस फिनांस बिल में, जिस में 167 रुपये के और टैक्स लगाए गए हैं, देश का कोई कल्याण नहीं हुआ है, बल्कि इस से उल्टे महंगाई बढ़ गई है। इस की वजह से गांवों में स्माल इंडस्ट्रीज डूबती जा रही हैं और महंगाई ज्यादा बढ़ती जा रही है।

**श्री शिव चरण गुप्त (दिल्ली सदर) :** उपाध्यक्ष महोदय, फिनांस मिनिस्टर साहब ने साल के बीच में जो दूसरा बजट पेश किया है, मुझे इस में कोई खास बुराई नजर नहीं आती है। बल्कि मैं तो यह समझता हूं कि उन्होंने ने अपनी जिम्मेदारियों को ठीक तरह से निभाते हुए और अपने कर्तव्य को पूरा करते हुए संसद और सारे देश को अपने विश्वास में लिया है और यह बताने की कोशिश की है कि हमारे देश की क्या आर्थिक और वित्तीय स्थिति है। मैं समझता हूं कि अगर वह ऐसा न करते, तो वह अपनी जिम्मेदारी को पूरा न करते।

इस फिनांस बिल के बारे में माननीय सदस्यों ने जहां और बहुत सी बातें कही हैं, वहां वे यह भूल गए हैं कि हमारी खाद्य स्थिति में, जो कि हमारे लिए सबसे बड़ी समस्या बनी हुई है, कैसे सुधार हो, किस तरह से हमारा खाद्य उत्पादन बढ़े, किस तरह से हमारे खेतों में अनाज ज्यादा पैदा हो, फिनांस मिनिस्टर साहब ने इस बारे में कोशिश की है। उन्होंने इस बिल में एग्रीकल्चरल मशीनरी और इम्प्लीमेंट्स पर आयात शुल्क की दर 15 परसेंट रखी है। इसके साथ ही उन्होंने हल्के डीजल आयल के उत्पादन शुल्क को घटाने की बात कही है। इसके अलावा उन्होंने दस हास पावर या उससे कम हास पावर के डीजल इंजिनों का उत्पादन शुल्क भी कम करने की बात कही है, जिनका इस्तेमाल कृषि में होता है।

मैं समझता हूं कि फिनांस मिनिस्टर साहब ने बिल्कुल ठीक मीके पर इस कदम को उठाया है, क्योंकि इस हाउस में हमेशा इस बात पर जोर दिया गया है कि इस वक्त

## [श्री शिव चरण गुप्त]

हमारे देश की सबसे पहली प्रा. टी. यह है कि किस तरह से कृषि उत्पादन में वृद्धि हो, क्योंकि अगर कृषि उत्पादन की समस्या हल नहीं होती है, तो कई दूसरी समस्याएँ पैदा हो जाने की आशंका है।

इस बात पर भी विचार करने की आवश्यकता है कि अगर साल के बीच में इस बात का अन्देशा हो कि सालाना बजट को पेश करते हुए जिन मदों में ज्यादा रुपया हासिल होने की उम्मीद थी, उनमें उतना रुपया हासिल नहीं हुआ है और देश में एक खास स्थिति पैदा हो गई है, तो उस को सामने रखते हुए संसद् और देश के सामने नये सुझाव रखे जाय। मैं समझता हूँ कि इसमें कोई बुराई की बात नहीं है। फिनांस मिनिस्टर साहब ने अपने भाषण में बताया है कि किस तरह से कुछ मदों में रुपया कम वसूल होने वाला है और किस तरह से कुछ खर्च बढ़ने वाले हैं। इस कारण रुपये की ज्यादा जरूरत पड़ेगी और इसलिए उन्होंने कुछ टैक्सज लगाने का कदम उठाया है।

जहां तक इम्पोर्ट ड्यूटी लगाने का सवाल है, फिनांस मिनिस्टर साहब का ख्याल है कि लोग ज्यादा फायदा उठाते हैं और वह उस फायदे में से कुछ को ले लेना चाहते हैं। मैं समझता हूँ कि इस बारे में ज्यादा तफ़्सील में जाने की जरूरत है। हो सकता है कि कुछ मदों में जो ज्यादा फायदा है, उसको फिनांस मिनिस्टर साहब हासिल कर लें, लेकिन इससे बहुत सी मदों में चीजों की कीमत बढ़ेगी और उसका असर आम उपभोक्ता पर पड़ेगा। इसलिए इस प्रश्न पर ज्यादा गहराई से विचार करने की जरूरत है।

यहां पर यह कहा गया है, और फिनांस मिनिस्टर साहब ने भी कहा है, कि महंगाई का प्रश्न काफ़ी विकट होता जा रहा है, हमारे मूल्य बढ़ रहे हैं। उन्होंने बताया है कि थोक मूल्यों का सूचक अंक जनवरी के शुरू में 161, मार्च के मध्य में 150 और इस वक्त

24 जुलाई, 1965 को 164.8 हो गया। इस सम्बन्ध में इस बात पर गौर करना जरूरी है कि जब पिछले साल हमारी खेती की पैदावार बढ़ी है, हमारे देश का उत्पादन बढ़ा है, दस प्रतिशत के करीब हमारी खेती की पैदावार बढ़ी है और 6 प्रतिशत से अधिक हमारी पैदावार उद्योगों के अन्दर बढ़ी है, तो क्या कारण है कि होलसेल प्राइस इंडेक्स इतना ज्यादा बढ़ गया। अगर होलसेल प्राइस इंडेक्स इस तरह से बढ़ता चला गया तो यह सिलसिला कहीं खत्म ही नहीं होगा, यह बराबर चलता जाएगा। इसको रोकने के लिए क्या कदम हमारी सरकार उठाना चाहती है, यह मैं वित्त मन्त्री जी से जानना चाहूंगा। वित्त मन्त्री जी ने अपने भाषण में इस बात को कहा है कि अधिक मात्रा में हम निर्यात करना चाहते हैं, एक्सपोर्ट करना चाहते हैं। उसके लिए भी यह जरूरी बात है कि हमारी जो कीमतें हैं, उनके अन्दर वृद्धि न हो। इसको हमारे वित्त मन्त्री जी ने भी माना है। जब हम अपने देश के अन्दर बढ़ती हुई महंगाई को रोकना चाहते हैं तो मैं जानना चाहता हूँ कि सही सही मानों में क्या क्या कदम इस सम्बन्ध में उठाये जा रहे हैं, इस पर रोगनी डाली जाए। अब तक जो भी कदम उठाये गये हैं उनसे महंगाई की समस्या हल नहीं हुई है। उत्पादन बढ़ने के बावजूद भी महंगाई बराबर बढ़ती जा रही है। इससे खास तौर पर ऐसे लोगों के ऊपर जिन की आमदनियां फिक्स्ड है, जिनकी आमदनियां बंधी हुई हैं, जो मध्यम श्रेणी के लोग हैं या उससे भी कम श्रेणी के लोग, खराब असर बढ़ता है जिसकी वजह से हमारे सामने और कई पेचीदगियां पैदा होती हैं। इसलिए मैं इस बात को जरूर कहना चाहता हूँ कि इसके सम्बन्ध में जरूर विचार किया जाना चाहिये कि किस तरह से महंगाई पर रोक लगाई जा सकती है।

वित्त मन्त्री ने अपने भाषण के अन्दर कहा है कि अप्रैल-जून 1964 के अन्दर जो हमारा



निर्यात था वह 196 करोड़ रुपये का था और 1965 के अन्दर इस दौरान में हमारा जो निर्यात है वह 185 करोड़ रुपये का है। उन्होंने एक और बात कही। 1963-64 में जितना हमारा निर्यात हुआ यानी 803 करोड़ रुपये का, उतना ही निर्यात हमारा 1964-65 के अन्दर हुआ। जब हमारी विदेशी मुद्रा की स्थिति बराबर खराब होती जा रही है और हमें अपने जरूरी कारखानों को चलाने के लिए, अपने कामों को ठाक तरीके से चलाने के लिए बराबर आयात करने की जरूरत है तो ऐसी सूरत में क्या क्या कदम सरकार ने उठाये हैं जिन से हमारे निर्यात में वृद्धि हो सके। पिछले दो सालों के अन्दर इस बात को बराबर कहा गया है कि सरकार यह योजना बना रही है, सरकार यह यह सहूलियतें लोगों को दे रही है, दुनिया के अन्दर हमारी एजेंडेशन भी हुई है, हमारे सामान को वहां प्रदर्शित भी किया गया है तथा और भी बहुत से कदम उठये गए हैं। मैं पूछता चाहता हूं कि क्या कारण है कि हमारा निर्यात नहीं बढ़ा है। क्या कारण है कि इन सब कदमों के बावजूद भी हमारा निर्यात 1963-64 के बराबर 1964-65 में रहा। जो अब अभी तक जून गुजरा है, उसके अन्दर तो हमारा निर्यात तकरीबन 11 करोड़ रुपये कम हो गया है। यह बहुत ही एक टेढ़ी समस्या है, बहुत ही टेढ़ा मसला है। इसके बारे में हमें काफी चिन्ता है और हमें ही जहाँ सारे देश को काफी चिन्ता है। मैं चाहता हूं कि सरकार इसके बारे में इनकवायरी करे, सरकार को इसकी तह के अन्दर जाना चाहिये और पता लगाना चाहिए कि क्या सबब हैं, क्या कारण है कि हमारा निर्यात कम हुआ है। अगर हमारा निर्यात कम होता है तो उसका खराब असर हमारी विदेशी मुद्रा पर पड़ता है। जब विदेशी मुद्रा पर खराब असर पड़ता है तब हमें इम्पोर्ट कट्स लगाने पड़ते हैं और इन कट्स की वजह से छोटें या बड़े कारखानों के लिए जो जरूर चीजें हैं, चाहे वे प्राइवेट सेक्टर में हों या पब्लिक सेक्टर में हों, उन के आयात पर

हमें रोक लगाना पड़ता है जिससे काफी विकट स्थिति हमारे सामने पैदा हो जाती है। इस वास्ते इन चीजों के बारे में सोचने की जरूरत है।

हमारे वित्त मंत्री जी ने चौथी पंच-वर्षीय योजना का जिक्र भी किया है। चौथी योजना के सम्बन्ध में माटे तीर पर जो कुछ यहां बताया गया है, उससे पता चलता है कि तीन हजार करोड़ रुपये एडंशनल टैक्सेशन से वसूल किये जायेंगे। अब जो टैक्स लगाये जा रहे हैं इन से तकरीबन 835 करोड़ रुपये के करीब पांचवें सालों के अन्दर वसूल होने की आशा की गई है। मैं फाइनेंस मिनिस्टर साहब से पूछता चाहता हूं कि तीन हजार करोड़ रुपये एडंशनल वसूल करने की जो बात है, उसके अन्दर क्या ये 835 करोड़ रुपये एडजस्ट हो जाते हैं या नहीं हो जाते हैं। ऐसा भी कुछ लोगों के मन में शक पैदा हो रहा है कि कहीं ऐसा न हो कि चौथी पंच-वर्षीय योजना के अन्दर तीन हजार करोड़ रुपये के टैक्स लगाने की जो बात है, वे इस 835 करोड़ रुपये के अलावा हों। इस बजट का पेश करते वक्त वित्त मंत्री जी ने जो भाषण किया है उसके अन्दर उन्होंने कहा है कि चौथी योजना की बात को सांते रखते हुए वे इस दूसरे बजट को लाये हैं जहां उन्होंने और कई कारण बताये हैं वहां इसके बारे में भी स्पष्टीकरण की जरूरत है ताकि इसके सम्बन्ध में जो देश के अन्दर गलत धारणा पैदा होती है या गलत हवा पैदा होता है, वह पैदा न हो और उतका मुलावना किया जा सके और देश के सामने सही सही स्थिति को रखा जा सके।

यहां पर इस बात का भी जिक्र किया गया है कि बाईर सिवियलिटी की जरूरतों को सामने रखते हुए हमने टैक्स लगाने की बात कही है। मैं इस सम्बन्ध में अधिक नहीं कहना चाहता हूं लेकिन इतना मैं जरूर कहना चाहता हूं कि अक्टूबर 1962 में जब चीन ने हमारे ऊपर आक्रमण किया था और उस हमले से हमको जो सबक लेना चाहिये था,

## [श्री शिव चरणा गुप्त]

हमारी जो ई लाजस सावस है, उस सविस को हमें जितना टोन अप करना चाहिये था, जितना उसको हमें फैंजाना चाहिये था, जितना उसको ठीक तरीके से रीआर्गनाइज करना चाहिये था, उसका पुनर्गठन करना चाहिये था, माकूल आदमियों से उसका मुसांजजत करना चाहिये था, वे सारे के सार काम हम नहीं कर पाये हैं और उसका नताजा यह हुआ है कि चाहे कच्छ के अन्दर गड़बड़ी हुई हो या काश्मीर के अन्दर गड़बड़ी हुई हो, और हो सकता है कि हमारी कुछ इंटेलीजेंस रही हो, लेकिन इस बारे में देश के अन्दर बड़ी बेचैनी और परेशानी है और देश में यह भावना व्याप्त है कि जहां तक हमारी इंटेलीजेंस का सम्बन्ध है वह बिल्कुल "न" के बराबर रही है। यह बात किसी से छिपी हुई नहीं है कि 1947 के अन्दर जबरेडज काश्मीर के अन्दर आये थे, और जिस हद तक वे काश्मीर के अन्दर आये थे, इस मर्तबा उससे भी बहुत ज्यादा नज्दाक शहर के अन्दर और श्रीनगर का जो एयरोड्रोम है, उसके नज्दोक आ गये थे। जब हमारी बोर्डर सिक्कीरिटी वगैरह के बारे में चर्चा होती है तो इस बात की बड़ी सख्त जरूरत है कि हम लोगों के अन्दर एक कॉन्फिडेंस पैदा करें, उनके अन्दर विश्वास पैदा करें, क्योंकि आखिर में जो मुल्क की सिक्कीरिटी है, मुल्क की जो डिफेंस है, देश की सुरक्षा का जो सवाल है, वह हमारे सामने सब से पहला सवाल है और जितने दूसरे सवाल हैं वे पाछे आते हैं। आज देश के अन्दर कोई ऐसा भी आदमी नहीं है जो देश की सुरक्षा के लिये अधिक से अधिक रुपये को सरकार को जरूरत हो तो सरकार को न दे, चाहे ट्रैंसिस के तौर पर या सरकारी बारांड्रिज के तौर पर। किसी तरह की भी कोई योजना आप बनायें आज देश हर प्रकार की कुबर्नी करने के लिये अपनी सुरक्षा के लिये तैयार है। लोगों के मन में यह विश्वास पैदा होना चाहिये कि सुरक्षा के मामले में हम उदासीन नहीं हैं, हम

हिम्मत के साथ, साहस के साथ उस काम को करेंगे और उसके साथ साथ जो हमारी जरूरतें हैं उन जरूरतों को भी हम पूरा करेंगे।

बहुत बार बहुत सी बातें काश्मीर के लोगों के बारे में कही जाती हैं। लेकिन कमाल की बात है कि हिन्दुस्तान की जो सैक्युलरिज्म की पालिसी है उस पालिसी के बारे में जितना विश्वास काश्मीर के लोगों ने वहां रेडर्ज का मुकाबला करके सारे देश के सामने प्रदर्शित किया है, उसने सारे देश के सामने एकमिसाल कायम कर दी है, उसकी कोई दूसरी मिसाल हमारे सामने नहीं है। जब हम यह कहते हैं कि सीज फायर लाइन से हमारी फीजें आये जा रही हैं तो उस तरह की बात को हमें नहीं कहना चाहिये। इसका कारण यह है कि जो आजाद काश्मीर का हिस्सा है, उसको हमने कभी नहीं माना है कि वह हिन्दुस्तान का हिस्सा नहीं है या जम्मू काश्मीर का हिस्सा नहीं है। वह जम्मू काश्मीर का हिस्सा है, हिन्दुस्तान का हिस्सा है। इसलिये अगर वहां पर हमारी फौजें जाती हैं तो अपनी टैरिटरी के अन्दर ही जाती हैं; किसी दूसरे की टैरिटरी के अन्दर नहीं जाती है। इस वास्ते मैं कहूंगा कि हमें कभी इस बारे में एपोलोजेटिक होने की जरूरत नहीं है।

यहां पर एक और बात मैं कहूंगा। आज मुझे ताज्जुब हुआ जब मैंने इस बात को अखबार में पढ़ा कि कुछ स्टेट्स में हमारे यहां सिविल डिफेंस की बात अभी चली है। आप जानते हैं कि जहां तक नागरिक सुरक्षा का सवाल है वह देश की रक्षा के साथ जुड़ा हुआ है। इसलिये यह बहुत जरूरी है, जब हम सुरक्षा की बात करते हैं, सीमावर्ती क्षेत्रों की सुरक्षा की बात करते हैं, तो उसके साथ साथ नागरिक सुरक्षा के काम को भी हाथ में लें। लेकिन क्या मजाक की बात है कि आज हम देखते हैं और पढ़ते हैं अखबारों में कि जम्मू काश्मीर में अब सोचा जा रहा है

कि वहां पर नागरिक सुरक्षा का काम होना चाहिये। चाहे दिल्ली को आप ले लें या दूसरे किसी इलाके को आप ले लें, जहां देश के अंदर वाकई नागरिक सुरक्षा का काम ज्यादा आगे बढ़ाना चाहिये या वहां पर वह काम रूँती भर भी आगे नहीं बढ़ा है। यह सही बात है कि महकमा बन गया है। यह भी सही है कि उसके अंदर ऊँचे ऊँचे अफसर लग गये हैं। लेकिन जहां तक एक्जुअल परफार्मेंस का ताल्लुक है कुछ हासिल करने का ताल्लुक है, जहां तक नागरिक सुरक्षा के बारे में कोई योजना बना कर हर साल उसके अंदर कुछ हासिल करने की बात है, अभी तक हमने उनका तसल्लीबख्श काम नहीं किया है जितना करना चाहिये था, उतना आगे नहीं बढ़े हैं जितना बढ़ना चाहिये था। आज के जमाने में जहां तक नागरिक सुरक्षा का सवाल है, वह बहुत ही ज्यादा ग्रहम है। इन दिनों सरकार को चाहिये कि इस संबंध में उचित कार्रवाई करे। हमारे देश की एकता का सवाल सब से पहला और मुख्य सवाल है। हमारे सामने किसी तरह का भी मजाल पेश हो, चाहे राजाब में कोई स्थिति पैदा हो चाहे दूसरी जगह पैदा हो, चाहे भाषा का सवाल हो, चाहे राज्यों का सवाल हो, सारे के सारे सवाल पीछे रह जाते हैं। हो सकता है कि आज खान समस्या बहुत दृढ़ है, लेकिन जब भी इस तरह के सवाल सामने आते हैं तब सरकार संसद के सामने, देश के सामने उन समस्याओं को सुधारने के उपाय बताने के लिये आती है और कहती है कि उनके बारे में सरकार क्या कदम उठाना चाहती है, किस तरह से सरकार उन सवालों को हल करना चाहती है। लेकिन अगर इन सवालों को ले कर पहले से ही विकट स्थिति को और भी विकट बनाया जाता है या उनके बारे में एजिटेशन्स किये जाते हैं, देश के अंदर एक गड़बड़ का वातावरण पैदा किया जाता है, तो आज के जमाने में, आज की हालत में, यह कोई मुनासिब बात नहीं है। बल्कि

इस से जो हमारी सुरक्षा का काम है उस में रुकावट पैदा होती है। इस दिने जो लोग भी ऐसे कामों को करते हैं वह गलतफहमी की वजह से करते हैं और जनता को इस तरह के लोगों के बहकावे में नहीं आना चाहिये। उस को मजदूती के साथ, सख्ती के साथ सरकार के साथ खड़े होना चाहिये ताकि जो हमारे अन्दरूनी मसले हैं और जो हमारी सुरक्षा का सवाल है, उन को सरकार मजदूती से हल कर सके।

**Shri Alvares (Panjim):** Mr. Deputy-Speaker, it is possible in this Finance Bill (No. 2) to take a number of attitudes and discuss the Finance Bill from each particular angle that one wants to. But I propose in this discussion to limit myself to the introductory remarks of the Finance Minister where he has set this Finance Bill (No. 2) in the context of the introduction of the Fourth Plan early next year.

The Finance Bill now is nothing as mechanical a matter as it was many years ago. When the Finance Bill came into consideration in the past, the Finance Minister who put forward a balanced budget was supposed to be a very extraordinary man. But if today any Finance Minister would try to do so at the cost of development, he would be a person probably who came out from the books of medieval history and tried to do something which is not possible. For, every act of the Finance Minister, every proposal that is outlined there, must have some relation to a specific target. And on the eve of the Fourth Plan, which will be introduced next year and discussed in this House at the next session, I am sure that this Finance Bill must stand the scrutiny of the development X-ray.

Sir, in the beginning, both in the Economic Report and in the Finance Minister's speech, if they can be read together, there is a suggestion that after all it is the productivity and not the size of the plan that is more important. In a way, what he has said, namely that the productivity of

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the capital must receive prior consideration, and therefore the size of the plan must be subordinated to the question of resources, has created a suspicion that Government is trying to create an atmosphere in order to reduce the size of the plan. May I say rightaway that this House and this country will not accept any suggestion for reduction of the size of the plan? If the argument for introduction of caution is the strain involved in mobilising resources, it is possible to argue both ways. After all, the mobilisation of resources throws a great strain, I agree, upon the corporate sector and the business community. But I must say this that while those strains can be borne, the strains of underdevelopment from scaling down the plan, the strains, shall I say, on a lateral side of our economy among the people are so great that the people will not accept any toning down of the plan which would mean a consequent frustration caused by a lesser tempo of development. The people of this country have taken as a matter of faith that each successive plan would be of a size that would give them a reasonable hope of a higher standard of living. And if the Finance Minister is thinking now in terms of some excuse for reducing the size of the plan, may I tell him that neither this House nor the country will put up with it? But the difficulties can be met, and therefore I would end on this with a warning that the vertical strains that he will be subjected to, the vertical strains as represented by the resistance of the corporate sector and the business community are nothing compared to the lateral strains to which the people would be subjected.

So, what is the rationale of the concessions? After all, any budget speech or any budget proposals must relate to something, and more so in the context of development. In a seminar that took place a year and a half ago, an eminent economist who was visiting this country talked of two types of plans: one, a long-term

plan, and another, a mid-term plan. I have often made a plea in this House that each successive budget should indicate not merely what particular sector of industry or economy it relates to but also what each budget proposal is going to achieve in terms of target of any particular or special sector. Otherwise we will come across a position where in a mid-term review we suddenly come across shortfalls everywhere in spite of the fact that the inputs of financial resources have been as originally estimated. In order that we do not come across such a position and find ourselves in a difficulty, we have to find out from what stage the Fourth Plan takes off. After all, now the phraseology of aerodynamics has come in the operation of a plan: there is a plan which comes up to a certain stage, and then there is the take-off stage of the next plan. If the take-off stage of the Fourth Plan is on the basis of the achievements of the Third Plan, do we know today what this Third Plan has achieved in spite of the obvious shortfalls that were revealed in the mid-term appraisal.

What are the assumptions on which our Finance Minister is basing his estimate of the resources that he will get for the Fourth Plan? In the last two budgets the Finance Minister has made a number of very real and substantial concessions to the corporate and the business sector. In the context of having to raise Rs. 3,000 crores for the Fourth Plan, may I ask whether it is necessary, and if it is necessary, what are the progress in this connection in the Fourth Plan? Where was the need to give up a sizable section of revenue in order to wear away the private sector from its own method of thinking, in order to induce them to make a greater effort for the Fourth Plan? He has to tell us whether his estimates are justified and whether the private sector will invest as he wants.

I have a number of figures which will prove that he is quite wrong.

But even before that, may I say just in passing, that on one or two proposals we had a discussion a day or two ago in regard to the urgency of setting up a costing cell machinery in the Government of India. In the last budget when he introduced the duty on copper in order, as he said, to mop up the difference between the import price and the price in the market, that did not materialise, because, no businessman is going to be so silly enough as to allow that one thousand rupees per ton to be mopped up from his profits; he obviously passed the duty on to the consumer.

In a number of proposals made by the Finance Minister where the object is to shift the emphasis from one industry to another, or to shift production from one sector to another or in order to gain revenue, nothing has been indicated by which this House could assess the relative advantage or justification for such a proposal. And therefore I say, as has been said by Prof. Ranga and other speakers in this House, that the net effect of this, though it will certainly bring the Government a certain amount of revenue will again be to pass on the burden of development on to the ordinary consumer.

As regards the burden of development, may I say how this has worked out in the past? Direct taxes have increased from Rs. 242 crores to Rs. 693 crores in the last ten years, that is from 2.3 per cent to 4.2 per cent of the national income. Whereas indirect taxes, whose burden falls upon the common man, have increased from Rs. 431 crores to Rs. 1,632 crores within the same period of ten years, that means from 4.1 per cent to 9.5 per cent. These statistics would obviously reveal where the burden of development lies.

Let me say again that in a report on 133 companies, non-governmental companies, non-financial companies, which the Reserve Bank analysed, it was revealed that retained profits (invested) fell from Rs. 39.5 crore

in 1960 to Rs. 36.7 crores in 1962-63. In spite of the concessions of this generous Finance Minister, the corporate sector has invested less and less of profits in the development of the country than they are accustomed to do, or less than what the common man has been accustomed to share so far as the burden of indirect taxes is concerned.

Therefore, it is legitimate to ask the Finance Minister why in spite of the responsibilities in investing less and less of the total profits in development, he has made further concessions to them. Has he an assurance that with all the concessions which he has given to the corporate sector and to the other individuals who indulge in this they would plough back the profits in a much larger measure than they have done hitherto?

What is the purpose of taxation? I would suggest, as I have suggested a little earlier, that it is for, shall I say, turning the economy into certain specific targets or purposes and, as far as the plan is concerned, to bring about a shift in the emphasis in our economy. But all that I can say is, as the Mahalanobis report has indicated, and subsequently the Finance Minister himself realised this when he moved certain amendments to the Companies Bill last week, that monopolist tendencies in this country are gathering strength and this is naturally the antithesis of what socialism would mean. But there are a few silver linings to this policy. I particularly welcome, shall I say, the institutional process of the establishment of the Foodgrains Corporation and the Agricultural Prices Commission. I am sure these two institutions can, if they work in concert with each other, bring about a fundamental change in the agricultural economy whose contribution to the national income is more than 50 per cent of the total.

At the same time, while in principle the Finance Minister has no hesitation

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in setting up these two very good institutions, the work of these institutions is hamstrung right from the very beginning. If here is no monopoly procurement given to the Food-grains Corporation, and if the Agricultural Prices Commission can only fix prices in a certain sector, the parallel procurement agencies are going to spell the doom of this Corporation. As we see the situation today, in spite of a bumper crop, stocks are not coming to the market and prices in the black market are pocketing sky-high.

Is the Finance Minister, through Finance No. 2 Bill, indicating any effort to shift the emphasis on industry? As I have said earlier,—it is not a shibboleth; it is a fact,—that apart from big business that requires special consideration on the score of economy of scale, the smaller sector is not so much encouraged. Not only is the smaller sector bereft of investment capital, but even on the question of actual production, the smaller sector—which figured the other day during question time here—is not given that amount of patronage that should be given, and a large number of these smaller institutions are not getting the foreign raw materials that are necessary.

**Mr. Deputy-Speaker:** The time is up.

**Shri Alvares:** I hope I can take 25 minutes. I am the only speaker from my group.

**Shri Hari Vishnu Kamath:** The Speaker said that normally every member would have 15 minutes and representatives of groups 20—30 minutes in your discretion. It is on record. You were perhaps not here at the time.

**Mr. Deputy-Speaker:** We have 7 hours for general discussion.

**Shri Alvares:** I will make four or five more points. In passing, may I make a brief reference to the public

sector? There was a debate in the House where the public sector was much criticised. I do criticise it in the sense that it has not lived up to expectations. But the public sector is the kingpin of our whole policy. For the benefit of those who stress much beyond reasonableness the efforts of the private sector, may I say that in the traditional land of free enterprise, America, the economy is controlled 14 per cent as against 11 per cent here. Again there, the public sector contributes 28 per cent of the GNP as against only 12 per cent here. I hope with these statistics there will be an end to the controversy whether the public sector is necessary at all. Secondly, there is the fact that we are not going to confine the public sector merely to building the infra-structure and leaving other profitable sectors to the private sector. We shall see that the public sector enters the field of competitive consumer goods in order to provide the people with cheap consumers goods.

A word, with your permission, about the fiscal policy of Government. There is not much time to discuss it in detail. I welcome the dear money policy the Government has introduced, though many of these issues that the Government has introduced are not complete in themselves. Referring once again to the Mahalanobis report, we have it from them that big business houses have combined with banks in an interlocking arrangement providing themselves with credit out of all justification with what they would be able to do otherwise.

There is necessity to rehabilitate the rupee. I welcome the decision of Government not to resort to deficit financing in future. I would also suggest that Government itself does try to reduce its expenditure, and that in conjunction with the Reserve Bank of India, it withdraws from currency every year the amount it is able to reduce in its expenditure, to the extent of at least 2 or 5 per cent every year so that along with the decision not to resort to deficit financing, the

money expansion for expenditure under government would be credited at a lesser proportion than has been done hitherto.

The balance of payments issue is not confined to India alone. Even America has a balance of payments problem. The suggestion made to the Finance Minister that part of the tourist traffic expenditure should be met from PL 480 funds is an indication of that. Even in prestigious De Gaulle's France, in stores, they give you a 20 per cent discount if you pay in traveller's cheques in pounds/dollars. In Britain, they have the balance of payments problem.

In order to meet the balance of payments difficulty we are confronted with, the Finance Minister must not adopt such measures as would create a distortion in our economy by the urgent need for an export drive.

For increasing international liquidity, there is, I know, recourse to the IMF and the International Bank for Reconstruction and Development as well as the suggestion for the Asian Development Bank for the Asian area. But these do not seem to meet the needs of liquidity. Therefore the Finance Minister during his visit to America, which he is going to undertake sometime next week, will, I hope, move this issue.

I do not know how it is for the first time that some Members have realised that the Finance Minister has been making concessions in every budget to the business community. Either they did not understand the concessions that the Finance Minister was making for them, or the Finance Minister is a concealed partner in this game of rehabilitating the business community. Shri Kirloskar, President of FICCI, has indicated that institutional finance should not be provided to the Congress Party for elections; he has stated that he will select persons in the Congress Party to whom he will give finance, those who will support the business community in Parliament. I do not know whether he has made

the proposal on the basis of the selective credit policy followed by the Reserve Bank, but the fact that he has said so would indicate that the Finance Minister has now conceded to them all that they want. I do not know what the Congress Government is going to say to this threat, whether they prefer the institutional help that the industrialists give to the Congress Party, or whether they will permit the industrialists to sabotage their organisation by permitting help in the elections on a selective controlled basis.

So far, the Finance Minister has relied upon the mechanism of monetary policy to set right or to give concessions to the business community, or shall I say, to the economy of the country. Monetary policies are all right in themselves, but in a country like ours, they work in a very restricted sphere, and they are, after all, of a temporising nature. We should have considered this even in the Second and Third Plans, but at least now when we are embarking on the Fourth Plan, may I submit that the mere temporising effects of monetary policy will not of itself give us that financial power that will set right our economy, canalise our industry, make for social development? There must be more basic fiscal reform, and unless fiscal reform is undertaken on a basis commensurate with socialist policies, mere monetary policy adjustments will not go far.

May I say that the Finance Minister has enormous powers to usher in a period of socialism, at least to take us and place us on the road to socialism. I would only finally appeal to him to use the financial levers of socialism that he has in order that the Fourth Plan may be ushered in in a manner that will ensure its success.

**Shri Heda (Nizamabad):** The Finance Minister has started an innovation by giving national broadcasts. I welcome this as his national broadcasts were very educative and informative. Besides giving an analysis of the economic trends in the country,

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they gave us a clear picture of the state of economic affairs in our country and also allowed us a peep into the working of his mind.

In one of his latest broadcasts he has laid great emphasis on the rising trend of prices. He also stated that we were at a critical stage of our economy. Therefore, when he came with a second mid-term budget it was no surprise to me. What surprised me most was that the budget did not tackle this very problem of arresting the rising trend of prices. No doubt, he has not made any claims. The utmost that he has stated is that the present taxation measures are such that they will not allow any increase in the rising trend of prices. But this huge taxation measure involving Rs. 176 crores in a full year—the Finance Ministry is always conservative in its estimates; when they say Rs. 176 crores, it may actually be more than Rs. 200 crores—is very ingenious, but it has no direct relation to the prices of commodities.

However, the basic principle remains. The basic principle is that as the taxation increases there is an inherent trend of rising prices. It may not appear immediately, but as a result of the present taxation measures the trend may stabilise itself, and later on it might be very difficult for us to arrest it. But we are in a dilemma whether to adopt deficit financing or taxation measures. The broad principle or guideline was given by the Prime Minister when he stated that we must live within our means. It was repeated by the Finance Minister also in his broadcast. Therefore, the alternatives before us were either to adopt deficit financing or take to taxation measures. I think he has taken to the lesser evil.

There are two kinds of duties. One is the protective duty. It is to cut imports and give encouragement to indigenous production. From that angle the various measures he has taken will go a long way, and this budget will no doubt give a great fillip to the manufacture of machinery

for various plants and also the manufacture of certain raw materials.

Four or five years ago I remember we were at a stage when we thought that we were in a position to manufacture all the machinery needed for a cement plant, but today that is not the position. Because machinery manufacturing has developed in other countries while we have not kept pace with them, and therefore, when we compare the indigenous product with the imported product, the difference is very obvious and one is inclined to import. So, I think when we give this protective tariff, we should also see that these plants become more and more up to date, keeping pace with the technological developments in the world, so that we compete with others.

Another problem that the Finance Minister has tried to tackle is that of voluntary disclosures. No doubt a big drive was begun and at one time it appeared that he might be successful, but the net result was that he has not achieved the success that can be said to be satisfactory. In fact, we do not know what the total quantum of black money is, and there is no means of knowing it. I think no measure can be successful till we can plug the loopholes of turning black money into white. Today black money can be turned into white very freely. In fact, some of the white money is going into black because in the black it is more remunerative and it is free of taxation. So, the problem of bringing out black money is not so easy and I think we will have to take a number of measures. I will give only one example. Take income-tax. There is no income-tax on agriculture. Therefore, what is happening? A number of industrialists are entering the field of agriculture and are having grape vines and orchards and other things. Thereby they have found a very easy way to bring their black money and make it white. Unless we plug that hole and stop that, I do not think this measure will be successful.



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My next point is about the value of the Indian rupee in foreign countries. If we go to any country, what do we find about the value of the rupee. It is not creditable to us that in England banks are purchasing Rs. 25—30 per one £. I had referred to this in one of my earlier speeches. There are a number of air flights to India which say that they would take one from London to India on payment of £ 106 whereas the international tariff is £135. This is because they can purchase rupees if they get in pound sterling and they get more rupees in that way. The prestige of the Indian rupee in the foreign market is very important. In international politics, foreign policy has got great importance for any national when he goes outside.

Similarly, the prestige of the Indian rupee is equally important for any Indian citizen when he goes out. Certain measures are to be taken by which the rupee can be rehabilitated. A number of questions had been asked about and the Finance Minister seems not to take any note of the market conditions of the rupee outside. When asked, he says: we have no knowledge about it; we do not know what the rate is and how it is sold. Evading an issue like this will not help us in any way. It is time we went into the details.

The last point is about import substitution. A very salient feature of the budget is that it has given a great impetus to the import substitution. In his speech today, Shri Ranga opposed it and the other day Mr. Masani speaking on the no-confidence motion opposed it vehemently. Mr. Masani moves in business circles and so do I. Mr. Masani hears only one voice while I hear two voices. The big business is definitely opposed to import substitution while medium and small industry is not only not opposed but is actively in favour of measures taken for import substitution since they would be benefited by this; that is the reason. The big business does not want the medium or small industry to

thrive; they want monopoly and certain things to be made impossible for all the others and they want to dominate the industry. Their opposition could be understood. But I assure the Finance Minister that the small and medium industries are all in favour of his measures for import substitution. Therefore, my plea is that medium and small industries should get a better deal when the question of import of raw material comes. Today, when a licence is asked, you give the licence and when you ask for a licence to import certain essential raw material, they say: let us see after you have installed the plant and machinery and then the plant is put and the State department and the Central department officials come and inspect and then they decide the capacity of the plant on the basis of eight hours a day for 25 days in a month and only 10 per cent is given. If the Government is not in a position to give enough raw materials so that the small and medium plant can work at least eight hours a day for thirty days in a month, they should not be allowed to come up. Why inflate capacity when we are not able to use that capacity? If we do not give licence to certain small plants, the other plants would have got enough raw material to feed themselves and they would not be running at a loss. Today everybody is starving and nobody is making a profit. This state of affairs is very bad and from this angle they do deserve a fair deal in the matter of giving them a licence for getting industrial raw materials. With these points, I welcome these proposals.

**Shri Warior (Trichur):** Sir, let us have quorum to hear the next speaker.

**Mr. Deputy-Speaker:** The Bell is being rung—there is now quorum. Shri Kashi Ram Gupta.

**Shri Kashi Ram Gupta (Alwar):** Mr. Deputy-Speaker, the Finance Minister has taken this House by surprise in such a way that it has no parallel in the history of the

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House. The reason given by him was that the statement was to be made in such a way because secrecy was to be maintained. Secrecy could be maintained in other ways also; he could have made a statement declaring that an interim budget will be placed before the House the next day or a day later. Of course when he could have the secrecy held for months together, then secrecy could be held also for one or two days. But he has done it just as the shikari pounces upon his prey, and that is the way in which the Finance Minister is not expected to behave.

I would not take the time of the House and of the Members with those points on which other hon. Members have expressed their views, but only to some extent I shall do it. But first, I want to invite the attention of the hon. Finance Minister to his proposal about the Directorate of Indirect Taxes Research and Planning which will perform the following duties, that is to say, the function would be to study the tax burden, study income-wise and commodity-wise and industry-wise the production and consumption trends, etc., etc. This shows that up till now, the Finance Ministry had been imposing all these taxes in a very unscientific way. And now they have felt the need for it. I do not know whether research has given them the result on which they are going to impose these taxes in four months' time or whether some other factors are there. This, the Finance Minister knows better. But so far as the direct taxes Board is concerned, I know, and I think there is already a research cell in that department. How that department is functioning, the House will be surprised to know. When they call upon the big people for taking out the unaccounted money and they fail in their attempts, to meet the deficit of the budget they fix quotas for the districts, and the district income-tax officers have to fulfil those quotas in any way they deem

fit. Otherwise, they are taken to task. The result is that the small people have to suffer. If a Commission is appointed to study all these things, they will come to know that 90 per cent of the small assesseees are always taxed highly and the incomes are inflated for assessment purposes. Because they are poor people, they cannot find the means to put up up-to-date accounts and in one way or the other, they are harassed.

Another point is this. After fixing the target, if they cannot realise the money, they want the people to pay advance taxes in the succeeding month—February or March—to make up the deficiency. Is this the way the research department and the Board of Direct Taxes should behave?

Further, I may bring to the light of the hon. House and especially the hon. Members as to what has been happening for the last two years, particularly in Rajasthan of which I know. This is about the mining industry. The decision of the high court was taken that dead-rent and royalties on mining leases of certain categories are to be treated as capital expenditure. Different high courts differed on the issue and about less than two years back—about April or May, 1964—I also wrote to the Direct Taxes Board, and the Secretary replied that those leases whose production is taken as stock in trade should be left free and not be taxed but not the others. I again wrote, and some of my colleagues wrote definitely giving points and asking that they must be examined: the points were whether they have to make a difference between the mining leases under the MC rules and the Minor Mineral leases under the State Rules, and whether they can see to the result of it. The mining people in the Minor Mineral sector are small people. They take the leases on the bid system, the auction system, and the result is that they will be taxed out of their capital. I give an example. If a man pays Rs. 50,000 as dead-rent

or royalty and earns Rs. 10,000 net, after deduction of this Royalty as Revenue Expenditure he has to pay about Rs. 750 only as tax but he has to pay about Rs. 20,000 on a total income of Rs. 60,000 if Royalty is treated as Capital Expenditure. The hen giving the golden egg is thus butchered. The net result of all this will be, the State revenues will go down. I brought all these points to the notice of the Direct Taxes Board and they say they are making enquiries about it. Two years are nearing completion, and no decision has yet been given. Lastly, what happens is that if any income-tax officer exercises his judgment freely, he comes to trouble. I know of a man in Rajasthan, and the result was this. Searches were made in his house because, and only because his integrity was doubted on that point. His actions went against the wishes of the Direct Taxes Board! If this is the way in which the work is done, then God save us from it. On the one side, the poor people will be finished, because the authorities are asking for the returns relating to five years or seven years back. The poor people will be finished, since the Government will go down upon them as on the other side State Revenue will go down in the long run.

But then, what is happening to the public sector? The cost accountant will find it very difficult to submit to these things and he will find it difficult to adjust all these things, and the cost structure will be very much upset in the public sector because if they treat an expenditure as capital expenditure; which is not capital expenditure at all,—technically it is so—but practically, nothing is left to depreciate. What will be the fate of these things?

Then, when the Bonus Bill is passed, these items will be treated as capital expenditure. Naturally, according to the law, labour will demand that 60 per cent of this amount should go to them. Wherefrom can these people give it? It is a very simple question, and if a simple question cannot be

properly dealt with, what is the use of the research department? How is it going to carry on scientifically? So, I vehemently criticise this directorate on these grounds: that they are not going to do anything which will simplify matters; simply, if they want to put in something there, they will send it to the research department and have their report according to their wish! That will be the result, and that has been the result in fact.

I now come to the special points. I find that the biggest item of income will be from machinery. So many aspects of this item have been dealt with, but the Finance Minister has not been able to give any details as to how the people will benefit by it. The only thing is that the people who have got their machines already there may be benefiting more than others. Take for instance, copper. The duty on copper has been raised by Rs. 500;—50 paise per kilo. I will tell you the consequences of this. I can mention the name of one company about which I have got information—the Electrical Industries Corporation of Calcutta. They have raised their price by 60 per cent. Why has it been done? Because they know that because of this enhanced duty they can afford to do so. What about the industry as a whole? It is either the Government industries or the electrical goods and small motor industries who have to supply to the smaller people where cost will be raised. But then the agriculturist also wants motors, where there is electricity; he will have to pay more. On the one side, the Finance Minister says that for 10 h.p. engines and for the 5 h.p. engines, they will subsidize. On the other side, the electric motors with five to 10 horse-power will be taxed more. This is a contradiction. My point is that unless there is co-ordination between the Labour Department, the Finance Department and the Industries Department and also the mining department in the matter of policy and other things, things will not improve. If without consulting each other, the Government go on like this, all this chaos will happen even in the future. Therefore, the

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proper thing to do is, whenever any new tax is levied, not only should the Finance Ministry see to its impact but the Finance Ministry should also consult the other departments concerned and have concern for them.

Next, I come to furnace oil. I know that in this very House it has been given out from time to time that we are giving impetus to furnace oil because those areas where coal cannot be brought in easily are affected. Now, all of a sudden they say that coal can be used. How can coal be used in those areas which have taken to furnace oil? Can they do it in a day or two or even in a month? That is not a possibility. Therefore, the Government should see to the practical side of these things and not proceed haphazardly.

Take the question of unaccounted money. The other day, Shri Madhu Limaye was telling this House that according to his estimate, there are 25,000 persons in Bombay who have got incomes of over Rs. 1 lakh, but the government records show that there are only 500 persons. If a member of this House speaks about these things, naturally the Finance Ministry should welcome him and take his help. But his speech seems to have been taken in an ordinary way. If they are serious about it, they should give consideration to what members say about these things.

We talk of planning in a very big way. Take the Chambal planning. It has upset the whole economy of the country, because they say the rains have failed and so there is no water. Everybody knows that rains fail. If a project costing crores is built that way and the distribution system is such that major industries and agriculture are affected, what is the use of all these things? The result will be ruinous to the industry, to agriculture and to the Government itself.

In the *Statesman* today there is an article which says:

"New budget will mean higher prices all round—Taxes likely to boomerang on the government."

It says that indirect taxes to the extent of 60 or 70 or 80 per cent are there and the price rise is mainly due to the high incidence of the taxes. The remedy is not to go on increasing the taxes, but to see whether other ways are possible to meet the situation.

The States have now raised loans. Two or three years ago, the Government of India allowed them to raise loans. At that time there were sad experiences. In Rajasthan, circulars were sent to the patwaris and tahsildars and they went to the ordinary people asking them, pressing them, to contribute to the loan. This time I have got information that even in Madhya Pradesh, in Mandsaur district tahsildars, BDOs, patwaris, etc. are going round the villages asking the people to give 5½ per cent loan to the government. Wherefrom will the small people give the money? This shows how the machinery of the State Government is working and still the Government of India has allowed them to take loans again. This policy of not allowing loans at one time and allowing it another time is very much damaging and must be done away with.

All this is going on because the Congress Party as a whole is functioning in a very bad way. The other day, Shri Karni Singhji was saying that they are doing it because of the fault of the opposition. Of course, there is the fault of the opposition, but the Congress Party, the ruling party, adopts such means of corrupting even opposition members . . .

**Shri Raghunath Singh:** How can we corrupt you?

**Shri Kashi Ram Gupta:** I cannot be corrupted. They try to make such and such Maharaja as Ambassador. When some person is going to join the Swatantra Party or wants to remain independent, they say, let him come into the Congress Party. Of course, Shri Raghunath Singh may say, in this House they are not doing so much. But in the States, it is a daily feature. So long as the party has its own corruption, so long as they have got alliances with the bureaucracy, this will increase. So my humble request to members of the Congress Party is in this critical hour, they should see how they function and for God's sake, they should not try to corrupt the opposition members in such and other ways. They can do so because they have got power and money. This is the main cause of trouble. So long as it is there, democracy cannot function in a proper way. If democracy cannot function, taxation cannot function in a scientific way. If taxation does not function properly, the amelioration of the people cannot be done away with and everything will go on in a vicious circle.

**Shrimati Sharda Mukerjee (Ratnagiri):** Sir, since the commencement of this session, one word which has been overused—and I submit ill-used—is the word “bankruptcy”—economic bankruptcy. There is one thing which is very much worse—it is human bankruptcy. Very many of the people who have used this word, I feel, have been influenced by thinkers and economists in the west. I would submit that many countries, in fact individuals, who have at one time or the other gone through difficulties, if they have had the guts, have come out of them. As individuals do industries do and so do nations. I am not unduly alarmed by the sort of thing that has been predicted here.

15.27 hrs.

[DR. SAROJINI MAHESWARI in the Chair]

We have had the benefit of hearing much economic theorising from some

hon. members of the opposition. Of course, in normal circumstances—other things being equal, as the economists would put it—their theories would indeed have some validity. But are conditions quite normal in the country today? Did we not try through the years to settle our border disputes peacefully? But as things are, we have had to step up our defence expenditure to more than one third of our annual revenue. Within the short time at my disposal, I cannot afford to elaborate very much on everything and therefore, I will keep strictly within the limits of the matter under consideration.

I would like to stress that there can be no comparison between other countries of the west which have received Marshall Aid and our country. They had developed economies which had suffered by a disastrous war. So, they had the basic foundation on which a new edifice had to be erected. Secondly, they did not have to contend with what we have had to do since independence, namely: a meagre human potential and talent in technology, science, industrial management, etc. Most important of all we have had to evolve a coordinated system of public cooperation and government control, which after all is not established overnight, but which takes a long time and is established through trial and error. We are going through dark days. It is true we are facing hardships and we may have to face greater hardships. But is that any reason to spread gloom and despondency all over, or for that matter, lay all the ills at the door of the government? Have we no responsibilities ourselves? Have we no responsibilities beyond shouting and criticising the Government? What did Europe suffer after the war? With all the aid that was poured into those countries, seven years later, in 1953, Britain was still having rationing. Britain still was keeping only the surplus for the home markets to develop and promote export markets. So, prosperity is not to be had just for the asking; one has to pay for it.

[Shrimati Sharda Mukerjee]

Our main problems today, as the Finance Minister has explained, are three, namely: price spiralling, the imminent need to provide food and to sustain our defence forces and, lastly, our foreign exchange stringency brought on by the need to import food and defence equipment, to import machinery and raw products to keep our industries growing and the servicing of our loans. Therefore, it is perfectly justifiable and, I would say, even necessary, that the Government should come to Parliament with a review of our economic situation from time to time and introduce such measures and taxes as would right the imbalances which we are experiencing.

Now, as regards price spiralling, when the price curve starts going up without the productivity curve going up correspondingly, one has what is known as the scissors movement. There are genuine difficulties in pushing up productivity both in agriculture and industry. I have been to factories where I found that nowhere near a maximum use of installed capacity was being made. The difficulties of organisation, availability of trained labour, technical know-how etc., etc., are there. They are all needed to make an industry grow. It is not purely capital, it is the combination of various factors which brings about the growth of an industry. But I have had the feeling that there is a general complacency and a lackadaisical lethargy. It is not so with the new industrialists. They are more enterprising. I was in Bangalore, for instance, and I went to see a Machine Tools Factory. I was amazed to see how clean the machines were kept, how keen the workers were and all that. They were working three shifts a day. They must have had some sort of difficulty about raw materials etc. etc. But here was a man who was putting his maximum effort to see that the organisation, the marketability of the produce etc., all combined together to make the maximum use

of the installed capacity. This, I feel is not always so with the older industrialists. I believe, Sir, that one of the main reasons for this kind of lethargy is the fact that industry has had an assured and protected market and insufficient competition. It has been a seller's market, the profits have been good and the manufactured articles have always had a ready market.

So, I would say, it is not altogether true to say that an industry would expand purely by having assured credit, greater finance, lesser taxation and all that. I do not agree with that. There has to be the incentive to improve, modernise and achieve greater efficiency within, of course, certain limits which are there. At the moment, there is no such incentive. As the cost of production goes up, prices are pegged up and there is always a market for the product.

Now, the new import tariff structure which the Finance Minister has placed before Parliament, I hope, will have a salutary effect in the long run. One of the things is the 25 per cent deposit against the cost of import which has been fortunately removed. Secondly, there is the selective tariff depending on what kind of article is being imported. Consumer articles, for instance, will have a 100 per cent duty, basic industrial raw materials will have 40 per cent, agricultural machinery will have about 15 per cent and processed industrial materials, transport materials etc., will have 60 per cent. It means that the car manufacturers, for instance, unless they try to have import substitutes, will have to pay a higher duty whereas the raw materials, as in the case of chemical industries, will have a lesser duty.

As far as industry is concerned, the enhanced development rebate, especially in the case of priority industries, will counter-act the import duties which have been put. The high im-

port tariffs on a selective basis will, I think, have two types of effects. One is that they will be a disincentive to importing articles which could be manufactured in India. Secondly they will increase the market for new industries, ancillary industries or, for instance, textile machinery industry etc., which produce machinery that do not get used up very quickly. I had occasion to visit a factory where I was told that although they had the licence for manufacturing textile machinery, due to import of textile machinery from abroad they could not at that moment get their machinery sold. Therefore, that sort of thing will be counter-acted.

The second aspect of this import duty which, many hon. Members especially from the Opposition Benches who preceded me have pointed out, would have a purely inflationary effect, is—I would like to point out that there is the other side to it—that higher price of imported machinery and spare parts for installed machinery etc., will have one very important effect and that is to make foreign exchange more expensive especially in terms of the domestic capital market. At present we have an official exchange rate at which you can import foreign machinery. So when you are importing machinery, say, worth a thousand rupees, which could correspond to £75, now you have duty at 35 per cent. which means you have to pay Rs. 1,350 against £75. Therefore, to that extent you are bringing about some kind of an equation between your domestic capital market and your foreign exchange and you are making people aware as to how scarce and how expensive foreign exchange can be. You are thereby saying that they must equally share the burden. It is not enough to say that the Government do not have sufficient foreign exchange resources, the industrialists, the people must also realise how expensive it is and bear their share of responsibility.

The Government has tried, through the last three Plans, to have a plan-

ning mechanism which was implemented through licences, quotas and such things. Unfortunately, this has not worked out the way it should have worked out. Now, by putting import duties in a selectively scaled manner, the plan priorities will be realised better, in the sense that automatically basic industries like cement, steel etc., will have a higher priority. I would, therefore, say that for the first time we have an integration of the planning mechanism and the market mechanism by making the price of foreign exchange and domestic capital reflect the true scarcity value of foreign exchange.

Further, by having a differentiated development rebate rates and customs duties—in the last budget we had also some excise concessions—it will be an effective way of achieving our plan priorities and to give priorities to our basic industries which will then form the foundations for our further progress.

It is true that there will be some effect on the consumer articles. Their prices will go up. Their cost of production will go up due to increase in excise duties, especially essential commodities like petroleum products, steel, pig iron and their products etc. This will undoubtedly bring about certain hardships for the common man. But, in view of the conditions in the country, especially on the frontier, this will have to be borne by the people. On the other hand, if the Government can further control inflation in the country and also correspondingly have regulatory measures to reduce the money in circulation, what will happen is that since the basic essential articles which the common man requires will cost him more, I should imagine there will be less surplus which will be used in non-essential consumer articles and, to that extent, in a year or two there will be some kind of recession, the industrial prices remaining much more in line with what the Plans envisage. Today the profits are rising higher. It does not matter if the cost of production rises because the prices keep

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on rising. Now, what will happen is, since the demand and the purchasing power go down, necessarily the industrialists will have to adjust their prices, will have to face a certain amount of competition and this will create the necessary incentives to go ahead and try newer and better methods of production to bring down the prices. Therefore, although we may be passing through very dark days today, I am sure that with these regulatory measures, after two or three years we shall have come out of the inflationary trend, particularly because when recession has set in it spreads all over. Last time there was recession in the world, it was not confined to one country. We want recession because it has a deflationary impact on other countries.

Another thing is that the industrialists will not be able to afford to be satisfied with the domestic market. As long as there is a domestic market for whatever he produces, he is not going to try for exports because within the country the competition is less and he can get whatever price he wants. If there is a lessening of the demand in the domestic market, he will have to try for the export market. We have to create such a situation. It is not enough to give export incentives. As long as there is sufficient demand in the domestic market where he can get high profits, it is not likely that an industrialist would try to explore or reconnoitre foreign markets to see what type of goods can be exported to foreign countries.

Finally, may I say that we all realise that it is unconventional to think of a mid-term or supplementary budget? At the same time, we also realise that it is a necessary evil. I do not consider the supplementary budget as only a measure to collect further revenues. I think it is a regulatory fiscal measure which has come at the most critical time in the

history of our country. Apart from control, this is the only way we can hope to promote conditions where the government and the public can co-operate for attaining the objectives which we have placed before ourselves. Secondly, I would say that this is preferable to our giving large discretionary powers to Government officials. With these words, I support the supplementary budget.

**Shri Muthiah** (Tirunelveli): Madam Chairman, the supplementary budget proposals have been necessitated by the current economic situation and the requirements of the Fourth Five Year Plan. The reasons for the supplementary budget are additional dearness allowance to Central Government employees costing Rs. 25 crores, additional aids to States costing Rs. 40 crores, additional allocations for the border police and security forces because of Pakistani aggression, the need to reduce the borrowings of the Centre by Rs. 20 crores, the shortfalls in small savings and annuity deposits and the imperative need to complete the schemes already taken up.

There are several uncompleted schemes in the State sector which require funds. For example the Tuticorin Harbour project requires Rs. 4 crores during 1965-66 but only Rs. 2 crores have been allotted. The project requires the release of Rs. 4 crores for 1965-66 if it is to be completed by 1969, the target date. Out of the estimated cost of Rs. 24 crores, only Rs. 3 crores have been spent so far, and only 4 years remain for the target date.

I come to the price situation. The prices of essential commodities are on the increase now. The prices declined in January 1965, but again started rising from July 1965. This steep increase in prices has hit hard the poor people; the middle and low prosperity is not to be had just for the asking; one has to pay for it.



acute poverty today among agricultural labourers, and most of them have only one square meal a day. Their employment is also unsteady. I submit that their lot should be improved considerably by Government. There is terrible food shortage in several parts of the country. The un-social and anti-national elements are exploiting the situation and inducing riots.. Drastic measures should be taken by Government to bring down the prices of foodgrains and other essential commodities. Hoarding and profiteering in respect of foodgrains should be prevented by Government by all means. Government should have effective control over the distributive machinery in respect of supply of foodgrains.

Government has taken credit control measures to check the rise in prices. The Reserve Bank took measures in February 1965 to check excessive creation of credit. Despite these measures, the credit expansion in the last busy season went up to Rs. 407 crores from Rs. 376 crores in the 1963-64 busy season. The Reserve Bank has fixed ceilings to the total clean advances of each bank. This credit curb is meant to arrest inflation. Government's credit policy is to discourage speculation without retarding production. Government has been taking steps to control the distributive machinery.

Increased production is the best remedy for bringing down the prices. Increased production is essential both in agriculture and in industry. Increased agricultural production is most important. Self-sufficiency in foodgrains deserves the highest priority. Even with the record production of 88 million tons in 1964-65 there is great shortage of foodgrains today. Heavy imports are resorted to to build up stocks and to supply to the deficit areas. The imports in 1964 amounted to 6.3 million tons. The same quantity is being imported for 1965 also.

Fertilizers are essential for increase in agricultural production. There is shortage of fertilizers in India. The imports of fertilizers cost Rs. 45 crores per year in terms of foreign exchange. As the hon. Minister of Petroleum and Chemicals, Shri Humayun Kabir, mentioned in his recent statement in Parliament, more fertilizer plants should be established. But, unfortunately, even some of the fertilizers projects approved by Government are being abandoned. For example, the fertilizer project at Tuticorin with an annual capacity of 64,000 tons has been given up, to the terrible disappointment of the people of Madras State. The surrender of the licence, by Messrs. Kothari & Sons is most unfortunate. My earnest request to the Government is that the Central Government should step in without delay and set up a fertilizer plant in the public sector at Tuticorin during the Fourth Plan period. With the amount of Rs. 45 crores that we spend on fertiliser imports, we can build three fertiliser plants in India, as emphasized by the hon. Minister for Petroleum and Chemicals.

Family planning is equally essential. The population is increasing at an alarming rate upsetting all our economic progress. In the Fourth Plan period, the population will be more than 50 crores and our foodgrains requirements will be 125 million tonnes. So we have a long way to go from 88 million tonnes in 1965 to 125 million tonnes in 1971.

Now, I come to foreign exchange position. The Government is experiencing great difficulties in regard to foreign exchange reserves. Our foreign exchange reserves excluding gold in August, 1965 are to the tune of Rs. 99 crores. The main reason for this fall is the growth of import commitments on a number of counts against the stagnation in exports. The exports in 1964-65 were practically on the same level as in

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1963-64, and amounted to Rs. 803 crores. The Government measures to remedy this situation are import cuts, export incentive schemes and tax credit certificates in respect of a number of export items. We have to increase our exports considerably in order to have a liberal import policy.

I come to the Fourth Plan. The draft outline of the Fourth Plan is being finalised. The sum of Rs. 21,500 crores is tentatively fixed as the total outlay for the Fourth Plan by the Planning Commission, of which Rs. 19,000 crores will be investment. The additional mobilisation of internal resources to the extent of 3,000 crores is required to keep up the tempo of development in the Fourth Plan. The object of additional investment is to improve the standard of living of the people and to achieve a self-sustaining economy as early as possible.

The Government has decided to give the highest priority to agriculture, agro-industries and family planning in the Fourth Plan. In the field of industry, the Government is prepared to give the maximum encouragement to the internal production of machinery and materials. The Government is determined to avoid inflationary financing at all costs.

I want to speak a few words on the Salem steel plant. There is still hesitation on the part of the Central Government to approve of the setting up of the Salem steel plant in the Fourth Plan. It is true that the Anglo-American Consortium has recommended Vizag as the best site for the fifth steel plant and the Government has also approved it. But at the same time the Anglo-American Consortium has not ruled out the Salem steel plant altogether. They have recommended that a medium-sized plant is feasible and economical and can be set up at Salem. So, I plead with all the earnestness at my

command that the Central Government should help the Madras Government in setting up at least a medium-sized plant in the Fourth Plan period, for alloy steel and special steel.

Let me now come to the Budget proposals. A few changes have been made in import duties and excise duties. The import tariff structure has been simplified and rationalised. Import duties have been raised in respect of machinery and basic industrial raw materials, such as, prime steel and non-ferrous metals. The consumer goods will be charged at the rate of 100 per cent. Certain articles have been exempted, such as, books, fertilisers, contraceptives and sulphur. The sur-charge of 10 per cent on import duty has been withdrawn.

The additional revenue per annum from the revised import duties is Rs. 119 crores. There is an increase in excise duty on high speed diesel oil, petrol and superior kerosene. The duty on light diesel oil has been reduced. The additional income from the increased duty on petroleum products is to the tune of Rs. 30.84 crores in a year. The total revenue from the additional excise duty is about Rs. 54 crores in a year. The additional revenue from the customs duties and excise duties is Rs. 167 crores in a full year.

The Budget proposals will benefit the farmer because of the lower import duty of 15 per cent for agricultural machinery, reduction in the excise duty on light diesel oil and the removal of the existing excise duty on stationary diesel engines of 10 H.P. and less, used for agricultural purposes.

Lastly, I come to the Finance Bill. The Finance Bill includes amendments to the Income-Tax Act, the Estate Duty Act, the Wealth Tax Act, the Gift Tax Act and the Companies (Profits) Surcharge Act. The Bill gives

extension of time for the declaration of unaccounted and concealed wealth and income from 19th August, 1965 to 31st March, 1966, and it gives immunity from punishment for an honest declaration. This is a good step to be welcomed.

**Shri S. M. Banerjee:** Madam Chairman, I have already moved my Amendment that the Bill be circulated for the purpose of eliciting public opinion by the 20th September, 1965. I do not want to delay the passage of this Bill. But I have demanded that the Bill be circulated for eliciting public opinion so that that will give an opportunity to all sections of the people to say what they like about this Finance Bill which had been introduced for effecting additional taxes to the tune of Rs. 166 crores and which were suddenly imposed on the common people after all the taxation resorted to previously at the time of the General Budget.

I heard with rapt attention the speech of the Finance Minister. Also, the other day, the Prime Minister, when he was replying to the No-Confidence Motion, said that the Government was not going to have deficit financing any more in the Fourth Plan. I remember, the Vice Chairman of the International Monetary Fund, when he came to India, advised the Government not to have deficit financing because that would result ultimately in an inflationary trend. I had put the same question to the ex-Planning Minister, Shri Nanda, who defended deficit financing by saying that ours was a developing economy. I do not know what has happened both to the economy and to its development. It has now been said that the country will not have deficit financing. So, what is in store for the common people is more indirect taxation because, when we talk of direct taxation, we are generally told that direct taxation has reached the limit of saturation and that it cannot be resorted to any more. Let me quote

here the recent remark of Mr. Palkiwala that "India is the highest taxed country" and I agree with him and with some of his formulations also.

Now, what is that we are asking for? We are asking for this additional amount of revenue from the people through their nose for the success of our Fourth Plan and for the defence of our country. Both these objects are laudable and I am one with this Government to defend our borders and also to see that our planning succeeds. But what happened in the case of various Plans? The First Five Year Plan resulted in rural indebtedness. As you know, the First Five Year Plan was for providing irrigation facilities and constructing dams for the peasants who constitute 75 per cent of our population. So, the First Five Year Plan resulted in rural indebtedness.

What happened to the Second Five Year Plan? The Second Five Year Plan resulted in urban unemployment. You will remember that on the 16th February, 1956, we read the news in the press that there would be 8 million new jobs. The people were very happy and those who were breaking their heads by going to the employment exchange and coming back every time without employment thought that they were going to get employment during the Second Plan period. But what was the net result of the Second Plan? At the beginning of the Third Plan, we had a backlog of nearly 90 lakhs of registered unemployed people—the registered unemployed are those who are registered with the employment exchange. Over and above that, there are rickshawalas in the country who are unregistered because nobody is to ply rickshaw in the larger interest of his good health—that is not a paying proposition and at the same time not good for health.

16 hrs.

In the Third Plan there was scarcity of foodgrains. The Fourth Plan is a very ambitious one and I wish it

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all success, but I do not know what will happen before the completion of the Plan or during the completion of the Plan or after the completion of the Plan; God alone knows what is in store for the common man; we have started thinking whether this Plan is for the people or the people for the Plan; you go on starving millions of people in the name of planning; you go on spending public money on various schemes in the name of planning, in the name of security and in the name of Emergency.

My hon. friend Shri Daji stressed the point of high prices. The other day, replying to the debate on the no-confidence motion, our Food Minister brought a booklet; if you read that, you will feel that everything is available in the country and it is the opposition which is solely responsible for the scarcity or for creating a scarcity psychosis. Madam, how have the prices gone up? In March, 1964 the index was 143, in February, 1965 it was 165 and it is going to stabilise at 167 now. Some money has been asked for Dearness Allowance. I am for it. If the Government have miserably failed to hold the price line, not only the Central Government employees but the State Government employees, the Corporation employees and employees in the private sector are all entitled to more dearness allowance. What about the revision of formula? Mr. S. K. Das, one of the Judges of the Supreme Court, was appointed as an arbitrator. He gave his award. We did not like his award in toto but we accepted it. But what happened? Finance Minister did not accept the award in full and the dearness allowance has not still been revised. I am sorry to say that this is a sad commentary on the various assurances given.

For controlling prices of food or for distribution of food, a Food Corporation has been formed. This, I believe, is going to be another scandal in the country. I am told that

it has become the fashion of the day that some Chairman—retired ICS officers, IAS officers or big bosses—accept Chairmanship without any payment or with a token payment of one rupee. The Chairman of the Food Corporation against whom I have nothing to say personally, does not accept any salary or allowance. But he has spent about Rs. 48,000 in two or three months on travelling and daily allowances. If the Chairman, Food Corporation, has spent nearly Rs. 48,000 or even Rs. 40,000 or Rs. 30,000 in two or three months on just travelling and daily allowances, it deserves the attention of the hon. Prime Minister. We talk of tightening the belt of the common man and are asked to bear it for the betterment and prosperity of our grandsons. I put a question to them, what about draining public money, what about corruption in the country. I have some instances here. A senior army officer of the rank of Major-General was the Director of Ordnance Services; at the time of retirement he gave a huge order for anti-skid chains, used in mountainous areas like NEFA and Ladakh, to a big firm in India and the value was Rs. 2½ crores. This was objected to by the audit but before he retired he gave that order and got a job of Rs. 6,000. Is this going to solve our country's problem? Is it the way to uproot corruption? Mr. Nanda has become the champion of anti-corruption but in foreign countries most probably he has become an emblem of corruption. That is exactly why people do not want to spend money in this country.

Coming back to the Food Corporation, a building has been hired at Rs. 3,000 per month. There is no food in the country; there is scarcity; people are getting bullets instead of getting wheat or rice, but the building is there for Rs. 3,000 per month and T. A. to the tune of Rs. 40,000.

I am talking of the public sector projects. I am an ardent supporter of nationalisation. I want more nation-

alisation to take place, but what is happening? We know what is happening in Heavy Electricals. A group of pensioners who have no work are running the entire project. The persons who were responsible for the fire in H.E.C. have been brought to the Planning Commission. What is happening to Hindustan Aeronautics Limited? I come from Kanpur and I was proud that at least some Avro 748 jets were manufactured once upon a time. Who is the Chairman of the H.A.L.? He is a retired ICS officer, an ex-Cabinet Secretary; he is not a technical person at all; once upon a time he was a good administrator. A man who does not know the A, B, C, of aircrafts, is today the Chairman of the HAL with the result that, after January 1965, not a single Avro 748 plane has been manufactured. The technical people have been transferred from there. A person who is not a Mechanical Engineer but is an Electrical Engineer, has been appointed against a post which should normally be held by a Mechanical Engineer.

Instead of taxing the common people, why not nationalise General Insurance? I have before me the monthly organ of the General Insurance Employees' Union, Bombay. They say that the findings of a survey of the operating results of 24 major insurance companies for the year ended 31 st December, 1964 made by *The Economic Times* of 2nd August, 1965, show that the profitability ratio in general insurance business is higher than the average of 'all industries'. The profitability ratio spurted by nearly 50% in 1964 compared to 1963. Pre-tax profits in 1964 increased by as much as Rs. 181 lakhs to Rs. 487 lakhs, an increase of nearly 60 per cent in one year. This is what is happening in General Insurance. Why not nationalise General Insurance? You do not want to do it because Ruby is there? Dividend as a percentage of paid-up capital paid by Ruby General Insurance Company increased from 15.6% to 18.8% in 1964. Why not nationalise the General Insurance? I am sorry to

say that enquiries made on the audit report of Ruby General Insurance have not been laid on the Table of the House because of the big man in the country today, Mr. Birla. When we talked of bringing amendments to the Wealth Tax, I asked the Finance Minister why the Birlas did not pay. Nobody in the Birlas pays wealth tax. How is it that the wealthy people do not pay wealth tax whereas it is paid by other people? It is a sad commentary on our taxation policy.

Coming to nationalisation of banks, why not nationalise the banks? We have authorised the Reserve Bank to have proper checks and controls over the banks. I am sorry to say that this Government, which says that it is moving towards socialism and has set up a socialistic Government, does not appear to nationalise banks. If you nationalise the banks, if you nationalise general insurance, if you nationalise the foreign oil companies, and if you nationalise the export-import trade, I am sure more than Rs. 167 crores or Rs. 176 crores will be available to the Finance Minister.

We are told that this Government is trying to establish a welfare State. But I am afraid that with the present trend of their doings, and with all the corruption prevalent in the country, it cannot be a welfare State; but let it be a farewell State and farewell to this Government. Let people say that they want to give farewell to this Government. The common man is still starving. 27 crores of our countrymen are getting, according to Dr. Ram Manohar Lohia three annas, according to the late Prime Minister 15 annas, and according to Shri Nanda seven annas. If that is what is happening, I do not know, and I shudder to think how further taxation is going to affect them.

Then, coming to the question of unemployment, I have before me a report on the activities of the National

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Employment Service. These figures are only for Delhi. The number of registrations in 1963-64 was 1,32,401 and that in 1964-65 was 1,34,856, while the number of placements, that is, the number that secured employment, was 23,663 in 1963-64 and that in 1964-65 was 26,835. And it is said that 'Choose Your Career' fortnight was organised at the Employment Exchanges, Pusa, Daryaganj and New Delhi and so on, and thousands of students and parents utilised the services of expert counsellors during the fortnight from 12th to 25th June, 1965. And what was the advice that they gave? The advice was "If you have secured more than 60 per cent, join college; if you have not secured 60 per cent, then go anywhere you like; we have nothing to offer to you. Our name is 'Employment Exchange' but there is no employment in the country. So, what is there to be exchanged?" That was the reply which the students got. This report is only about Delhi. At other places the unemployment has increased,

I would submit in all humility, let the Finance Minister think how the prices can come down and people can get according to the Pay Commission formula 32 ounces of commodities in 56 paise. I am unable to understand how this could be achieved.

Let the present leadership and the ruling party also realise that they are sitting on a volcano. It may erupt without notice. What happened in Bihar? It was not a food riot, but the food marchers wanted food. Then, after Bihar, what happened in Kolahpur? After Kolahpur, what happened in Gorakhpur? Then, what is happening in Manipur. If Government want to convert the entire country into a slaughter-house, if they want to beat the people and lathi-charge them and teargas them and ultimately kill them, I would submit that they are not going to solve the food problem in that way. I oppose these taxes, because the other necessary measures have not been adopted;

extravagance in Government has not been minimised; the drain of money has not been stopped or minimised. If these things can be stopped, I think more than Rs. 100 crores will be available at the disposal of the Finance Minister.

**Mr. Chairman:** The hon. Member should try to conclude now. He has already taken the time allotted for his group.

**Shri S. M. Banerjee:** I am the only member from my group. I am an unadulterated Independent. I would request you to kindly give me two or three minutes more.

**Mr. Chairman** I did not ask the hon. Member what sort of Independent he was.

**Shri S. M. Banerjee:** That was for information. After all, knowledge can be acquired from everyone.

While speaking on the company law, when the Law Minister made a statement in this House that the present Finance Minister, Shri T. T. Krishnamachari had severed all his connections with Messrs. T. T. Krishnamachari & Co. in the year 1942, I made a statement that up to 1952 he had maintained full contact. I have before me a letter from Messrs. Kali-Chemie, a German firm, dated the 30th March, 1955, which is addressed to Messrs. T. T. Krishnamachari & Co. For your information, I shall read out just one sentence from that letter. It reads thus:

"Moreover, we thank you for your good suggestion and reminder as to the next step to be taken: the production partly to be taken up in India. We owe special thanks to Mr. T. T. Krishnamachari for his readiness to put up the necessary plant."

This shows that Shri T. T. Krishnamachari was connected with Messrs. T. T. Krishnamachari & Co. up to 1955.

This letter is dated 30th March, 1955, and this letter clearly proves what I am saying. Here is with me a photostat copy of the original letter written by Messrs. Kali-Chemie to Messrs. T. T. Krishnamachari & Co., dated the 30th March, 1955.

With your permission, I would like to lay it on the Table,\* if you so desire. I have all respect for the Finance Minister. I have nothing personal against him. I congratulated him when Bird and Company was fined Rs. 1·20 crores. But the Law Minister has placed the Finance Minister in an awkward position. He said that Shri T. T. Krishnamachari severed his connections with Messrs. T. T. Krishnamachari and Company in 1942. I do not mind if Shri Krishnamachari maintains his connections with that firm. But let him come and boldly say 'I have got connections with T. T. Krishnamachari & Co. I have connections with my sons'. It is not a bad thing. But let the Law Minister make a proper correction. Or let the Finance Minister, for whom I have great regard, make the correction.

**Shri Joachim Alva (Kanara):** Madam. Chairman, I support these measures. The Opposition, during the no-confidence motion, had attacked the rupee. They attacked the financial position of the Government of India. We are sinning in good company. The pound is attacked. The dollar is attacked. Gen. De Gaulle is demanding supremacy for gold. As regards the British pound, in a recent issue dated 13th August 1965 in the *New Statesman*, there is a most interesting article entitled 'God save our gracious pound', written by Mr. Malcolm Muggeridge, former Editor of the *Punch*.

I am not under-estimating our difficulties. We are in a tight position. The rupee is not respected in the international markets of the world. The rupee has been overvalued. All the same, we must see how we are in the same boat along with others.

It was as a result of the heroic measures that Mr. Harold Wilson took that the British Labour Government is not now out of office. Gen. De Gaulle of France has been demanding that the gold content of the dollar be increased. We are hedging between dollar supremacy or the paramouncy of the dollar and the supremacy of the pound and perhaps the supremacy of the rouble also. Five years ago, the rouble was valued at 1½ rupees. Today it is five rupees to a rouble. In these matters, the Soviet Union does exactly what others do. Whether it is USA or England, whether it is the dollar or the pound, the Soviet Union demands the same parity of treatment with sterling or gold. So we find that in the last five years the rouble has risen in value from 1½ rupees to five rupees.

This is the position so far as we are concerned. We are tied between Washington and London; between the devil and the deep sea, the rupee goes on shaking. No doubt, the pound is faced with a similar situation. There is a very interesting passage in the article by Mr. Muggeridge which I would like to quote.

We in India have been tied to the pound by the desire of the Labour Party, by the Government of Ramsay MacDonald, and thereby Indians had to suffer. We had to have the Dandi march and then start negotiations. By the time Mahatma Gandhi landed, he had to be ready in 1932 for the *andolan*.

Mr. Malcolm Muggeridge has described in the article the episode in 1931 described to him by Sidney Webb, how the whole British Cabinet was assembled at No. 10 Downing Street, waiting to hear what was the response from America for supporting the pound. We are in a similar position. We have to go with a begging bowl to Washington and London. We have not sufficiently persevered in our efforts to attain self-sufficiency. We are a great people. 450 million strong: Though we are not alone in

\*The Speaker not having subsequently accorded the necessary permission, the document was not treated as laid on the Table.

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the present difficulty, why do we not, as a nation 450 million strong, bestire ourselves? Where is our self-reliance? What have we done on the agricultural front? What does the Finance Minister do to vitalise the agricultural front? As a nation whose agricultural wealth is 45 per cent of the national income, we cannot afford to carry on like this. Our mineral wealth is immense; our industries and factories should work to full capacity. in spite of having all this potential, we have to take to the begging bowl, as we have been accustomed to do before. We are getting more kicks today on the financial front than on the Kashmir front. That is why I want the Finance Minister, who has presented his third budget in 8 months, to assess our position. As it is, the monopolistic basis of our economy is the steel frame of the Indian economy. Unless you remove this steel frame of the Indian economy, you cannot put a little drop of water into the mouth of the poor peasant. The steel frame has become stronger and stronger day by day. It was never so strong in the British days. There were only one or two houses; they have become four now and they control more than 25 per cent of the Capital of the non-governmental companies.

Thank God, the public sector has come in full swing. We have got jewels in the public sector like Hindustan Machine Tools, which my hon. lady friend Shrimati Mukherjee did not perhaps mention, Air India, Hindustan Aeronautics, Hindusthan Steel with Rourkela drawing Rs. 3 crores profit and so on, and we have got excellent Amul Butter on a co-operative basis. This is our strength. We can develop our own people, but we are all the time relying on somebody else. We have first-class young men who can manage our public sector factories, but we go on appointing retired old men, pushing out the younger ones. Some of these retired men are serving in an honorary capacity, but they ask for allowances. These men had drawn

Rs. 3,000 and Rs. 4,000 and now they want to have a bungalow or a salary. Why don't you turn out these men of 55 or 60 and replace them by young men of 40 or 35 who are there, who have been trained in England, America and the Soviet Union. There was a young engineer who told me that he was getting out of a textile factory. He had been trained in Germany, Russia and England, but someone else was given preference over him because he was related to the managing director. He has gone to Canada and settled down. If this is the state of our economy, the Finance Minister has no business to come before the House with three budgets and make demands like this.

I want to quote what exactly happened in England, how the whole Labour Cabinet started shaking over what would happen in Washington. We are in the same position after 18 years of independence. We will perhaps be in a worse position. Let me quote from Mr. Muggeridge's article in *New Statesman*.

"The crucial episode in 1931 (described to me by Sidney Webb in his soft, sibilant voice by the fire at Passfield Corner, with Beatrice seated opposite him, and silent for once) took place in the garden at Number 10. There the whole Cabinet was assembled—MacDonald, Snowden, Thomas, Henderson,....

—big giants of the Labour Party—

"...waiting for a telephone call from New York to tell them whether further credit to support the pound was to be made available. These men had spent years of their lives and the greater part of their energies in exposing and expounding the fatal defects of the capitalist system; especially banking. How many times they had raised the roof by some well-aimed shaft against the City and Wall Street! Montague Norman with his beard and incognito expeditions .... was a favourite butt.



"..Perhaps the Labour Party is fated to save the pound, and in so doing destroy itself. The People's Pound is coloured Red.

"..Furthermore, I note that President de Gaulle does not care a fig about pleasing or displeasing Washington, and no fire from heaven seems to have fallen about his head.

"..Let's leave the pound to fluctuate and keep our reserves, instead of steadying the pound and losing our reserves."

This is what happened, and now they are recalling that state of the pound as it was. Today we must put up our rupee; if not, we cannot put our heads up. I want to ask the Finance Minister what has happened to the rupee, what is the present state of the rupee I want to read out an extract:

"The exchange rate of the rupee has remained unchanged since before 1925 in terms of sterling and since September 1949 in terms of the U.S. dollar. This has considerably overvalued the rupee. Currently, it is quoted in the free markets abroad at around Rs. 24.60 per pound sterling and Rs. 8.81 per U.S. dollar as against the official parties of Rs. 13.33 per pound and Rs. 4.76 per dollar respectively."

When I was recently in Teheran, I found that they did not quote the rupee on their official exchange rate card at all, while they do it for every other currency, and I felt ashamed. We have come to this state of beggars. It is time that people in this country or in Parliament put up the value of the rupee high up. If it is put up, we shall be all right.

But it cannot be put up as long as the steel frame lasts, the steel frame of monopoly capital, the fat of the land being in the hands of a hundred families, as I have often said in this House. The fat of the land is in the hands of four business houses and they are wealthier than at any time in the history of the land, whether it was

the Vedic period, or the Moghul period, or the tyrannical period or the British period, or the Gandhian period. In the period of the socialist welfare State, they are wealthier than at any time in the history of India.

The other thing that I cannot understand is this. If I steal Rs. 5, my name can be published in any newspaper and I can be sent to jail. If a poor woman takes away a little piece of bread or wheat when her two children starve, she will be bound over or sent to jail but a man who has got unaccounted Rs. 50 lakhs in his coffers illegally, his name cannot be published. Our rules do not permit it. What is the justification. This man who kills and stabs our economy, shall he be permitted to have crores and lakhs in his home hidden and his name shall not be published? How can that be? Such people must be brought to the bar of a court. In a harder system of Government they would have been put before the firing squad but we have given them an assurance: go on, declare, we shall give more concessions. This morning I have received a letter about a small over-draft saying: your account stands at this and this, your first is this column; your second is this and your fourth or final drawing power is this and so on. I have no time to read it. Why do you penalise an average man who needs money? Banks are meant for the average man in the street; they are not meant for the rich people, and they cannot be kept open on holidays, so that others may loot: the Reserve Bank or the Finance Ministers of the past or the present, do they want that evil doers and monopolists be sheltered so that a few men who control the newspapers may be fabulously rich, may control opinion in the House and the opinion in the nation? All that will not pay us. Fortunately we have a leader in our Prime Minister Shastri, brought under the aegis of Mahatma Gandhi's teachings, brought up in the best Nehru traditions. We must all, whether in the Cabinet or in the country-

[Shri Joachim Alva]

side or in the Party or in the Government or in the Opposition, become men of steel; otherwise we cannot put this country right. Here are a few men, upholders of unbridled capitalism who want to rule the country. Why did I want to disturb Mr. Masani the other day while he was speaking? I could not bear when he said about controls all the time but suppressed one basic fact about the Tata-Birla plan published in 1944 when he was the Public Relations Officer in Tatas. He suppressed a fact; I found it from the library; I was trying to place the fact before him but I did not receive that courtesy and I was not permitted to blast his case against controls. Here are the upholders of high capitalism trying to suppress the facts. When seven Big Businessmen made a plan known as the Bombay Plan as early as 1944, they clearly demanded controls. It is like the devil quoting the scriptures now. There are many things. On the agricultural front, we have made the worst possible progress. An advertisement about Pakistan International Airways speaks of an organisation of the Pakistan Government tendering advice on running poultry. What do you do about poultry here, about fishing and other enormous natural wealth in food? The poor man cannot have his banana because it is exported. We export essentials. We have got to improve our shipping and build it up. Our shipping is 1.5 million tons and 500,000 tons are run by Jayanti alone; my friend Mr. Kamath and I were amazed at the progress of this Jayanti concern, when we were taken on a cruise on their tanker in Goa. What are those people doing all these years, the other private ship owners? They were getting everything from the State. Another point: the Finance Ministry had taxation proposals for advertising and they are such that small newspapers will go to the wall. The big newspapers will benefit because they could get money from the bank as those who run these newspapers have access to those who run

the banks and the monopolist tendencies in the Indian journalism will continue. These wall rules which are framed by the Finance Ministry for taxation or advertisements are all wrong. The small papers will be killed and the bigger ones may benefit, and the money will go into the pockets of a few other people.

**Mr. Chairman:** I request the hon. Member to conclude.

**Shri Joachim Alva:** Now, the Government are going to have hotels here. Which Minister is in love with Mr. Hilton? I want to know from the Government which Minister has fallen in love with Mr. Hilton. Are you going to have the East India Company again, giving away 50 years' right to Hiltons to start hotels here? We have our own first-class men and women who can run hotels and are good hoteliers. Our Ashoka Hotel is the pride of India; it is run as a public undertaking under the Government. Why did you allow Hiltons to come in, saying you will have it for 50 years and 33-1/3 per cent will be the share and all that? What has happened to our conscience, the conscience of the nation? What has happened to our self-reliant financial conscience? Unless you put these things right, we cannot improve.

Now, the Indian Airlines starts four offices outside. Why does the Indian Airlines start four offices outside India, when Air India can take care of that job? This is the way in which our foreign exchange is frittered away.

In regard to canned food confectionary and tinned stuff, we are earning nearly a crore of rupees by exporting our tinned stuff; sweets and mangoes and other edibles are tinned. The cost per ton of sugar abroad is £20 but we charge £90. Unless we think of exporting these things on a large scale, we cannot build up the

nation. What are we doing to bring it up on a bigger scale?

In regard to uncut diamonds; I am not a lover of diamonds and gold, but then, we in India have more love of gold and diamonds than in any other country. Uncut diamonds can be brought into this country without import duty and be polished and then exported. We can have our own market for that purpose and take the leadership in the industry. All these points, even the Finance Minister is not worried about, and the *babus* sitting there do not know; they simply carry on with the figures, Rs. 70,00,000 and Rs. 70 crores and so on. I do not know what is happening.

We must have a massive housing programme. Our housing programme is too poor. I am grateful to the hon. Prime Minister for one thing. The first thing that he said, when he returned from the Soviet Union, was about the housing programme and what has been done in that regard in the Soviet Union. I was there two months ago. We do not have even a single massive building of the type that we find in Moscow City, either in Bombay, Madras or Calcutta. The Russians have got a number of buildings of that type. Why do we not have it? We have got an enormous amount of untapped labour. We have only a very few multi-storeyed buildings with massive walls. It is time that we had a massive housing programme, and thus we must build up our country.

16.33 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Our agricultural position is far from satisfactory. We have to depend on PL 480 programme. Unless we do away with it, we cannot feed our population. In Burma, they feed their population with one crop and export rice and make money; whereas we are not able to do it even with two crops. Agriculture is as important as industry, if not more. Our agricul-

ture is neglected, because we run after bigger and more glittering prizes of life. Unless we build the country and make it strong, we cannot go ahead. Even the Russians have made mistakes in regard to agriculture, but they have gone ahead now after openly acknowledging their mistakes. We have made mistakes. We do not learn from our past mistakes nor do we go ahead and make any progress. Agriculture is the base of our economy and unless this Parliament seriously takes note of agriculture and also we put our first-class men and women in charge of the public sector, things cannot improve, substantially.

Our Finance Minister is one of the ablest Finance Ministers we have had; he is a very clever man and an able man and he has a subtle mind. He is fond of eating up tigers and also the man-eaters who eat up the nation. Unless he has got guts of steel, and unless we destroy that steel-frame, that steel-frame of monopoly capitalism which is foisted on our economy, we can bring no economic salvation for the masses of India.

**Shri Bade:** Do you support or oppose the Bill?

**Shri Joachim Alva:** I support it.

**Shri K. D. Malaviya (Basti):** Mr. Deputy-Speaker, Sir, the Finance Minister has produced a supplementary budget which has created some sensation more because of its suddenness, the sudden aspect of the budget. People did not expect this budget at this period of the year. Therefore, they are critical of it and rather angry also with him. But I do not agree with this aspect of the criticism levelled against the Finance Minister. If the prices have been pushed up in a general way to a certain height, if shortfalls are expected in the estimates made last year, whether in annuity deposits or small-savings or borrowing programmes getting dwindled, what is he to do? If revenues have to be raised ways and means have got to be

[Shri K. D. Malaviya]

found out. The inflationary tendencies do not show any sense of abatement. Therefore, the mopping up operations through taxes by the Finance Minister seem to me to be justified.

I also agree with him that his supplementary budget should be a conscious and deliberate endeavour to raise resources for our future productive programmes and if possible to control inflation and mop up the currency. He has also rightly pointed out about the large cushion of black-market prices in certain commodities and that dishonest traders in some much-needed imported commodities are indulging in profiteering by creating scarcity conditions of those articles which are already scarce, like non-ferrous metals, to quote an instance. I am sure if the Finance Minister had any hope of better behaviour from these racketeers and profiteers, he would have perhaps not resorted to some of these taxes. But the hard fact is that there is a big cushion in the black-market prices and the prices have stabilised at a level which is very unsatisfactory to our economy and still people do not object to it—those who have to import it. So, if out of that big cushion, an attempt is being made to mop up a certain element of the price, I do not know why there should be any objection. I, therefore, do not see any impropriety in taxing commodities from which legitimately some revenues could be expected.

Whether we like it or not, we have got to go the hard way to build up our economy. There may be some controversies, to which I will refer shortly, but so far as the consumption of materials is concerned, we have to establish a certain pattern of control. That is the most fundamental thing. If we do not do that, the entire economy will be unhinged, more so because we have a tradition or habit of consuming goods in a very big way. This is a legacy left to us by a foreign government. Wherever there are

backward countries in the world, they have an evil habit of getting things from abroad in order to meet their pace of consumption. We have not yet given up that bad habit of consuming too much and producing less. On the whole, therefore, by these taxation proposals only the profiteers will get disturbed in their kingdom of evil doings. So when steps are taken to restrain them and to take to measures by which some screwing could be done, they just start shouting about it. Frankly speaking, therefore, I do not see anything in this suddenness aspect or the effort to raise revenue from certain commodities which should disturb the minds of our people.

I am, however, not in agreement with the basic approach and the fiscal trends that have from time to time emanated from our budgets, because I am a firm believer in a socialist economy and a believer in a fact that we are capable, even under this situation of stresses and strains, potentially capable of following a radical fiscal policy which will ultimately and quickly build up a socialist economy for our country. I have no doubt about it, that we can do it, and the more we delay in this process of adopting a socialist economy, the sooner we will start seeing the light of the day.

Somehow or the other, year in and year out I have been waiting for a fiscal trend on the background of a radically new policy. This new policy is not visible to us. In the developing economy of ours inflation is unavoidable. Therefore, inflation must not be considered as our problem No. 1. I make bold to say so, that so long as we have to pass through this condition and so long as we do not reach the hump stage, as our Finance Minister has been trying to say from time to time, we need not be afraid of the phenomenon or factor of inflation, because in order to produce commodities and in order to have a satisfactory export-import trade picture we have got

to see that money is circulated satisfactorily. No finance wizard can assure a satisfactory pattern of circulation of currency. We are anxious to see that our process of production goes on. In order to see that our process of production does not stop, there are obviously two things to be done. One is that we supply money at proper time and, secondly, we must take all steps to go on increasing our export. The large amount of money which is circulating in the hands of rich people and their agents could surely have been restrained by following a programme of curbing the monopolies or near monopolies, but we have not done it.

It has been oft repeated by our leaders, of the Congress party and by other Government leaders, that the disparity between the big and the small has to be removed. What are you doing for this? I would like the Finance Minister to tell us here in this House as to how and in what manner has disparity been removed in the last three or four years. To what degree has it been removed? Has it been reduced? No, it has not been reduced. It is continuing increasingly. It is going on simply because we have connived at it and we do not want to take those steps which will create prejudice in their minds against our leaders. Their number is also not very large, but they control the fate of our economy. They might be 300, 400 or 1,000, not more than that, but they really control the economy of this nation. Money is circulating with these classes, firstly, the big ones of urban area and, secondly, what I call the Qulak classes, which control the wealth of the farm producer, either as trader or as producer alone. These are the two classes which undoubtedly control the economy of this nation. But they are not very large in numbers. Therefore, it is wrong to say, as has been stated by the Finance Minister recently in Bombay, that our banking is affected by the large consumers and the traders spread

over the entire part of the country. The fact is that the small class of monopolists and the big traders control a very large chunk of our economy today and the banks function through these two sectors.

I also believe that the budgetary policy of our Government cannot restrict the expenditure in the present circumstances of our economy. These budgetary calculations can take us only to a little extent. But the real solution of the problem will always dodge us till these major factors are tackled. And what are these major factors? It is the control of distribution and of credit facilities. A determined policy in this connection alone can create a condition of austerity in the country. Unless you control distribution you cannot create that condition of austerity which will create a new psychology and will give an impetus for production. The richer people are consuming more. The less rich or poor who consume less are not getting the commodities for their consumption.

Further, unless the Government machinery is geared to a system of controlled distribution—we have been talking about it for such a long time, but nothing has been done—and unless the regulation on consumption is strictly enforced and unless the big industrialists are compelled to part with their large resources and the evil initiative and power that they possess, there can be no hope either of greater production or of curbing inflation.

The measures proposed by our Finance Minister regarding tax exemption certificates for new investments are not going to take us too far and I do not expect any response from the stock market in the present situation. Any such expectation should now be given up. But I would agree with him that the capital for the nation has got to built up the hard way. I say the hard way because this effort must include curbing the monopolists or near-monopolists—

[Shri K. D. Malaviya]

I am using the word near-monopolists because objection is being taken to the use of the word monopolists. I also believe that we have to prepare a government machinery for an efficient distributive system. The more we are afraid of these two things, curbing the monopolies and creating a new system of distributive machinery for the government, the more are the chances of our not making any headway. The institutional finances, whether it is L.I.C. or various other institutions, are made available to the 'haves' of India because there is security for these institutions. Anyone of the top industrialists, possessing some production units at his disposal, can freely borrow unlimited sums of money—of course, within the framework or regulations made by the Reserve Bank—and he can go on prospering from point to point. The point that I am making is that he has a nucleus to start with and that nucleus is the property which he has inherited. But these banks do not function for a vast number of talented and poor people who have not inherited any capital. So long as we hope that such a system can give us increased production, we live in a fool's paradise.

A sort of status has been built in this society of ours which is peculiar to itself and that is confused with the capability of the man. Whether he possesses wealth or not, if he has big connections, if he is clever enough to manoeuvre and negotiate things, he attains a status in the society and that status helps him in building his own self—not building up the society as such but building his own self. I want to warn the politicians also against that status. Even the parliamentarians and Ministers have now attained that status—some sort of a status. I think it is high time for us to go into the basic concept which is going to unfurl that economy for us when we take rapid strides. It is the smaller number of people who enjoy the status and the privilege in

this democracy of ours which I call a capitalist democracy—it is not a socialist democracy and this small class which has been created in our defective society, is proving now a very dangerous stage in our economy. Let experts produce documents after documents but neither on the food front nor on the export front nor on the production front can we make that rapid progress which is the need of the hour.

With regard to the food production programme, I have been always shouting, and I propose to do so today again, that unless the real producer gets all those incentives and unless the Finance Minister in his interim Budget or in the final Budget makes a big provision for those incentives, there can be no increase in food production. We can go on hearing lectures from the experts or the Food and Agriculture Minister but the real thing is the provision for those incentives. What are those incentives? He must get the essential commodities at a very reasonable price. Today, he does not get kerosene at a reasonable price and he is expected to part with the wheat that is with him at a reasonable price. He is not going to do it. He will never do it; he will laugh at you and will not give you wheat at a reasonable price.

Further, there is also a fallacy that there is plenty of hoarding of foodgrains practised by the foodgrains producers. It is not like that. According to a custom which has been going on for ages that the producer does keep a little quantity of foodgrains with him for himself and his family and also for some people who depend upon him, that is, the labour.

Now, the peasant is not producing more because we have not taken the

steps of either providing proper credit or of supplying essential commodities at a reasonable price or of giving him those facilities which he needs or you have liberated him from the village Bania and have your banks. You cannot do those things unless you nationalise banks. You may go on postponing the question of nationalisation of banks but you will have to do it one day. This is my prophecy that nothing can happen to this country's economy unless you own these banks—not control these banks—and when they are owned, only then they will set in motion a new condition before us. That alone will show us the light. That is what I call the unfurling of the socialist economy. That socialist economy alone can bring us more food, raise our production and also give us more export income.

**Shrimati Remuka Ray (Malda):** Mr. Deputy-Speaker, Sir, allegations have been made against the Finance Minister by Mr. Ranga on behalf of the Forum of Free Enterprise, but these need not be taken seriously as they are conclusive proof of the fact that he has not only resisted them but he has not been bound over head and shoulders to their tender care as he would have liked. That is my answer to Mr. Daji also who spoke after him. Mr. Daji says that unless we bring in a communist economy, a total communist economy, it would not be possible for us to solve our problems. But I think he forgets as to what had happened even in the communist economy in Russia when during the developing period they went through so many difficulties. What happened? A food crisis of great magnitude developed in that country and hundreds of thousands of people died. I just want to remind him of this. We believe in a system, which is known as a mixed economy, where initiative of the individual is allowed, but the law of the jungle is not to prevail. It does not mean that we are always successful in preventing the law of

the jungle from getting an upper hand at times and such seems to be the position in our economy today in some matters. But it does mean that we do believe that it will be through a process of development in an economy which allows initiative to the people that we shall get on. I have said this because this really gives the reply to both of them who first spoke on this debate.

A great deal has been said about the proposals in this 'unexpected' and surplus Supplementary Budget as it has been called. I think on the 17th February in a statement made in the Parliament, the Union Finance Minister brought to the attention of the House the difficulties of the foreign exchange situation. He pointed out that fiscal and monetary discipline had to be observed in the interest both of stability of prices and of improvement in the payments position if we were not to run into a greater disaster. Nobody can deny the depletion of our foreign reserves, though a halt has been called by the measures that have been taken to improve the situation. But so far as the inflationary spiral is concerned, there is no doubt that, in the last six months, the position has not improved but, on the other hand, it may have deteriorated. Naturally the Finance Minister has to take some measures—he has taken some measures—which are good in themselves although I wish that in some matters they were more comprehensive. Although it is a good thing that, in order to prevent deficit financing, he has brought in certain duties and restrictions against which there is a hue and cry, I think he is well aware of the fact that it does not necessarily mean that there will be no price rise in consequence.

**Mr. Deputy-Speaker:** The hon. Member can continue tomorrow. Now we shall take up the half-an-hour discussion.

17 hrs.

**CENTRAL TAKE-OVER OF STATE PROJECTS\***

**Shri M. S. Murti (Anakapalle):** On the 19th of this month, the Finance Minister, while replying to a question tabled by my hon. friend Shri Hem Barua and others, namely whether any guidelines had been proposed for taking over certain huge projects in the Central Sector outside the State Plan, stated that the answer was 'No'. But I hear that it has been proposed by the Central Government to take over the Rajasthan Canal Project under the Central sector outside the State Plan of Rajasthan. So, this raises another question, and I want to bring it to the notice of the Finance Minister.

The Andhra Pradesh Government have been requesting for the last four years that the Nagarjunasagar project should be taken over by the Centre outside the State Plan and financed by the Central Government. I would like to point out that the Nagarjunasagar project was taken up in 1955-56, and the original estimate was Rs. 90 crores and it was intended to irrigate three million acres of land. But due to the rise in prices and due to the rise in the cost of building materials, such as cement, steel etc., and also the increase in wages, and due to the limitations imposed by the Centre in the State Plans from year to year, the revised estimate has gone up to about Rs. 140 crores. It has become very difficult for the State Government to continue this project under the pressure of these things. The allotment to this project in the Second Five Year Plan was Rs. 40 crores, and in the Third Plan it was nearly Rs. 60 crores. But I would like to submit that this project is not going to be completed even during the Third Plan. And it is likely to spill over to the Fourth Plan, and it is likely to be finished, if the present state of affairs continues, by the end of the Fourth Plan only, and no returns from this project are going to accrue till then.

If the State Government are to allot all those resources to this project only, then the other sectors of the economy such as education, health, medical services and other social welfare activities etc. would get only a negligible amount. Besides, transport and communication and power schemes will also have a setback on this account. It was in this context that the National Development Council which met in December, 1963, urged the Central Government to take over all those projects that are in the State sector, so that the States may be able to finance the other sectors equally well and there may be an equal development as against the lopsided development that is now taking place in the States.

They have given also certain reason for these things. Taking into account the long duration of these projects, the allocation of large amounts to such projects within the State sector has necessarily resulted in inadequate outlays for other sectors of economy such as education, medical, public health and other social welfare activities. These projects are normally not completed even within two Plans, and their effects on the development of the State economy are not felt for at least ten or fifteen years. Despite the long period taken for the Plan, the interest on the loans given by the Central Government for financing such projects has to be paid during the construction stage also.

Therefore, the States have to provide not only for the yearly expenditure on the project but also for the payment of interest on the loans previously taken. The projects and public utility services such as the railways, posts and telegraphs etc. with the Centre yield adequate returns in a comparatively short period, and therefore, the Centre is in a much better position to take over these major projects which do not yield considerable returns for many years. It is only in this context, on the basis



of the decisions and the agreement reached by the Chief Ministers at the National Development Council meeting in December, 1963 that the State Government of Andhra Pradesh have requested the Centre to take over the Nagarjunasagar project out of the State Plan and finance it from the Central finances.

Till 1962, the Central Government have been giving loans for the construction of the Nagarjunasagar project, and also for the repayment of interest. But after 1962, the Central Government have begun to charge interest also. It is rather peculiar that the Central Government are charging interest on loans even when the construction period is not yet complete and no returns have accrued from out of the project. Nowhere in the world such a kind of procedure being followed. Prior to 1962, it had been decided by the Centre that they would give loans also for the redemption of the interest charges on the loans given for the execution of the project. But after 1962, they have started doing another peculiar thing, and they are deducting the interest charges from out of the funds that are going to be given to the State from the Centre. They have been deducting a sum of Rs. 6 crores a year nearly from the resources given by the Centre to the State. In this way, the Andhra Pradesh Government is put to a heavy burden. By having to execute the Nagarjunasagar project themselves, other projects like power projects and others are at a standstill. If you compare the power consumption of Andhra Pradesh vis-a-vis other states, it is the lowest in India. In other sectors also, the progress is very negligible in the State. The percentage that is spent on the Nagarjunasagar project in the Second and Third Plan periods is 17:9 and 18:3, with the result that they are not able to meet the demands under other sectors. The economy of the other sectors is at a standstill consequent on this.

The State Government is now put in a very difficult position to finance the project during the Fourth Plan. Till now the total amount invested in the project is about Rs. 100 crores, that is, by the end of the Third Plan. The State authorities have requested for accelerated allotment of finance by way of loan to the State so that the results may fructify by June 1966. When the Finance Minister was in Hyderabad during August 1964, the Andhra Pradesh Government convinced him of the need for advancing additional loans to execute the project. Though he was convinced by the arguments adduced, he allotted only Rs. 4 crores during 1964-65 and promised another Rs. 9 crores after a study has been made of the project by a team of experts. I do not know whether the experts have gone there to make this study. After their study and report, another Rs. 9 crores will be given. This is how the Andhra Pradesh Government is being treated by the Centre.

As regards the rate of interest also, during 1955-56 it was 3 per cent. After that it has gone up to  $4\frac{1}{2}$  per cent. Now in 1964-65 it is  $5\frac{1}{2}$  per cent whereas the return expected from the project after completion will come to 2 per cent of the total outlay. Andhra Pradesh will take another 40 years, that is upto the 11th Five Year Plan, to pay back the loan. They will have to pay to the Centre by way of principal Rs. 150 crores and by way of interest Rs. 170 crores. This makes one say that the Central Government has become almost a money-lender in this respect. I am sorry to say it is neither a matter of practical finance nor one of moral correctness on the part of the Central Government to fleece the State Government in this manner.

After all, this is a national project and not an Andhra Pradesh project as such. The Andhra State is not a deficit state but a surplus one. Even today they are giving the Centre 8 lakh tonnes of rice for feeding the

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deficit states. With the completion of this project, they will be able to give another 50 lakh tonnes to meet the needs of the whole country. We are now spending Rs. 470 crores worth foreign exchange on importing food-grains, in addition to the PL 480 imports we are getting from America. When this project is completed, most of this foreign exchange could be saved. So it is imperative that the Central Government should take over this project in their sector and finance it outside the State plan.

There is one more aspect to it. During the Fourth Plan, another Rs. 50 crores are to be spent on this project. The State Government are faced with this situation immediately that they are not able to provide this out of their resources. They have to pay the interest charges for the loans previously taken which comes to an equal amount during the course of the Fourth Plan. So, it is very difficult for the State Government to find the resources on these two accounts now.

This project is beneficial to the nation as a whole, and it affects the whole of the national economy. The Central Government should deem it a national project, and it should be in the Central sector. Not only this project, but similar projects in other States also might be taken, for instance the Rajasthan Canal.

The Central Government has financed Bhakra-Nangal, DVC, Hirakud etc. Only during the Third Plan the Bhakra Dam has been given to the State sector, till then the Centre was financing it. Even today DVC is financed by the Centre. Hirakud was previously financed by the Centre, and was given over to the State sector later on.

The Andhra Government requested the Central Government to give loans to repay the interest on their previous loans, but the Central Government refuses to do so. The second request

they have put forth is to capitalise the interest as they have done in the case of Bhakra-Nangal, but this also the Centre has refused. So, the immediate problem that is facing the Andhra Government is this: either they should continue this project, or leave it in the middle and carry on their developmental activities in other sectors, so that they may not lag behind, so that there may not be regional imbalances within the State itself.

It is up to the Centre to view this grave situation in a proper manner and see that this project is taken into the Central sector and financed outside the State plans.

**Mr. Deputy-Speaker:** Two Members have given notice. Shri Venkata-subbaiah, Shri Satyanarayana. They are not here. Shri Bhagat.

**Shri M. R. Krishna** (Peddapalli): There is still time. It is a half-hour discussion.

**Mr. Deputy-Speaker:** He should give notice before. He cannot speak now.

**Shri Thirumala Rao** (Kakinada): May I request you to waive this particular rule? It is in your discretion. The hon. Minister may not take more than 10 or 15 minutes.

**Mr. Deputy-Speaker:** That may be, but I have to go by the rules.

**Shri Thirumala Rao:** Is there no elasticity? Are the rules so rigid?

**Mr. Deputy-Speaker:** Yes.

**Shri M. R. Krishna:** At least you should allow us to put some questions.

**Mr. Deputy-Speaker:** He should give notice before the discussion begins.

**Shri E. G. Dubey** (Bijapur North): The other day Shri Menon said some-

where that rules are made for men, and not men for rules.

**The Minister of Planning (Shri B. R. Bhagat):** The hon. Member has raised a number of important points arising out of the reply given by the Finance Minister. The question was about taking over of huge projects which are at present under the management of the State Governments. It is true that no such project is being taken over or contemplated to be taken over for Central financing or the Central sector of the Plan.

**Shri Ranga (Chittoor):** He says you have already taken over.

**Shri B. R. Bhagat:** I am making a full statement. You should not cut me short at the end of a sentence.

This question has arisen in several forms on several forums, and several Chief Ministers expressed this desire because during the Third Plan or even during the second certain big projects were undertaken, and they were finding it difficult to implement them expeditiously for want of funds. If they try to divert funds for a particular project in the various States, they find the other sectors suffering. Nagarjunasagar is one such project which is a very important project and it is in the national interest that it should be implemented forthwith; there are no two opinions about it. There are other projects of this nature in other States from where there is a demand that they should be taken over. So, it raises a number of issues. The only point that has been mentioned here is that why has Rajasthan Canal Project been taken over under the Central plan? Why has this exception been made? The character, special features, in what manner it will be executed—they are all under detailed discussions and the State legislature is to pass an Act on that. But the Rajasthan Canal Project is very much different from any other project in this country; actually there is no such project in the country. It

is a project involving about Rs. 400 crores in its two phases; in the first phase it will cost about Rs. 250—300 crores and with its second phase, Rs. 400 crores. Apart from various other facts which are not only economical or financial, it lies on the border and it will cover a desert area; there is not much of a population. It is uninhabited and new area where this water will create all the prospects of development but the fact is that development has to be undertaken by the State right from the beginning unlike in other areas where irrigation goes already and agriculture is taking place and the role of the State Government is different. What is being proposed is not that this will be taken over by the Centre; the proposal is to create an autonomous authority which may be set up by an Act of the Rajasthan Legislature and this authority may be charged with the duty of construction of the project as well as an integrated development of the canal area; there will be the Central Ministries concerned; the Ministries will also be represented on this authority. The arrangements for financing and the nature and scope of the authority constituted will depend upon the final agreement reached between the State and the Centre. The latest estimate, upto date estimate of the Nagarjunasagar project is Rs. 139.53 crores and this has been financed with 100 per cent loan assistance from Centre.

**Shri Ranga:** Why 5 per cent and 6 per cent interest?

**Shri B. R. Bhagat:** So, the point is that there are two or three things. It has been said that the Nagarjunasagar project should be taken up with a view to help or relieve the financial strain on the State Government as had been done in the case of the Rajasthan Canal; as the Rajasthan canal project has been taken up to relieve financial strain. The major premise under this is not true, because, as I said, the considerations for making new arrangements for

[Shri B. R. Bhagat]

the construction and development of the desert area are entirely different.

**Shri Ranga:** We are all in favour of it.

**Shri B. R. Bhagat:** The point is, the whole character of the Central assistance has not been very well appreciated by the hon. Member. Firstly, all these irrigation projects, and particularly the Nagarjunasagar project, is met by 100 per cent loan from the Centre. Secondly, it may be generally assumed that if the Nagarjunasagar project is taken up, or for that matter, any other project is taken up, and if it is financed by Central assistance, then the amount and the quantum of Central assistance going to that particular State will not remain the same, because, it will have to come out of that fixed cake, so to say. If a project is taken for Central assistance, the Central assistance to that State will be reduced. So, there is no financial benefit; the only consideration is, what should be the administrative arrangements, technical and other arrangements and financial arrangements, so that a project could be implemented in the shortest possible time. So far as the Nagarjunasagar project is concerned, it was done. In all other projects also, for example, in regard to the Gandak and some other projects, the Finance Minister himself went into the question and looking to the urgent needs of Nagarjunasagar he has given special assistance of Rs. 4 crores during the past year. There is a proposal, as was mentioned by the hon. Member, to give Rs. 9 crores more. That is a matter which is under examination by the Finance Minister.

**Shri Ranga:** What is meant by special assistance? It is only a loan.

**Shri B. R. Bhagat:** It is additional loan, if you object to the word "special." It is an additional loan this year. The idea is that the

project should be completed as quickly as possible.

**Shri Ranga:** That is the most important thing.

**Shri B. R. Bhagat:** Already, an assurance has been given by the Finance Minister that whatever fund is required for speedy implementation should be provided.

Then there was the question about the rates. It is a very complicated question. The second Finance Commission consolidated all the loans at a particular rate. The present rates are higher, because, we do not give loans from somewhere else. We also go to the market and when we pay a higher rate, we have also to charge a higher rate. It is all interrelated. Therefore, the rate of the loan which we give this year or in the subsequent years has to be revised upwards. The fact is that the interest rates in the country have gone up and the Government is paying the higher rate, and since we are paying a higher rate, we also are charging a higher rate. I am sorry to say that it was said that this is like moneylending. But I say it is not correct. It is not with the idea that we wish to make a profit. There is no profit.

**Shri Narendra Singh Mahida (Anand):** In between, is it on a profit and loss basis?

**Shri B. R. Bhagat:** As I said, all these matters are looked into every five years by the Finance Commission. Earlier, the Finance Commission did make a recommendation about the consolidation of the rates. But the point is that even the recent loans that have been floated by the State Governments bear a higher rate of interest. Otherwise, they would not be subscribed. To say that the rates have been increased by one to one and a half per cent in the subsequent years and the Centre is making a profit, that it is a money-lend-

ing business, is not correct; it is not true. (*Interruption*). The rate reflects the rates in the markets in the country. You can take any Central loan and compare it with the others. You see the State loans that are floated. Only last week, a State loan was floated, and you see the rate and compare it with the previous year's rate or the rate of the year before last. Then you will see why it has happened. There is no profit in this. It is not true to say that we float loans at three per cent and charge at five and a half per cent from the States. In all these matters, the profitability of a project depends upon how quickly the project is completed, and how quickly the benefits accrue. To that extent, as I said, an additional loan was made available, so that it should be speeded up. The Finance Minister is considering how further money can be made available so that this project is completed. This matter came up in the National Developmental Council. Several State Chief Ministers raised it. The quantum of central assistance would depend upon the residue that is left. If a larger devolution takes place as a result of the Finance Commission's recommendations, the size of the cake left with the Centre is reduced and so the quantum of central assistance for the plan projects or deve-

lopmental projects will be reduced. Then, if a State has large projects like Nagarjunasagar, Gandak or Srisaillam or some big project involving hundreds of crores, in determining the central assistance for the plan period we have to take into account the liabilities or responsibilities of the States in that. If these big projects are taken out and they no longer remain the responsibility of the States, but come to the centre, if we assume that, then the central assistance for the plan of that State will be reduced, because unless the total size of the financial resources of the State and the Centre go up, there is no way of manipulating it. You cannot increase the one without decreasing the other. So, this matter has to be looked at in that larger context. I think the State Governments appreciate this.

So far as Rajasthan Canal is concerned, because of its special features we are trying to evolve a special authority, so that the development of this vast desert area on our sensitive borders may take place speedily.

17:27 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 31, 1965|Bhadra 9, 1887 (Saka).