

Saturday
5th March, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART B—PROCEEDINGS OTHER THAN QUESTIONS AND
ANSWERS)

Official Report

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(LEGISLATIVE)

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES.

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS).

Saturday, 5th March, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar) in the Chair.

QUESTIONS AND ANSWERS.

(No questions: Part I not published.)

COFFEE MARKET EXPANSION (AMENDMENT) BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): Sir, I beg to move for leave to introduce a Bill further to amend the Coffee Market Expansion Act, 1942.

Mr. Deputy Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Coffee Market Expansion Act, 1942".

The motion was adopted.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I introduce the Bill.

THE GENERAL BUDGET—GENERAL DISCUSSION—concl'd.

FIRST STAGE ~~concl'd.~~

Shri K. Hanumanthaya (Mysore State): The Budget presented to this House has been called by different names. I for one would call it the "incentive-to-industrialists" Budget; I would give it another name, "agriculturists-nowhere-in-the-picture" Budget. The most serious question that is facing the country and agitating the mind of this House is the problem of food. That problem has in no way been tackled in this Budget. There is not a single proposal, there is not even a word of sympathy for agriculturists. Every proposal made, every sentiment expressed, is for the industrialists. Not that I grudge the concessions made to them, nor do I grudge the incentive given to them—I want this country to prosper industrially. At the same time I want the most serious of the problems that India faces today, namely agricultural production, to be tackled with as much seriousness and with as much earnestness as has been displayed in the case of industrial production. No doubt the learned Professor who happens to be the Finance Minister for the time being dwelt upon food production and its problems indirectly. He says the problem is serious, we are importing food grains worth Rs. 130 crores every year, that our sterling balances are being depleted, and that our balance of trade is upset. He looks at it from the wrong point of view; he does not look at the problem from the point of view of its inherent merit. Sir, this reminds me of a story where a wife began to cry on the deathbed of the husband. She was crying, "Who will hereafter give me jewels, who will hereafter provide me house and comforts and car and cosmetics?" That were the arguments used over the deathbed and profusely was she crying too. So also, here agriculture is sympathised

[Shri K. Hanumanthaiya]

with and wept over by the Finance Minister because it has upset the balance of trade, depleted the sterling balances and caused an expenditure of Rs. 130 crores a year.

But what has he done really to see that this agricultural production is stepped up? What is the amount he has allotted for the purpose? What is the incentive he has presented towards that end? He weeps over agriculture in the fashion of the wife in that story. Here he weeps over agriculture for his own reasons, not with a view to give it the incentive it deserves, it needs, and it demands.

Why has agriculture been neglected in this fashion? The primary reason I attribute to the very psychology, the very composition of this Cabinet. This Cabinet consists of people who never had occasion to go to a village and see things for themselves—at least the majority of them—I concede there may be very honourable exceptions, but the majority of them know nothing of the rural areas, their conditions and difficulties. They sponsor Bills to fix minimum wages for industrial labour. Have they ever thought of fixing the minimum wages or the minimum price that we have to pay to the producer of foodstuffs? The honourable Minister for Industry and Supply fixes the margin of profit for the various merchants who deal in controls; take for example cloth, he wants the procurer to have about two per cent. profit, the wholesaler about three per cent. and the retailer about nine per cent. Has any Minister in this Cabinet, including the honourable the Leader, ever thought that the agriculturist also requires an incentive and margin of profit? It is a sad thing to recollect that the father of the nation who led us to freedom had always two things in view, the village and the villager and it is a sad commentary upon the formation of the Cabinet and the policy pursued by our Leader, the Prime Minister, that these two things have gone completely out of the mind and consideration of the Cabinet. I have not seen during these two years of the working of this Cabinet system of government, a single measure introduced in this House for the benefit of agriculturists and for stepping up agricultural production. We no doubt make fiery speeches saying that if we do not produce more food we will perish. All the grievances of the rural population are met with by the speeches, by lip-sympathy, and not by solid concrete action. What is it that impedes agricultural production? The figures show that our deficit is only about 10 per cent, and we were importing that 10 per cent. But now we are importing to the tune of Rs. 130 crores worth of foodstuffs. When Rs. 60 crores worth of cloth was being imported, Mahatma Gandhi saw what a drain it was and he invented *khadi*. He preached the spirit of *swadeshi*. We had to buy the coarse *khadi* cloth at higher prices in order to stop this drain and in order to see that this spirit of *swadeshi* took root in the country. Now the travesty of things are that we are paying a higher price to an agriculturist in America or Argentina and not the same price to the agriculturist in our own country. This is a sad state of affairs and nobody, no Minister including the Prime Minister has paid attention to this aspect of the matter. We have to do three things in order to step up agricultural production, and I shall make three concrete suggestions. Let us consider, who is to produce? After all, the villager has to produce. (~~Baba Ramnarayan Singh: 'Why not these people'~~) These people will get by way of ration whatever they want, leaving the agriculturist halfstarved. They know how to manage for themselves.

So after all, the villager has to produce. Now, every man who gets educated in a village drifts to the town. Every able-bodied man goes to a factory. The educated and the able bodied go into the town, into the urban area, where the incentive to earn and the means to earn are far greater than what are available in the rural areas. A man who cannot earn Rs. 20 a month in the village

if the same man goes to the town, and if he works as a coolie in the railway station, he will earn Rs. 20 a day almost. That is the state of things. In order to see that agriculturists get incentive, we must first fix the price, not what is called the "fair" price, which is fixed by the whims and fancies of Government officials or Ministers as the case may be. But we must go about it in a methodical manner; we must appoint a Committee composed of consumers, purchasers and impartial people to fix up what is required to produce a given quantity of grain and allow a margin of profit such as you allow to the retail cloth dealer—nine per cent. or so. I would even go to the extent of requesting Government to allow not even nine per cent. but to allow six per cent. net profit to the agriculturist. You have fixed the dividends at six per cent. show the same consideration to the agriculturist. I do not want more consideration than that, fix the margin of profit at six per cent. and then fix the price. You use arguments, what are called the "spiral of inflation" and are arguments of theory which you have learnt from books. But these arguments won't help us in the matter of production of food or in stopping this drain of Rs. 130 crores on food imports.

It is good that Government is making a determined effort in order to solve the agricultural problem. They want more agricultural machinery to be imported and manures to be purchased. For that purpose, they have applied to the International Bank for Reconstruction and Development. Very good. I hope they will be able to get what they want. I am told that the International Bank has got only about 400 million dollars of money and I do not suppose we will be able to get much out of it. We will have to depend upon our own growers than upon external help. Now this Bank and this International Monetary Fund deserve some attention. The International Monetary Fund was constituted in 1945 and the then representatives who went on behalf of the Government of India were not representatives of Free India or of this responsible Government. Sir Jeremy Raisman led the Delegation and he fixed the quota for us. The other day I ask the Finance Minister whether, after the advent of our freedom, he has made any efforts to revise the quota already allotted to us, and he was pleased to say, whether we got independence or not, it did not matter from this point of view. This is the psychology which is holding up the present Government. If we have not been able to satisfy the people, if Congress ideology and psychology have not been implemented in this country, it is because the Ministers entertain such notions about our hard-won independence—"it does not matter" to them—yes, because many of them were careerists in the previous regime and they are careerists now. I am sorry if it hurts the feelings of people. It has become the fashion of the Leader of the Party and the Deputy Leader of the Party to woo people who were either silent or active collaborators of the British imperialism. They think all the first-rate brain is concentrated in the heads of those people. Congressmen are feeling as if they are strangers in their own house. Unless the people who fought for freedom, who know the Congress ideology and who know what Mahatma Gandhi stood for, unless they come into the picture and implement the ideology of the Congress, this Government will continue to be what it is. It will become more and more unpopular, with the result that some of us, poor people, innocent people who have nothing to do with the working of this Government, will ultimately find that we lose our deposits in the elections.

Again, Sir, I was referring to the International Monetary Fund. Even the Aiseman delegation has agreed to the present quota with the reservation that they will be able to press their claims later. The International Monetary Fund.

11 P. M. which is a very important international organisation is dominated by America. There are three well known principles in fixing the quota—population, national income and volume of trade. None of these

[Shri K. Hanumanthaiya]

principles have been taken into consideration. It is the power politics that has counted in the matter of composition and the fixation of quota of the I.M.F. Has Government of India ever paid one moment's attention to this aspect of the matter? They go on as merrily as the previous Governments were doing. They think that what has already been fixed by a previous regime is sacrosanct for ever. This is the psychology which they have to change in the interests of the country and in the interests of the Congress and in order to give a good name to the leaders who have chosen these men. That is my humble opinion.

Mr. Homi Mody (Bombay: General): I hope my honourable friend the Finance Minister is not unduly depressed (*The Honourable Dr. John Matthai*: 'No, no.') over the criticisms which have been lavished on his Budget. If he will look up the Budget debates of the last twenty or thirty years, he will find much the same things have been said without doing any damage to anybody. (*Prof. N. G. Ranga*: 'August 15 is the only change.') There never was a perfect Budget, and there never will be. May be that in some age when men have learnt to live without the Army, the Police, the Secretariat, and above all, Cabinet Ministers (*The Honourable Shri N. V. Gadgil*: 'Hear, hear; and members of the House!') then a Budget may be produced which may be carried with universal acclamation, but till that time.....(*An honourable Member*: 'Then there will be no Budget!') But till that time the Finance Minister must make up his mind that he is there to be criticised and condemned and that no consideration will be shown to him.

Speaking generally, the Budget speech is characterised by vigour and lucidity the sort of statement which one would expect from a person of my honourable friend's ability and knowledge of economics. But there are several gaps which I think I ought to point out. The thing that stands out is that in the course of the whole Budget statement, there is no exposition of the monetary policy of Government and that is a defect in an otherwise admirable performance. What sort of policy Government are going to pursue in the matter of regulation of currency and credit is a matter which is of fundamental importance, and I hope, at any rate in the course of his reply to the Budget debate, my honourable friend will say a few things about the way in which he looks at the whole question of monetary policy. Then, again, I wish that my honourable friend had referred in a little more detail to the failure of the borrowing programme of Government in the last year or two. There is a huge deficit in capital account which has duly found mention in the Statement and the Explanatory Memorandum. I would like my honourable friend to dilate a little on that and tell us exactly how he proposes to finance the capital programme of Government.

One other criticism, which is not a criticism so much of my honourable friend as of his predecessors, is that some attempt ought to be made to provide more accurate budgetting. A budget which on the expenditure and income side is out by 60, 70 or 80 crores is not a budget. These are abnormal times and I recognise that what was possible in the happier days of old may not be practicable these days. Both the expenditure and revenue side may show considerable differences from the budget estimates; but, by and large, I think it is necessary that the Estimates should be more accurately framed.

Taken as a whole, I regard the budget proposals as sound. Despite the criticisms which have been made and the criticisms which will continue to pour in for the rest of the month, looking at the present position and the economic malaise from which the country is suffering, the need for restoring confidence, the need for balancing the budget and the need for taking off taxation which proved to be detrimental to progress and production, I say the budget as a whole is sound. My friends say, it is all very well for you to say this

for the simple reason that there are several features which are of help to you. (An honourable Member: 'That is true.') That may be true; but there are quite a few which are not of help. So far as I am personally concerned, I do not stand to benefit by the reduction of taxation on the top incomes, whereas I may have to pay a lot more for my cigars, wines and the other little things with which I solace myself in a world in which everybody is so harassed and unhappy. Whatever budget my honourable friend may produce, he must make up his mind that there will be plenty of critics who will say that he was friendly to the rich, callous to the poor and indifferent to the middle classes. These criticisms have to be taken with a grain of salt. Incidentally, salt, in spite of the fact that the duty has been taken off, has not been made any cheaper.

There are various types of critics in this House. There are economists; there are lay critics. The only difference between an economist and a lay critic is this: an economist is right on his facts and wrong in his conclusions, while a lay critic is wrong on both. There again, my honourable friend has much reason for comfort when he feels particularly depressed by some virulent criticism of his economics.

My friends are in the habit of thinking, at least they have said so,—what they think is a different matter,—that this is a rich man's budget. What do they want? Do they want direct taxation to go up to 100 per cent? Do they realise that in 1938-39, just before the war, direct taxation bore to the revenues a proportion of 23 per cent. and that has gone up today to 51 per cent. even with the reductions proposed by my honourable friend? Fifty one per cent by way of direct taxation of income, I should say, was good enough for anybody. It will interest my honourable friends to know that this ratio of direct taxation to general taxation is higher in this country than in the United Kingdom and in the Dominions. Take also the incidence on incomes above Rs. 25,000. It is glibly said that the rich man escapes. First of all, I do not know who is exactly rich, barring a few blackmarketeers and profiteers, a very exclusive class to which I do not belong. In fact, I belong to the very happy class of people who are generally not affected by the budget; I live on over-drafts, and if there is a capital levy in the country, they can attach them for all I care. I was saying that if a man is rich who enjoys an income of Rs. 25,000 and over, the rate of taxation is higher actually than in the United States and Canada, two of the leading industrial countries of the world.

The general reactions to the budget, as the Government may have seen, are favourable. But, I must confess that I am disappointed at the reaction of the Stock Exchanges. The prices have actually receded since the budget was announced; but that is not the fault of the budget. I think there is a general malaise which lies too deep for most people to comprehend. I think one reason why this has happened is that a great many people, after the reassuring speeches made by my honourable friend the Finance Minister and other members of Government about the economic position of the country, expected miracles to happen. Some of us did what we could to sound a note of caution. While I do not hold with the pessimism of the stock exchanges and also to a certain extent of the business community, the capital position of today must be fairly assessed. First of all, the great change that has taken place in the last few years is the shift of income from the richer classes to the lower income groups. Unfortunately, Government have not found it possible to tap these sources for contribution to their loans. I think a concerted attempt made for a savings drive or an attractive issue placed on the market for the particular benefit of the smaller man, would bring out considerable sums of money. There is also the fact that there is a considerable amount of money in the black markets, which

(Mr. Homi Mody)

naturally will not come out unless you devise some method of protection. That is a thing which we have to face up to. There are these two reservoirs into which a lot of capital has flown in the last few years, which are not being tapped and cannot be tapped for one reason or another.

~~to~~ Having said this, I would urge, as I have urged over and over again in the last twelve months, the business and the industrial community to shed its fear, and relying upon the growing realism of the Government and their new approach towards the problems of the day, to go ahead and give to the country what the country has a right to demand from it. I repeat the industrial community has a duty towards the country which has to be fulfilled. After all, we are not fair-weather sailors; we have to take the lean with the fat. This is precisely the time when the country wants the industrialist to shed his doubts and come forward boldly to make his contribution to the country. In spite of what has been very recently said about the business and industrial community, it has a proud record behind it. At a time when every conceivable kind of discouragement was given to capital and enterprise in this country, a few people came forward and established an industrial structure which, in spite of its deficiencies, still ranks as the eighth largest in the whole world. That has been achieved in spite of Government discouragement and in spite of discouragement from the capital market as it is ordinarily understood. I hope, Sir, that the business and industrial community may have an even prouder role to play.

Now, the key-note of the budget is subdued optimism. I am an optimist and I would like to look at the rosy side of things even in spite of what I hear from these benches off and on. But optimism must be in its place, and I think the time has arrived for jolting the country into a realisation of the situation with which it is confronted. The country must be made to face facts and I would suggest to my honourable friend that, as a preliminary to that an Economic Survey such as is issued every year in the United Kingdom be issued by this Government setting out all the salient features of the Nation's economy, so that economists and laymen would equally understand what the position is. So, Sir, I hope that, before the next budget is out, the country will be prepared for what is coming by a proper knowledge and appreciation of the true economy of the country. So much is glibly said about what is right and what is wrong, with the country altogether, the mass of the people including people in this House—if I may say so without any offence—are not sufficiently instructed in the true facts of the situation.

There are certain salient features of the country's economy which I would like to briefly touch upon before I go on to one or two points which I wish to make about the trend of Provincial and Central taxation: In the forefront stands inflation, and I should say in spite of all that has been done in the last few months that it is still far from controlled. It is true that prices have stabilized themselves. So far so good, but that is not the end of it all; the time has come when they must start receding. I find from the figures that the wholesale prices which have steadied since June last year are still very high, and so far as the cost of living is concerned, which means really the retail price, there has been a longer time lag between it and the wholesale price than is ordinarily the case. Retail prices must start receding and it is only when that happens that we can say that we have seen the end of the peak of inflation. ~~(Shri B. Das: What do you suggest?) Increased production.~~

It has been recognised, and it is a truism, that increased production is the only remedy and when we met in the Central Advisory Council so ably presided over by my honourable friend Dr. Syamaprasad Mookherjee, figures were given which tended to draw a somewhat optimistic picture. Figures can be made to

say anything almost, but looking at them in the right way, I should say that while it may be true that there has been an improvement in production, progress has been disappointing. The real favourable factors are an improvement in the relations between capital and labour resulting in the reduction of strikes and lock-outs and also an improvement to a certain extent in the transport situation. I don't want to give a glowing certificate either to the Labour or Transport Ministry, but it must be acknowledged that there has been some improvement in the situation. So far as the measure which was intended to combat inflation *viz.*, dividend limitation is concerned, it is really ineffective, and as a matter of fact I think it is recognized by the Finance Minister himself that its value is only psychological and as a matter of fact whatever value Dividend Limitation had, has been more than offset by the wage increases which have been subsequently given.

Then I come to another aspect of our economy—the food situation. Regarding production I do not know whether there are any reliable statistics; I don't think there are, and so whatever I may say is subject to that qualification. So, also, what the Food Minister has to say in that connection should be subject to that qualification. So far as I can judge, the production of foodgrains in 1948-49 was actually less than in the preceding year. I don't know which of us is right, but the fact remains that more and more foodgrains have to be imported; as the Prime Minister observed yesterday it is the very ease with which we are able to import foodgrains from abroad that is coming in the way of our taking drastic steps in the restoration of our own foodgrain economy. We are apt to think that the mere dumping of tractors and enormous quantities of fertilizers is going to do the trick. It certainly is not going to do that. Unless we have trained the agriculturist in the proper use of tractors and fertilizers, they are going to be an expensive luxury and are not going to result in any substantial increases. The truth is that while there has been a great deal of propaganda for growing more food, it has not penetrated to the countryside, and what we need is, some agency set up in the villages whereby the cultivator can be induced to grow more and better varieties of food. In a volume recently issued by one who can speak with some authority—Dr. Burns—he estimates that by improved seeds and improved manure, certain foodgrains can be increased 10 per cent. and others 20 per cent. Let us not therefore think exclusively in terms of tractors and chemical fertilizers. Let us try and see what the agriculturist even with his primitive ways can do and for that I say propaganda has to seek down to countryside.

Then there is the refugee problem which is sadly affecting our economy. The other day, in the course of a Supplementary question, I asked whether any effort was going to be made to come to some understanding with Pakistan over this problem because otherwise I see it is going to be insoluble. There is neither housing nor employment nor food for all the millions of refugees who have been uprooted from their homes. The Prime Minister's reply was an emphatic 'No' there was going to be no approach;—later on the Prime Minister qualified this reply. I would say without fear of contradiction that Government will come to a stage very soon when they will have to make some arrangement about repatriation at least of those people who may be said not to have been permanently displaced.

There are one or two other points. We have been fighting inflation, but I hope the honourable the Finance Minister realises that the trends of both Provincial and Central taxation are inflationary—excise on cloth of the Centre, and excises in the provinces on articles of necessity like chillies, turmeric etc. How is the cost of living to come down? Such taxation of necessities arises purely from the reformist zeal of provincial governments, which makes them throw

[Mr. Homi Mody]

away large sources of revenue, and tax the necessities of the poor. And I wonder whether my honourable friend realises also that there is a conflict between the policies pursued by the Centre and those pursued by the Provinces. The Centre gives subsidies for food, but items of daily consumption are being taxed by the Provinces. There are also, encroachments on the sphere of central taxation by some of the Provinces. In one province, there has been a capital gains tax imposed on immovable property. Is that in consonance with the general policy of Government? This is a matter which my honourable friend might look into.

I shall now refer to the question of external trade. I would say that the value of barter arrangements has not been sufficiently realised. It is true that most of our trade has to be by bi-lateral or multi-lateral exchanges, but I think in order to make sure that this country receives in actual quantities what it needs most, namely, foodgrains, it is essential to have some barter arrangements. I believe there was some such barter arrangement in the case of Russia only very recently. We are importing enormous quantities of foodgrains from the Middle-East and South East Asia, in exchange for consumer goods which are just as essential to them as their foodgrains are to us. I hope my honourable friend in the Commerce Ministry will consider the necessity of diverting some of the ordinary channels of trade to barter arrangements with specific countries in respect of specific commodities.

Finally, if I take a peep into the future, I will say I am full of hope and confidence. This country has vast resources in materials. Its human material is rich and in abundance. It may be that the mass of the people are illiterate and superstitious. But considering the mass of people in other countries there is a considerable degree of intelligence in our masses, which with a proper system of education would produce first-class citizens, citizens who can compare with those of any other country. Then, our credit is high, and our debt position is sound. And above all—and I say this because I have often criticised the Central Government and I hope to keep on criticising them till the end of time—above all, I say Sir, the Central Government has got an inestimable asset in its possession to-day namely, the general confidence of the people of every section. And speaking for an important section of the people, though not numerically, I would say that our Government is more and more pursuing policies which command our confidence and which entitle them to our fullest support. I say that this asset is of inestimable value, and I hope that under the leadership of the Prime Minister and the Deputy Prime Minister, and under the able men whom they have gathered round them, this country will go ahead, in spite of the fact that to-day there are a great many rocks and shoals ahead. I am however, quite certain that when the present economic storms have been weathered—and we are by no means alone in encountering economic storms—our country will have forged ahead and placed itself amongst the leading powers of the world.

Dr. B. Pattabhi Sitaramayya (Madras: General): I had observed scrupulous silence all these days, and coming at the fag end of the debate, I really find myself in an unenviable position. Because I have great regard for Dr. Matthai, therefore my commiseration for him is quite in proportion to that regard. Like most of us in this House, we are unable to locate ourselves between our convictions and our affections. We are democrats to the core; but sometimes aristocrats, at least intellectual aristocrats, or plutocrats or even capitalists. In my home, though by annual income does not average over Rs. 3,000, I am supposed to be a capitalist. My wife is a socialist. My one son is fast becoming a communist. And thus we are representing the tendencies of the times, and perhaps stand to profit which ever party comes into power. This process of transition is inevitable, whether it be in the family or in society or in the legislature. Whom do we represent

in this country? We are the representatives of three and a half crores of population, out of thirtynine crores, and therefore do not represent even one-tenth of the total population. Naturally our tastes and tendencies have been moulded by what we learnt of economics and politics in the last generation, and Dr. Matthai is the brightest representative of that generation. At the same time, he has culture enough to see what is coming ahead. His difficulty, like our difficulty is, to reconcile the past with the future, thus making the present a mere void. In fact, there is no such thing as present, because the present at which I began to speak has already receded into the immeasurable past, and we are facing the future. Apparently Dr. Matthai's colour is coming and going, between a tendency to help the capitalists and draw the fugitive capital into the markets of India, and at the same time to play the part of a democrat. He is playing the parts of a political Hyde and Jekyll. Dr. Jekyll tells the capitalists, "I am doing you a favour" and Mr. Hyde tells the democrats, "I have not been very partial to these people; after all 14 as. as against 15½ as. is not much of a reduction in regard to income-tax." Neither would believe him, and they both have assailed him. It is no wonder, because he who tries to please all, pleases none. This is the position that I see now. Accordingly we have got a budget in which the very members of the party to which the honourable the Finance Minister belongs have assailed him, and assailed him as if they were members of the opposition. This is a most incongruous situation that I see, and I am afraid I may have to take note of it in some other capacity, because either there is party government or there is no party government. If there is no party government, let it be said that there is none, and nobody would be more pleased than myself. But if there is party government, there must be discipline also along with party government. Responsible government is always based upon party principles. This means, unfortunately that there must be lot of secrecy about the preparation of the budget. The Minister preparing the budget does not break it even to his colleagues till eleven o'clock the day on which it is being presented. Therefore the Ministers themselves are not able to advise him, and even if they do advise, it is perhaps too late, for he has already prepared his speech and it cannot be mended. So this position requires to be looked into and it does not present a very edifying spectacle that members of the Party should descend upon him like a wolf on the fold. But at the same it requires also that this Budget, to the extent to which secrets can be shared with colleagues, should be prepared in consultation with a certain number of people who can be trusted to keep confidence; in which case all this criticism would not be present. I am only concerned to know that anyone who has watched the proceedings of this House would be over borne by the fact that this House has been cent per cent. arrayed against the Finance Minister. Even those who have given compliments have given left-handed compliments. Our honourable friend, Mr. Das of Orissa has said that he cannot give hearty (हार्दिक) congratulations and the honourable Miss Annie Mascarene, with true Christian sympathy for the Finance Minister, has showered ample encomiums on the Finance Minister.

Now I do not wish to speak on many matters but I would confine myself to a point which has not been stressed by other friends, and that relates to Accounts and Audit. I have been rather proud of making myself unpopular by looking into accounts in every situation, particularly with fellow-Congressmen who are not very advanced in the matter of keeping accounts. I am rather meticulous about these matters. I bring the same mind to bear on the events relating to this House and I regret to say that the Appropriation Accounts have not been presented to this House and the Public Accounts Committee has not met for three years. This is a sad story to relate before you all. Mr. Deputy Speaker, whatever be the institutions that one may manage in this world, it is ultimately the cash book that tells. Now I am only proceeding from the cash of the budget to the cash book of Government and from

[Dr. B. Pattabhi Sitaramayya]

a general criticism of the Budget to the ledger side of the accounts. Be it an insurance company, a bank or any concern whatever, ultimately the accounts must be correct and the audit must be there in time. So long as these things are not taking place correctly, you may be absolutely certain that something is going wrong, a rot has set into that Government and you cannot avoid it. Supposing a bank has not produced a balance sheet for three years and it is always taking the sanction of the Board of Directors with regard to the Budget and the items of expenditure which should be incurred but it does not produce the vouchers and when it exceeds the limits of expenditure it does not present a supplementary budget. If, what my honourable friend Mr. Tyagi has said is correct—that Rs. 83 crores have been over-spent the mere fact of a surplus having unexpectedly accrued, does not justify the Government spending it unauthorisedly, and this would not have taken place if the system of audit and accountancy had been as perfect as it ought to be. It is the duty of the Public Accounts Committee to inspect the audit notes and the Appropriation Accounts, and then having made an examination to make its notes which ought to be presented to this House for careful re-examination: otherwise, this presentation of the Budget, these sanctions, these voluminous figures—which no one understands nor has he the time to study—all these are but a semblance of democracy which must be looked into more carefully. This House is naturally jealous of this right which is the ultimate safeguard of all democracy and without which democracy itself would become a zero.

This brings me naturally to what the British used to do till 1938-39. The British Government had an unassailable reputation for correctness in accountancy and in preparing the manuals in regard to every department of administration. They had a Manual of Accountancy, a Manual of Forests, a Manual of Jails, a Manual of Revenue, a Manual of Local Self-Government, a Manual of Police, a Manual of Civil Disobedience and a Manual of Lathi charges. Thus they made the administration foolproof and their audit and accountancy was perfect till the year 1939 when the war began. With the commencement of the war, their morals as well as their meticulousness in accountancy declined. There was a laxity of morals. The British Government were not only the abettors of bribery but also accessories to the affair. All they wanted was participation in the war and counteracting the efforts of the Congress in regard to the resistance to war effort. Therefore although they knew that high-placed men were taking bribes they supported and patronised them and they have left a legacy of moral laxity which we now find it difficult to combat. If, in addition, there is a laxity of accountancy and audit, then I say things are worse. You all know, and we all know that public expenditure has increased to well nigh a thousand crores during these years. While the expenditure has increased so many times, the Audit Department was considerably weakened during the time when the best officers were depleted and taken over to the War Department. I do not know whether they have been replaced. All that I know is that there are volumes and roomfuls of paper waiting to be sorted out in the Accountant-General's offices where there is neither the accommodation nor office furniture to sort all this out. Whatever that may be, one high placed gentleman has been complaining that his provident fund account has not been settled. Well, if Bismarck said that the pulse of the British nation must be felt in the stock market, I say the pulse and the correctness of accountancy must be assured by the celerity with which provident funds are settled either on transfer or retirement of officers. For months together these accounts are not settled and what is the reason of this laxity in regard to this accountancy? That is a point which we have to look into.

Hitherto, we have had a European Auditor-General. For the first time our Finance Secretary has been transferred as the Auditor-General. He is a gentleman of established reputation, who has done yeomen service in London as Assistant to the Finance Minister in the settling of the sterling balance and various accounts with England, and also in paving the way for such settlement by earlier visits. I hope his position will be strengthened by the new Constitution. He must be above all criticism. He is a supreme authority in himself. He is the financial guarantor of all correctness of accounts and he must be looked up to and assisted. His needs of establishment must be met. If this is possible then you will have an Auditor-General of unexceptional ability, who will also be able to have excellent opportunities of overhauling—and not merely overhauling—this Government, but also clearing the Augean Stables in accountancy which I dare say have begun to form.

In the end I will say that the Auditor-General will have to audit the accounts not only of India but also foreign accounts. Our Embassies and our foreign expenditure has grown up to some crores. One does not know what is taking place. One hears fantastic stories. Our delegations go abroad and on more than one occasion the expenditure incurred has become the subject of adverse comment in this House and it is up to the Auditor-General to extend the scope of his investigation to, and to look into, these matters and bring his eagle eye to bear upon the examination of these things. We really want an Indian Exchequer and Audit Act here as in England.

Lastly, Sir, I wonder why the Auditor-General's headquarters is still Simla. When all other people are able to bear the heat in Delhi, I do not see why he alone should be ensconced in Simla and left there to be out of touch with all the progressive departments of the day. If it is possible, his office must be brought down to this city.

Sir, I wanted particularly to confine myself to this one point, because it is a point which seldom appeals to the emotional temperament of members of the legislature. It is a thing which is not popular with any of us and I thought I had better incur the odium of referring to this one aspect.

श्री मोहन लाल गौतम : इस बजट पर जब मैं मोदी साहब को उसकी तारीफ करते देखता हूँ और बहुत से मेम्बरों को इसको क्रिटिसाइज करते देखता हूँ तो फिर मेरे दिल में सवाल यह पैदा होता है कि आखिर यह बजट किसके लिये बना है और किसके खिलाफ है। किन लोगों पर इसका बुरा असर पड़ेगा। बजट जो इस वक्त पेश हो रहा है वह मामूली अकाउन्टेंसी का, इन्कम और एक्सपेन्डीचर का हिसाब नहीं है। उसमें बहुत बड़े बड़े उसूल पिन्हां हैं। इस वक्त जब स्वराज्य हासिल करने के बाद वह गवर्नमेंट उन लोगों के हाथ में आई, इस गवर्नमेंट के वह लीडर बने जो हमेशा सोशलिज्म का प्रचार करते रहे थे। जब ऐसे लोगों के हाथ में यह गवर्नमेंट आई तो कूदरती था कि जो लोग अब तक अंगरेजों के साथ यहां पर मुनाफा कमाते रहे थे, ब्लैकमार्केट करते रहे थे, टैक्स एवैड (evade),

[श्री मोहन लाल गोतन]

करते रहे थे उसको यह डर लगा कि यह पंडित जवाहरलाल नेहरू की हुकूमत आखिर हम को कहां ले जायगी। यह सवाल बड़ा भारी उन लोगों के सामने था जो कि इस वक्त इस मुल्क में अपने को एक नई फिजा में पाते थे।

दूसरी तरफ वह लोग थे जो पंडित जवाहरलाल नेहरू के साथ कन्धे से कन्धा मिला कर आजादी की लड़ाई लड़े थे और वह वादे करते रहे थे जो पंडित जवाहरलाल नेहरू के मुंह से और कांग्रेस के रेजोल्यूशनों से निकलते थे। मैं इस वक्त पहले वादे और पहले कांग्रेस के फ्रंसले दोहराना नहीं चाहता। लेकिन जो हाल में ही, जो पिछले तीन महीने पहिले जैपुर में, दिसम्बर महीने में कांग्रेस हुई थी उसने भी यह ऐलान किया था कि कांग्रेस का यह सन्देश है, यह मेसेज है जिसे कांग्रेसवालों को गांव गांव में ले जाना है कि यहां क्लासलेस सोसाइटी बनेगी। यह हम से खास तौर से कहा गया था और हम जो यहां पर आये हैं तो इसीलिये आये हैं कि इस चीज को पूरा करें जो इस रेजोल्यूशन में कांग्रेस ने पास किया है।

अब देखना यह है कि यह जो क्रिटिसिज्म हो रहा है, जो कांग्रेस, मेम्बर इस तरह के क्रिटिसिज्म कर रहे हैं उसको क्या वजह है। वजह यह है कि उनको रास्ता साफ़ नजर नहीं आता। उनको यह नजर नहीं आता कि जो यह बजट बना है वह हमें क्लासलेस सोसाइटी की तरफ ले जाता है या नहीं। अगर नहीं तो कांग्रेस वालों को कूदरतन परेशानी होनी चाहिये अगर नहीं होती तो वह अपना फ्रॉं पूरा नहीं कर रहे हैं। दूसरी तरफ जो प्रोपोज़ल्स आये हैं वह इस तरह के हैं, मैं एतराज नहीं करता अगर इस मुल्क को आप इन्डस्ट्रियलाइज करने की तरफ ले जाते हैं। मुझे एतराज नहीं अगर आप एक प्लैन बनायें और उसमें उन ज़रूरी चीजों को इस मुल्क में पैदा करें जो कि हमें मजबूत बनाने के लिये ज़रूरी है। लेकिन आज कैपिटलिस्ट्स ने, इन्डस्ट्रियलिस्ट्स ने इस मुल्क में एक कान्स्पिरेसी करके, एक प्रोपेगन्डा करके एक एंटमास्फियर पैदा कर दिया है जिससे जाहिर होता है कि यह मुल्क तबाह होने वाला है, जिससे जाहिर होता है कि इस मुल्क में कोई अमन नहीं है। वह चाहते हैं कि यहां अमन हो जिसमें यहां इन्डस्ट्रीज बन सकें। मैं पृथता हूँ कि जब लड़ाई चल रही थी, यह पता भी नहीं था कि अंगरेज हारेगा या जीतेगा, उस वक्त इन्डस्ट्रियलिस्ट को ज्यादा उम्मेद थी अपने सिक्योरिटी की कि आज है। उस वक्त क्यों इन्डस्ट्रीज बढ़ रही थीं। जिस वक्त हिन्दुस्तान में अंग्रेजों के खिलाफ़ लड़ाई थी उस वक्त ज्यादा खतरा था इन्डस्ट्रियलिस्ट्स को या आज है। जब जापान से हवाई जहाज आते थे उस वक्त खतरा नहीं था और आज जब स्व-राज्य हो गया, अमन हो गया है तो आज हमसे कहा जाता है कि सिक्योरिटी नहीं है। इन्डस्ट्रियल पीस हो गई है, लेबर को कांग्रेसवालों ने कोशिश करके स्ट्राइक से

रोका। झगड़े कम हो गये हैं यह बात भी मानते हैं फिर भी इन्डस्ट्रियलिस्ट्स को इसमें तसल्ली नहीं है। उनका फिर भी यही कहना है कि यह बात काफी नहीं है, इससे भी ज्यादा होना चाहिये। मैं तो आपसे कहूंगा, फ्राइनेन्स मिनिस्टर से आपकी मारफत यह कहना चाहता हूँ कि इस तरह की छोटी छोटी बातें उनको खुश नहीं कर सकतीं। वह जो चाहते हैं वह बहुत ही मुश्किल चीज है, जो बात चेम्बर के प्रेजिडेंट ने कहा वह यह था कि जब तक आर्टिकल २४ के तमाम एमेन्डमेन्ट्स को विदड़ा (withdraw) नहीं किया जाता, जब तक आप प्रापर्टी को अक्वायर करने के लिये पूरा कम्पेन्सेशन देने की कोशिश नहीं करते तब तक वह खुश नहीं हो सकते। असलचीज यह है। इस तरह की छोटी छोटी चीजें देने से इन्डस्ट्रियलिस्ट्स को तसल्ली नहीं होगी। और यही वजह है कि इन्डस्ट्रियलिस्ट्स इससे मुतमैयन नहीं हैं। फिर भी वह क्रिटिसाइज करते रहते हैं, इसलिये मैं पूछना चाहता हूँ कि यह बजट जब हम पढ़ते हैं तो हमें इसमें कोई प्लान नजर नहीं आता, कोई पालिसी नजर नहीं आती, कोई स्कीम नजर नहीं आती जो हमको उस जगह ले जाय जहां हम वादा करके आये हैं, अपने चुनने वालों से, कि हम आपको वहां ले जायेंगे। हमने बहुत दिनों से प्रचार किया कि हम जमींदारी को अबालिष करेंगे। तमाम प्राविन्शाल गवर्नमेन्ट्स से इतने हद तक चली गई, बहुत से कानून बन गये और आज वह कानून रुके हुये पड़े हैं। लेकिन इस तमाम बजट को देखने से भी यह मालूम नहीं होता कि जमींदारी को अबालिष करने के लिये आपने कोई प्रावीजन किया हो, या आप उस तरफ जाना चाहते हैं। कोई चीज इस तरह की मुझे इसमें नजर नहीं आई। आपने इस तमाम बजट में यह कहीं नहीं बताया कि आखिर यह जो हमारी स्कीम है वह इस तरफ आपको आगे ले जायेगी। पहिले भी मिनिस्टर साहब ने जो जबान इस्तेमाल की है वह यह है कि : "No man, who is investing money, is taking greater risk than in any other country in the world."

मैं आपसे पूछता हूँ कि क्या बरमा से भी ज्यादा खतरा आपको यहां नजर आता है। क्या चाइना से भी ज्यादा इन्डस्ट्रियलिस्ट्स के लिये खतरा यहां नजर आता है। योरप तमाम कम्प्यूनिज्म की तरफ जा रहा है वहां से भी ज्यादा खतरा आपको यहां नजर आता है।

तो फिर क्यों यह साइकालाजी क्रिएट (psychology create) की जाती है कि इन्डस्ट्रियलिस्ट्स (industrialists) के लिए बहुत बड़ा खतरा है। मैं आपसे कहता हूँ कि अगर हमको इस खतरे से बचना है, अगर हमें अपने मुल्क को कम्प्यूनिज्म के सिनेस (menace) से बचना है, तो उसका यह तरीका नहीं है कि हम इन्डस्ट्रियलिस्ट्स को खुश करें और गरीबों की फिक्र न करें। इस

[श्री मोहन लाल गीत म

बजट में जितने टैक्सेज लगे हैं सब गरीबों पर है । आप कहते हैं कि प्राइसेज स्टेडी (steady) हैं, प्राइसेज स्टेबिलाइज (stabilize) हो गई हैं । लेकिन मैं यह अर्ज करना चाहता हूँ कि चाहे कैपिटल गुड्स (capital goods) की प्राइसेज कम हों, लेकिन जिन चीजों से गरीब आदमी को ताल्लुक पड़ता है, जैसे क्लथ (cloth) और फुड (food), इनकी प्राइसेज काफी ऊंची हैं और ऊंची होती जा रही हैं । फिर आपका इंडेक्स (index) क्या जाहिर करता है? वह शहर के थोड़े से खामदानों की हॉलत जाहिर करता है । गावों की प्राइसेज का डाटा (data) आपके पास नहीं है । इसलिए यह कहना कि प्राइसेज को हम कंट्रोल कर पा रहे हैं यह काफी नहीं है । और अगर यह सही भी हो तो भी आप ने जो टैक्सेज लगाये हैं उनसे कास्ट ऑफ लिविंग (cost of living) का इंडेक्स (index) बढ़ जायगा, और अगर वह इंडेक्स बढ़ा तो फिर वही चक्कर चलेगा । फिर मजदूरों की यही मांग होगी कि उनको ज्यादा भत्ता दिया जाय और फिर वही चक्कर चलने लगेगा । इसलिए मैं यह कहना चाहता हूँ कि यह तरीका कम्युनिज्म को या उसके मिनेस (menace) को रोकने का नहीं है । अस्ल में जो तरीका होना चाहिए था वह यह है जो कि हमारी कांग्रेस के रिजोल्यूशनों में है और जिसका ऐलान कांग्रेस करती रहती है और जिसका थोड़ा सा इशारा कल पंडित जवाहरलाल नेहरू ने अपनी स्पीच में किया था, कि आप यह कोशिश करें कि गरीबों को तकलीफ दूर हो । लेकिन उस तरफ आप नहीं जा रहे हैं । मैं आपसे अर्ज करूँ कि जो चीजें आपने यहां रखी हैं उनसे दिमाग पर क्या असर पड़ता है । आपने नये टैक्सेज क्यों लगाये ? क्यों आपको ज्यादा खर्च की जरूरत पड़ी ? पिछले साल जो आपने बजट पास किया और उसमें जो रकम रखी उससे आपको ८२ करोड़ रुपया और ज्यादा मिल गया । कुछ रुपया आपने फौज पर खर्च कर दिया इसलिए कि काश्मीर में लड़ाई चल रही थी । उस पर मैं इस वक्त बहस नहीं करना चाहता । लेकिन मैं पूछना चाहता हूँ कि क्या जरूरत थी ४८ करोड़ रुपया सिविल एडमिनिस्ट्रेशन (Civil Administration) पर ज्यादा खर्च करने की । क्योंकि आपको ८२ करोड़ रुपया ज्यादा मिल गया इसलिए आपने सिविल एडमिनिस्ट्रेशन पर ४८ करोड़ रुपया ज्यादा खर्च कर दिया । अगर वह रुपया आपको न मिलता तो आप क्या करते ? क्या आप उतने ही रुपये में अपना काम न चलाते ? और अगर उस रुपये में आपका काम नहीं चल सकता था तो आपने बताया क्यों नहीं ? जो रुपया आपके पास आता है वह खर्च कर दिया जाता है और आप इकानामी (economy) की तरफ नहीं जाते हैं । मैं इस में नहीं पड़ना चाहता

कि आप दो करोड़ कम करने या तीन करोड़ कम करते, मगर आप कुछ तो कम करते चाहे दस पैसा ही कम करते, और फिर आप कहते कि इतने में हमारा काम नहीं चलता। पर आप उस तरफ तो जरा भी नहीं बढ़ते। अगर आप उस तरफ बढ़ते तो यह कहा जा सकता था कि आपने जितनी इकानामी हो सकती थी वह की और उसके बाद आपने टैक्सेज लगाये। लेकिन यह नहीं हुआ। एक कमेटी बनी। लेकिन कमेटी अपना काम कैसे कर पाये। हर मिनिस्टर चाहते हैं कि जितने आदमी हैं उससे और ज्यादा बढ़ जाय स्टाफ बढ़ता चला जा रहा है। यह आखिर कौनसा स्टाफ है। यह कितना गुना बढ़ा हुआ स्टाफ है। आप मुलाहिजा फरमाये कि लड़ाई में पहले जो स्टाफ था उससे कितने गुना बढ़ा हुआ यह स्टाफ है। लड़ाई के वक्त यह समझ में आ सकता था और इसके अलावा अंग्रेजों को लड़ाई लड़नी थी, उसे इस बात से बहस नहीं थी कि इस मुल्क का कितना रुपया खर्च होता है, उसने इतना स्टाफ बढ़ा दिया। लेकिन क्या जो लड़ाई का स्टाफ था उससे ज्यादा स्टाफ की अब जरूरत हो गई। स्टाफ अब भी बढ़ता चला जाता है। दूसरी बात यह है कि लड़ाई के वक्त जो स्टाफ रखा गया था वह छोट कर नहीं रखा गया था, इसलिए कि उस वक्त मौका नहीं था। उस वक्त कम्पिटिटिव (competitive) इम्तहान नहीं लिया जाता था। जो आया उसको ले लिया गया। लेकिन आज आपने उसमें कमी करने की जरूरत क्यों महसूस नहीं की। कमेटी ने अपनी रिपोर्ट सात आठ मिनिस्ट्रियों के बारे में दी है लेकिन आपने एक पैसा भी कम नहीं किया है। मैं यह अर्ज करना चाहता हूँ कि करोड़ दो करोड़ रुपये की बात नहीं है। इस मुल्क का बजट ३२२ करोड़ का है, उसमें करोड़ दो करोड़ कम करने से कोई फर्क नहीं पड़ता। लेकिन आप गरीबों पर टैक्स क्यों लगा रहे हैं? क्या आपको टैक्स लगाने की ताकत हासिल है इसलिए आप यह टैक्स लगा रहे हैं। एक तरफ आप फिजूल खर्चों भी किये जाते हैं और दूसरी तरफ आप टैक्स भी लगाते जाते हैं। इसलिए मैं यह अर्ज करना चाहता हूँ कि इसका साइकालाजीकली बहुत बुरा असर पड़ता है। आपने पिछले दफा ठाई करोड़ इकानामी के लिए रखा था, पर इस दफा आपने एक पैसा भी नहीं रखा, इसका बहुत बुरा असर पड़ा है। इसका मतलब यह है कि आप इकानामी की तरफ नहीं गये हालांकि जो बजट आपने पास किया था उसमें आपने इसकी कोशिश की थी। कमेटी ने अपनी रिपोर्ट पेश की है लेकिन फिर भी हम इकानामी की तरफ नहीं जा रहे हैं। मैं आपसे पूछना चाहता हूँ कि जब आप यह साइकालाजी पैदा करेंगे तो उसका क्या नतीजा होगा। नतीजा यह होगा कि लोग समझेंगे कि आप गरीबों का स्थाल नहीं करते हैं आपने गरीबों की जरूरत की चीजों पर टैक्स

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लगा कर यही असर पैदा कर दिया है। मैं आपसे कहना चाहता हूँ कि कांग्रेस वाले जो सबसे बड़ा बाम्बशेल (bomb shell) इस असेम्बली में फेंका करते थे वह पोस्टकार्ड और लिफाफे का होता था। उस पर बहुत ज्यादा शोर मचा करता था और मुल्क में जितना तहलका इस चीज से फैलता था उतना और किसी चीज से नहीं फैलता था। ११४ और ११६ के एक्स्चेंज को कोई नहीं समझता था और पोस्टकार्ड की बात सब समझते थे। आज आप यह कहते हैं कि एक गांव वाला जो कि दूसरे जिले में अपना खत भेजता है उसका खत चूकि अब हवाई जहाज से जायगा इसलिए उसे ३ पैसा पोस्टकार्ड का देना चाहिये। आम तौर से पोस्टकार्ड की कीमत से लिफाफे की कीमत दूनी हुआ करती है। जब पोस्टकार्ड की कीमत एक पैसा थी तो लिफाफे की कीमत दो पैसा थी। लेकिन अब लिफाफा दो आने का होगा और वह इसलिए कि वह हवाई जहाज से ले जाया जायगा। कितने सालों में एक जिले से दूसरे जिले को हवाई जहाज जाया करेंगे। मैं समझता हूँ कि इसमें तो कम से कम पचासों साल लग जायेंगे। आज आपने लिफाफे का दाम दो आना करके उन लोगों को कनसेशन (concession) दिया है जो कि बड़े शहरों में रहते हैं जिनकी डाक शाम को कलकत्ता, बम्बई, मद्रास और दिल्ली से जाती है। वह डाक रात को १२ बजे नागपुर में एक्स्चेंज होकर सुबह सूरज निकलने से पहले चारों शहरों में पहुंच जाती है। उनके लिए आपने ढाई आने से लिफाफा दो आने कर दिया और पोस्टकार्ड की कीमत भी घटा दी। आप क्यों नहीं कहते कि हमने इन बड़े शहरों में रहने वालों को कनसेशन दिया है और उसमें जो घाटा होगा वह गरीब किसानों को पूरा करना होगा? अगर आप यह कहें तो उसका जो असर होगा उसे आप समझ लीजिये। आपने जितने टैक्स लगाये हैं वह जरूरत की चीजों पर हैं। इसलिए मैं आपसे अर्ज करना चाहता हूँ कि जो कनसेशन आपने अमीरों को दिये हैं वह गरीबों से पूरे किये हैं।

मुझे कोई ऐतराज नहीं कि इंडस्ट्रियलाइजेशन हो। मैं समझता हूँ कि मुल्क में इंडस्ट्रियलाइजेशन करने की जरूरत है। मैं यह भी समझता हूँ कि अभी इंडस्ट्रीज को प्राइवेट हैंड्स (private hands) में रहना पड़ेगा। लेकिन मैं आपसे एक सवाल पूछना चाहता हूँ और वह यह है वह लोग जिन्होंने बड़े बड़े मुनाफे उठाये, जिन्होंने ४०० और ५०० परसेंट प्राफिट (profit) किये, जिन्होंने ब्लैक मार्केटिंग किया, उन्होंने न सिर्फ अपने आपको बदनाम किया बल्कि उन्होंने कांग्रेस को और गवर्नमेंट को बदनाम कर दिया, जिन्होंने टैक्स को इवैड (evade) किया, जिसके लिए आपको एक कमेटी बिठानी पड़ी, वह इन्क्वाइरी कमेटी भी

इन्कवारी इवेंड कर रही है। मैं इस बहस में नहीं पड़ना चाहता, लेकिन जिन लोगों ने हमारे साथ इस तरह का बरताव किया क्या आपने उनसे कोई गारंटी ले ली है कि आगे मुल्क को इंडस्ट्रियलाइज़ करने में वह तीन या चार परसेंट से ज्यादा मुनाफा नहीं लेंगे, वह ब्लैक मारकेटिंग नहीं करेंगे और वह चीजें पैदा करेंगे जिनसे मुल्क मजबूत हो, यह नहीं कि कासमैटिक्स (cosmetics) वगैरह पैदा करें। अगर आपने ऐसा प्रावीजन नहीं किया है तो इंडस्ट्रियलाइज़ करने के गलत मानी भी लगाये जा सकते हैं। इस के लिए आप का कोई प्लान (plan) होना चाहिए और हमारा उस पर इतना कंट्रोल होना चाहिए कि वह प्लान हमारे मुल्क को मजबूत बनाने की तरफ ले जावे। अगर यह चीज़ नहीं है तो मैं आपसे अर्ज़ करना चाहता हूँ कि यह बजट वह कमी पूरी नहीं करता जोकि इसे करनी चाहिए। तो जब इस तरह की चीज़ है तो मैं आपसे यह अर्ज़ करना चाहता हूँ कि आपने उनको क्यों कनसेशन दिया है। एक छोटी सी चीज़ है, कैपिटल गेन्स टैक्स (Capital Gains Tax)। इस टैक्स को जो मैं समझा वह यह है कि आप इंडस्ट्रियलिस्ट्स से यह कहना चाहते हैं कि नेशलाइज़ेशन नहीं होगा। क्योंकि आज जिस कारखाने की कीमत ५ लाख है, एक दूसरी कम्पनी फ्लोट (float) करके एक बोगस ट्रांज़ेक्शन (bogus transaction) करके उसको २० लाख में कनवर्ट (convert) किया जा सकता है।

और जब २० लाख का सवाल पैदा होगा, तो कल सवाल पैदा होगा कि ५ परसेन्ट मुनाफा दीजिये। ५ परसेन्ट मुनाफा ५ लाख पर तो एक चीज़ होती है और वह २० लाख पर कुछ परसेन्ट देना पड़ेगा। जब मुनाफा देने की बात आयेगी तो वह मजदूरों के प्राफ़िट शियर के साथ आयेगा। तो आपने उनको चौगुना मुनाफा दे दिया तो वह कहां से आयेगा। वह मजदूरों के उस हिस्सों से कटेगा जो उसको प्रीफ़िट शेयर से मिला है और जो पिछले साल इन्डस्ट्रीयल ट्रस के वक्त आपने फ़ैसला किया था। और सब से बड़ा सवाल यह है कि कुछ दिनों बाद जो आप Nationalise करेंगे, उस इन्डस्ट्री को खरीदने लगे तो उसकी कीमत ५ लाख नहीं देनी पड़ेगी बल्कि २० लाख देनी पड़ेगी ऐसा मुल्क के लिए ना-मुमकिन होगा। इसलिए आप फरमा रहे हैं कि बहुत स्कीमें इन्डस्ट्राइज़ेशन की नहीं होंगी।

मैं यह अर्ज़ करना चाहता हूँ कि इस तरह की चीज़ें आपके सामने है और यही वजह है कि आज कांग्रेस का लोग इतना क्रिटिस्ज़म करते हैं। क्योंकि उनकी समझ में यह बात इस बजट से नहीं आती कि बाम जनता की भलाई इस बजट से क्या होगी। जयपुर कांग्रेस में जो प्रस्ताव पास किया गया था उसको कांग्रेस वाले किसी तरह से पूरा करेंगे। हमने जनता को जो वादे किये

[श्री मोहन लाल गौतम]

हैं उनको किस तरह से पूरा करेंगे वह इस बजट में नहीं दिखाई देता है। हम जनता की ओर से इस असेम्बली में आये हैं। जब हम यहां से बजट पास करके अप्रैल के महीने में गांवों में जायेंगे तो हम वहां गांव वालों को किस तरह से कहेंगे कि हमने जो वायदे किये थे उनको पूरा कर दिया है। जनता के जो कष्ट हैं उनको दूर कर दिया है। इस बात को जरूर फाइनेन्स मिनिस्टर साहब को बतलाना चाहिये। जब हम लोग गांव वालों को बतलाने से कासिर रहेंगे तो हम लोग कांग्रेस वालों को यहां रहने का अधिकार भी नहीं है। हम यहां जनता के दुःखों को दूर करने के लिए आये हैं। इसके लिए गवर्नमेंट को जरूर कुछ न कुछ करना चाहिये ताकि हम उन लोगों को बतला सकें कि हमने तुम्हारे दुःख को दूर करने के लिये यह २ काम किये हैं।

(English translation of the above speech)

Shri Mohan Lal Gautam (U. P.: General): When I find Modi Sahib speaking in praise of this Budget and a number of members criticizing it the question arises to my mind for whom at last is this Budget meant, whom does it go against and whom it is going to affect adversely. The Budget that is being considered at present is not just an account of income and expenditure involving simple accountancy. It involves very great underlying principles. Now, when, after the attainment of *swarajya*, the reins of Government fell into the hands of those people who had always been preaching socialism and they came at the helm of affairs it was natural that those people who had up till now been making profit here in collusion with the English, who had been carrying on blackmarketing and who had been evading the taxes began to feel frightened and wondered whether this Government of Pandit Jawahar Lal Nehru might take them. This was a great problem facing those people who now found themselves in a new atmosphere in this country. On the other hand there were those people who had been fighting the battle of freedom shoulder to shoulder with Pandit Jawahar Lal Nehru and who had been holding out promises which emanated from the mouth of Pandit Jawahar Lal Nehru and from the resolutions of the Congress. I do not, at this time, want to repeat the old promises and the old decisions of the Congress. But even at the Congress session that was held just recently—three months back, in the month of December—at Jaipur it was declared that it was a message of the Congress which the Congress people had to convey to every village, *viz.*, that a class-less society was going to be formed. This was something conveyed to us in particular and we, who have come here, have come for just this purpose that we might fulfil the mission behind the resolution passed by the Congress.

Now, what is to be seen is this, what is the reason behind this criticism that is being made—the criticisms of this kind that are being brought forward by members of the Congress. The reason is this that they cannot see the way clearly. They are unable to see whether or not this Budget that has been prepared takes us towards a class-less society. If not, the Congress people must naturally feel perturbed and if they do not they are not doing their duty. On the other hand, the proposals that have been received are of this kind. I have no objection if you want to take this country towards industrialization. I have no objection if you prepare a plan and thereby produce in this country

those essential articles which are necessary for making us strong. But, today, capitalism and industrialism have, by forging a conspiracy, by raising a propaganda, created an atmosphere which shows that this country is going to be ruined, which shows that there is no peace in this country. They want that peace should prevail here so that industries might flourish. I ask, did the industrialist have a better expectation of security at the time when the War was going on and it was not known whether the British were going to lose or win or has he got it now? Why were the industries going ahead then? Were the industrialists in greater risk at that time when there was a War going on against the British in India or is it now? There was no risk at the time when there were air raids from Japan, but now that *Swarajya* has come and peace prevails we are told there is no security. Industrial peace has been brought about. The Congress people have, by their efforts, checked the labour from resorting to strike. Disputes have lessened. This too they admit. In spite of this the industrialists do not feel satisfied. They still persist in saying that this is not enough and that still more is required to be done. I would say to you—I would say to the Finance Minister through you—that such small things cannot please them. What they want is something very difficult. What the President of the Chamber said was this that they could not be satisfied until all the amendments to Article 24 were withdrawn, until you made endeavours to award full compensation for property to be acquired. That is the real thing. The industrialists will not be satisfied by getting these small concessions. And, this is the reason why the industrialists are not satisfied with this. Still they keep criticising. Hence, I say that when we study this Budget we see no plan in it. we see no policy, we see no scheme which might lead us to that goal which we have promised our electors. For long we preached that we would abolish the *Zamindari*. All provincial governments have gone so far that a number of enactments have been passed, but those enactments are held up today. But even a study of the whole of this Budget does not reveal that you have made any provision for the abolition of the *Zamindari* or that you intend making a move in that direction. I have not seen anything of that kind in it. You have not mentioned anywhere in the whole of this Budget whether this scheme of ours would take us forward in that direction. The language used previously by the honourable Minister is this: "No man, who is investing money, is taking greater risk than in any other country in the world."

I ask you if you perceive an even greater risk here than there is in Burma. Do you see an even greater risk here for the industrialists than there is in China? The whole of Europe is marching towards Communism. Do you see an even greater risk here than there? Then why is this psychology being created that there is a very great risk for the industrialists? I say to you that if we have to avoid this risk, if we have to save our country from the menace of Communism the way to do that is not that we should conciliate the industrialists and have no care for the poor. Whatever taxes are proposed to be levied under this Budget all apply to the poor. You say the prices are steady, the prices have been stabilized. I wish to submit, however, that even though the prices of capital goods might be low the commodities that a poor man has to do with, as, for instance, cloth and food, are priced fairly high and are soaring still higher. Now, what does your index show? It indicates the condition of a few families in the city only. You do not have the data of prices prevailing in villages. Hence, it is not enough to say that prices are being controlled. And, even if that be correct the taxes that you are levying would lead up to a rise in the cost of living index and if that index rises the same circle would start. Again the labourers would clamour that they should be given increased allowances and again the same circle would be set going. Hence, I want to say that this is not the way to check Communism or its menace. The proper way should have been that which is shown in the resolutions of our Congress, which the Con-

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gress keeps declaring and a slight hint whereof was given yesterday by Pandit Jawahar Lal Nehru in his speech—that we should make an endeavour to resolve the difficulties of the poor people. You are not going that way. Let me tell you what impression is created on the mind by the things that you have provided herein. Why have you imposed new taxes? Why should you have come to feel the necessity for extra expenditure? The Budget that you passed last year and the amount that you provided therein brought you an extra sum of 82 crores of rupees. Some of it you spent on the army because there was a war going on in Kashmir. I do not wish to argue about it at this time. But I want to ask where was the necessity to spend 48 crores of rupees extra on civil administration. Since you happened to get an extra amount of rupees 82 crores hence you incurred an extra expenditure of 48 crores. What would you have done if you had not got that amount? Would you not have met your requirements with that much money you had? And, if you could not pull in with that much money why did you not say so? You spend whatever money comes to you and you do not turn towards economy. I do not wish to enter into a discussion as to whether you should have made a reduction of two crores or three crores but you should at least have effected some reduction even if it was just ten pice, and then you could have said that you could not carry on with that much. But you do not make the slightest move in that direction. Had you made a move in that direction it could have been said that you effected whatever economy you could effect and thereafter you resorted to taxation. But this was not done. A committee was constituted. But how could the committee function? Every minister wants that there should be an increase in the number of men already working. The staff goes on increasing. Which staff is this after all? How many times is this staff increased already? Just consider how many times is this staff increased as against the staff that existed prior to the War. It was understandable at the time of the War, and, moreover the British had to fight out the War and he did not feel concerned what expenditure that involved to this country. So he made this increase in the staff. But, has a necessity arisen now for an even greater staff than there was at the time of the War? The staff is still on the increase. The other thing is that the staff that was employed at the time of the war was not appointed by selection because there was no opportunity then for doing so. No competitive examination was held at that time. Whosoever came up was taken. But why have you not felt the need, today, of effecting a reduction in it? The committee has made its report in regard to seven or eight ministries but you have not reduced a single penny. I wish to submit that it is not a matter of one or two crores of rupees. This country's Budget amounts to 822 crores; not much difference would be made by the reduction therein of one or two crores. But why are you imposing taxes on the poor? Are you imposing these taxes because you have the power to levy taxation? On the one hand you go on spending extravagantly while on the other you go on levying taxes. I wish to submit that this has a very bad effect psychologically. Last time you reserved two and a half crores for economy's sake but this time you have not reserved a penny. This has had a very bad effect. This means that you did not proceed towards economy although you did make an effort in that direction in the Budget which you had passed. The committee has submitted its report but in spite of that we are not moving towards economy. I wish to ask you that when you create that psychology what would be the result? The result would be that people would think that you have no regard for the poor. You have created just this impression by levying taxes on commodities which form the necessities for the poor. I wish to say to you that the biggest bomb-shell which the Congress people used to throw into this Assembly was that of the post-card and the envelope. Considerable agitation used to be created thereby.

Nothing else could create the kind of stir that used to be created in the country on that score. Nobody understood the controversy over the exchange ratio being 1/4/- or 1/6/- but everybody understood the matter relating to the post-card. Today you say that since now the letter which a villager sends to another district would go by air he should pay three pice for a post-card. Ordinarily the price of an envelope is double that of a post-card. When the price of a post-card was one pice the price of an envelope was two pice. But, now the envelope has come to be priced at two annas and this for the reason that it will now be carried by air. How many years will it take for aeroplanes to go from one district to another? I feel that this would take at least fifty years. Today, by fixing the price of the envelope at two annas you have made a concession to those people who live in big towns, whose mail goes out in the evening from Calcutta, Bombay, Madras and Delhi. This mail is exchanged at Nagpur at 12 o'clock in the night and arrives in all the four towns in the morning before sunrise. For their sake you have reduced the price of the envelope from two and a half annas to two annas and also reduced the price of the post-card. Why don't you say that you have given a concession to the inhabitants of these big towns and that the loss thereby would have to be borne by the poor peasants. If you say that you can understand what would be the effect caused thereby. Whatever taxes you have imposed apply to articles of necessity. Hence, I want to submit that the concessions which you have allowed to the rich you have made good from the poor. I have no objection to your pursuing industrialisation. I feel that there is need for industrialisation in the country. I also feel that industries would, for the present have to remain in private hands. But I want to put you a question which is this: have you taken any guarantee from those people, who made large profits, who got profits up to 400 and 500 per cent., who practised black-marketing and thereby not only disgraced themselves but also brought a bad name to the Congress and the Government, who evaded the taxes, for which you had to appoint a Committee,—which Enquiry Committee is also evading the enquiry, but I do not wish to enter into that discussion—from people who treated us in that manner, that in future they would not charge a profit exceeding three or four per cent in industrialising the country, that they would not practise black-marketing and that they would produce those commodities which might go towards making the country strong, not that they would engage in the production of cosmetics etc. If you fail to make some such provision a wrong interpretation might also be given to industrialisation. For this you should have some plan and we should have such a control over that plan that it might lead our country to strength. If this thing is not there then I want to submit to you that this Budget does not make up the deficiency which it should make up. When this is the position I want to ask why you have given concessions to them. Take the capital gains tax—a small thing. From what I understand about this tax is that you want to say to the industrialists that there shall be no nationalisation because a factory which is at present valued at five lakhs could be converted into one valued at 20 lakhs by means of floating another company and by going through a bogus transaction. And, when the question of 20 lakhs arises, a demand would arise tomorrow, 'Give us five per cent. profit'. Five per cent profit on 5 lakhs is one thing but on 20 lakhs it will be a different story. When the question of giving the profit arises the question of profit share for the labourers would also come up. If you give them four times the profit where will the other thing come from? It would be deducted from the share of the labourers which falls due to them out of the profit-share which you decided last year at the time of the industrial truce. And, the biggest problem is this that when after sometime you are going to nationalise and are going to acquire that industry you will not have to pay five lakhs as its price but 20 lakhs. This it will be impossible for the country to do. Hence, you say that there will not be many schemes for industrialisation.

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I wish to submit that this is the kind of things you have before you. This is the reason why today people criticize the Congress so much. They are at a loss to understand what good would result from this Budget to the common people. How will the Congress people fulfil the object of the resolution that was passed at the Jaipur Congress Session. How we shall fulfil the promises which we have made to the people is not indicated by the Budget. We have come to this Assembly on behalf of the people. When, after passing this Budget, we return from here to our villages in the month of April how shall we be able to say to the villagers there that we have fulfilled the promises that we made to them and that we have removed the grievances of the people. This the honourable the Finance Minister must tell us. When we people fail to bring this home to the villagers we, of the Congress, should also have no right to continue here. We have come here to have the grievances of the people redressed. The Government must do something to that end so that we might be in a position to tell those people that these are the things we have done with a view to the amelioration of their lot.

Acharya J. B. Kripalani (U.P.: General): Sir, I have remained silent in this House but friends have told me that I am neglecting my duty as a Member of this House and that I must speak. I had thought that they also serve who sit in silence and listen to the wisdom of others. (*An honourable Member: 'Partly'.*) And I have always thought that there were many veteran legislators here who can put things better than myself, and when I see that people can do things better than myself I do not bring myself forward.

I have very little, Sir, to say upon the Budget because I realise that Dr. Matthai has to act under certain circumstances. What are these circumstances? We threw out the foreign yoke, but while we did that we pledged ourselves to continuity and we have often said that this revolution is not to break the continuity that has been going on. It is useless then to blame Dr. Matthai for having presented a usual Budget which is in continuation of the old Budgets. That is not his fault; this is our policy and he could not possibly deviate from that policy. Another thing which we have to take into consideration is this, that recently through our best spokesmen we have assured capital that their interests would be safe. You will say that we gave assurances to the poor man also. But they were 19 years old; I think they were given in the Karachi Congress and I think they are time-barred. First we must fulfil the pledges that we have given now and Dr. Matthai has done it and I think I should congratulate him.

I also am inclined to congratulate the Government as a whole. Our independence coupled with partition made us face many critical and delicate problems and the Government has tackled them well and efficiently. We have been able to consolidate the innumerable States in which the country was divided; we have further produced a few more Provinces which are more likely to increase in number when the question of linguistic Provinces is decided. Our reputation in the international world is very high; it would appear that we have achieved more of *swaraj* in foreign lands than in our own country. Our representatives are everywhere and if they are able to spend a little more than this poor country can afford, it is also very necessary because only by these means can we become the bulwark of international peace and security. If we are isolated and look only to our country, we will not be as philanthropic as we would be if we spent a little more and sent our representatives to every possible country, from China to Peru and from the North Pole to Timbuctoo.

Then, we have also made the United Nations Organisation respectable. Not only international but even national questions are referred to it. I thought that action in Kashmir was only a 'police action' because the Ruler as also the

people had consented to join the Union. Yet, in order to enhance the respectability of the U.N.O. we referred this purely domestic matter to that body. So, I think we have done very well and I would have congratulated the Government upon all these achievements were it not for the fact that the Ministers themselves do it more copiously and more eloquently. We are always told that they have delicate problems to face and they have done better than could have been possible in any other country. So, you will agree with me that when they and their publicity departments—and I hear each Ministry has a publicity department, whose production is so great and so fine that the ordinary Press may as well disappear—pay such high compliments to the Government, I should not waste my feeble words upon that. But one thing I want you seriously to consider. Whether you are a capitalist or a socialist of the western brand or of the Gandhian complexion, how are you going to build this country? Our foreign masters told us that they were carrying on the Government of this country by means of the "steel frame". We have it on high authority that we need this steel frame. I have absolutely no doubt that the steel frame is needed. But what we have unfortunately today is the frame and not the steel. The steel has got corroded. It was corroded during the war. The foreign government was interested at the time in winning the war. It did not matter how much money was spent. It did not matter how the administration went corrupt. This corroding of the steel frame, as we want to have continuity, has been continuing. We could have brushed up this steel frame if we had so desired—and in many countries it has been possible—but as we were pledged to continuity, so we were obliged to carry on this corrosion also. Everybody knew that the services were infected by corruption; they were also lax and inefficient. We kept them as they were and have been carrying on with them. Everywhere we go, in the bazar or in the club or in the market place, we hear of the corruption and inefficiency of the administration. Of course, the Ministers may not be hearing all this. It is quite possible, because they have no time to move in the public. They had time before, because they had not the responsibility of Government, but today they are hard worked individuals. Some of them I know actually work up to 2 A.M. and even beyond. You can understand what the person who works beyond 2 A.M. can produce. So we have continuity, and things going on as they were going on. I cannot see how things in India can improve unless what we hear in the bazar, in the market place, is listened to and due credence given to it. We hear it often said that you need not go to high officials and the lower ones can get things done for you for a consideration. An American friend who came to see me told me that he wanted a First Class reservation from Calcutta to Delhi, and the reservation clerk told him that there was no accommodation. But when he threw a ten rupee note at him the clerk said, "Wait a while. There is some little accommodation" and he got his reservation. When he went into the compartment, the compartment was empty but for himself. All this is from hearsay. I have no personal knowledge for I have no occasion to offer bribes to any official. He will be a bold official who would come to me to be bribed. He knows that for long years I have been a *satyagrahi* and I have fought with powers that he and I have suffered for it. For him to ask a bribe from me would be difficult. Nor have I the necessity to go to the black market. I generally accept very few invitations and issue even fewer. So all that I can say would be from hearsay, Sir. I read in the papers that we should not base our talk here on hearsay and rumours; but there are certain rumours which you cannot ignore, which come so repeatedly to your ears, which come so often and which come from such honourable quarters that you have got to listen to them. If I were to wait to give a bribe to an official, I think I will never discover the truth, because there will be no such occasion for me. If I have to discover that there is black market only through personal experience I would be never aware of its existence. So I have to rely upon rumours and if rumours are persistent, I must give some credence to them. In politics it is not sufficient

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that you are right but it is also necessary that people must know that you are right, and I say that this administration of ours is considered by the general public to be not right, to be not efficient, to be corrupt. It is also supposed by the public to be top heavy and is becoming heavier and more expensive. I say, this is the instrument with which we have to work, this is the only instrument by which we can bring about reform, and 'if the salt loses its savour where with shall it be salted'. I say, if the present state continues there cannot be even a prosperous capitalism in this country. I would not mind if there was capitalism here like that in America and if there were prospects for the poor man to increase his standard of living. Nor would I have any objection to socialism; nor even to Communism. But what are these 'isms' to be based upon? How are we to succeed? We can only succeed if we have an honest and efficient administration which, I am told, we have not. Not only has it to be honest and efficient, it has also to be economical, because Government has to set the standard. If the Government is extravagant or if it is supposed to be extravagant, if the common man believes it is extravagant, then it cannot be effective. Many of my socialist friends say that we are pledged to socialism. I have no quarrel with that, but on what is socialism to be built? The administration which even in the narrow field of political administration is inefficient and corrupt, how can it be entrusted with the whole economic life of the country! When there is nepotism, when, as I hear, even the recommendations of the Public Services Commission are sometimes set aside on some technical ground or other, when there is chit system, how do you expect that there can be nationalisation in this country? It is impossible; it is not scientific; it is not mathematical. Those who cannot do their particular narrow job efficiently, honestly, how can they undertake the whole economic life of the country, I cannot understand. We must make up our minds that as long as we are not able to clear the stables of administration, nothing will be possible. We have spent millions of rupees upon the refugees and yet, I can say with knowledge that we have not been able to rehabilitate even five per cent of the refugees, and I say, the fault is with the administration. The funds that have been spent, have been spent without any plan. We could have accomplished much more even by voluntary agency if we had encouraged that agency. The whole crux of the problem is that we must purify our administration. It pains me to refer to another matter, which however, I must: The Father of the Nation was shot dead. The Judge, on undisputable evidence, has told us that the administration failed, that this life could have been saved. We would have been saved the dishonour, and humiliation of having killed our great man. May I know what has been done in order to bring to book those people who were responsible for this culpable negligence? (*An honourable Member*: 'The matter is *sub judice*'.) You cannot say it is *sub judice*, because the Government has not preferred an appeal about this portion of the judgment. It is *sub judice* in other matters; It is not *sub judice* in this matter. We must take the judge's findings based as they are on evidence, as conclusive. Any way, there should have been an enquiry. Even if there was the least bit of suspicion, there should have been some enquiry and the people should have been taken into confidence. There were rumours that the administration had failed. In order to give a quietus to those rumours, there should have been an enquiry, whether the judgment was delivered or not. This was the least that was necessary. I see it has not been done. I do not know when it will be done. If such a thing had happened in England, I know what would have been done; if such a thing had happened in Japan, I know what would have happened. Some responsible person would have ripped open his stomach and committed *harakiri*. This is no ordinary matter. Therefore, I say, as the basis of all our reformation, of all our budgets, of all our schemes, of our becoming a democratic society, of our ever establishing a new social order—which it was the dream of the Father of this Nation—if we are

to do anything great in the national field, I say we must improve our administration. We must make it really the steel frame that the British people said it was in their days—whether it was or was not. This administration must be like Caesar's wife—above suspicion not because Caesar was Caesar and therefore his wife must be considered above suspicion but because she was really so. Even so our administration should be above suspicion not because our leaders are honourable and they are honest, but because the administration itself is honourable and above suspicion.

Shri H. V. Kamath (C.P. and Berar: General): It is a melancholy fact that the first two budgets of free India have come in the wake of national sorrow. Just a month before the first budget was presented, India and the world were stirred to their very depths by the martyrdom of the Father of our Nation, the architect of our freedom, the prophet of peace and the apostle of non-violence. A day after the second budget was presented, we have lost our bard of freedom, and the hot-gospeller of Mahatma Gandhi's creed. I hope, Sir, that their spirits will continue to guide our activities here so that *Daridra Narayan* for whom they and we of the Congress have worked may come into his own at last, in spite of budgets, in spite of surpluses, deficits, balancing, and what not.

My honourable friend the Finance Minister, through the vicissitudes of his life, from a lawyer, about which he told us a few days ago, to the nation's Treasurer, must have seen life in its many aspects, the bright side as well as the seamy side. I think here was an opportunity for him to have become what I may call Robinhood, not of the old highway type, but a constitutional Robinhood, of robbing the rich and paying the poor and thus redressing the imbalance of our social order. But, unfortunately, he has not come quite up to our expectations, and therein, I must say he has failed us and the country to that extent. Engraved upon the heart of modern society, to a depth reaching to its inmost core, is the motto of an old Birmingham Bank. The motto was, and is, perhaps, "He who has, is". To my mind, this is not all. Today, "He who has, governs." It is a sad reflection upon the economy of modern times, not only of India, but of the whole world, that most governments are under the grip of big business, and finance—capital. That is a world phenomenon to which India is no exception.

It has been said that in India capital is shy today. There is an old Sanskrit *Sloka* about the son-in-law—

*"Sada vakraha, Aada rushthah, sada pujam apekshate
Kanya rashisthito nityam jamata dashmagrahaha."*

It means: "Always perverse, always angry, always wants to be worshipped or appeased or adored." As you all know, there are twelve *rashis* in the heavenly zodiao and one of the *Rashis* is *Kanya Rashi*. The son-in-law is the 10th planet of everyman, the 9th planets being, Sun, etc.

Mr. Deputy Speaker: Is there any chance of the honourable member becoming one?

An Honourable Member: Looks forward.

Shri H. V. Kamath: I will only say, Sir, there is a destiny that shapes our ends, rough-hew them how we may. To my mind, capital is not shy, but capitalists are perverse. The Indian capitalist has cultivated studiously, deliberately, the mentality of non-cooperation with the Government, and Government—we have got some of our very best men in the Government—must make up its mind as to how to deal with the capitalist as they threaten to deal with labour if they go on strike. The reaction of big business was brought

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home to me by reading a pamphlet published by the All India Investors' Association, Calcutta, before the budget was presented. An appeal to the Finance Minister and Government—the pamphlet is entitled 'The economic crisis and the plight of investors' and strangely enough, the remedy suggested by them are among the remedies adopted by my friend the gallant Finance Minister. The remedies they suggested are to the following effect:

Substantial reduction in income-tax and super-tax rates,

Abolition of capital gains tax.

Expeditious completion of the investigations by the Income-tax Commission.

Other remedies suggested are—

Grant of large statutory depreciation allowances, particularly in view of the high replacement costs.

Encouragement of import of raw materials for industry and progressive introduction of decontrol.

When I read this, it was strangely reminiscent of the speech of my honourable friend the Finance Minister. It appears to me that business is on the whole pleased with the budget; and I do not know whether there is a tendency on the part of Government—constituted as it is, creature of circumstances and of destiny—towards appeasing them, as said in the Sanskrit *Sloka*—

“*Aho rupam aho dhvani*”

Mutual admiration, one saying how nice you are and the other saying what fine concessions you have given. But, Sir, we should not blame the Finance Minister far too much. After all he is human and if he has erred, he will confess that he has erred and he will try to redress whatever wrong he might have committed. I do not propose to go into the various new burdens laid upon the common man because they have been touched upon by my friends already—the various taxes such as increase on postal rates, excise duty on sugar, cloth, paper, stationery, motor spirit and tyres and the import duty on betelnut. The increase in postal rates coupled with the assurance that mails will be carried by air if possible reminds me of a story. I hope I have your indulgence to tell the story and I am sure that Finance Minister will relish it.

Mr. Deputy Speaker: The honourable member will have only fifteen minutes. The whole time may be occupied in the story also, I have no objection.

Shri H. V. Kamath: In America or England—I don't know where—there was an Undertakers' Firm. They were facing some competition from rivals. They advertised one day to the following effect:

“Our disposal is very quick, we will send our own transport and a floral wreath if possible. Give us a trial.”

This promise of sending mail if possible by air reminds me of the same. Because the community which will benefit by this promise of air-carriage, is mostly the urban and business community. So I would have liked it very much if the postal rates had been retained as they were for envelopes and post cards and airmail rates increased to three or even three and a half annas. Let the businessman pay through his nose. That community can very well afford to pay that rate, but don't increase the rates for envelopes and cards. I hope this would receive some attention at the hands of the Finance Minister and he will try to revise this unjust scheme of taxation regarding postage. There were other things which he could have taken into account without giving undue relief in the matter of higher income-tax rates.

He could have certainly expedited the measure which has been before the House for the last so many months—the Estate Duty Bill—Death Duties. I am afraid there is a feeling in the country that we are not doing the right thing. It is being postponed session after session and I don't know whether it will come up in this session at all. I venture to say that if prohibition was going to land us in so much difficulty as regards revenue, we might have held it in abeyance as a lesser evil instead of resorting to so much indirect taxation. The price of salt has not been lowered in spite of all our efforts and I do not see why we should not impose a little duty, if necessary.

The other avenues are—

The blackmarket money must be ploughed back somehow and I leave it to the ingenuity of the Finance Minister to grab this money. I am sure he has the gift of the grab, as he has the gift of the gab. Unfortunately I don't know how our Government is moving in this matter, because some time ago our Governor-General is reported to have recently said in Bombay as follows:

"We may fret now about the black-market but who knows 'whether this evil will not serve some useful purpose and ultimately work out towards a good we know not of?' A philosophical concept perhaps, but I hope the Government will not follow a policy which is in consonance with this dictum. Regarding inflation, I feel the anti-inflationary policy could be carried out either by reducing expenditure or by raising more revenue by direct taxation or both. If you increase indirect taxation on consumer goods, it will only increase the cost of living and aggravate the inflationary spiral.

Then I come to one point which has been very well made out by my friend, the suave and debonair Mr. Shiva Rao. He referred to the Secretariat in general terms. I would like to bring to the notice of one of the Ministers a concrete instance which took place only recently, and I hope he will ruthlessly deal with the slackness and inefficiency which was brought to my notice only a few days ago. I am glad the Honourable Minister too is present here, the Honourable Shri Jairamdas Daulatram, as this relates to one of his Joint Secretaries whose name I shall give outside if he asks for it. A friend of mine went to the Joint Secretary armed with a letter from the Food Minister himself and the Minister in that letter had asked the Joint Secretary to discuss a particular matter with my friend and put up a note. That letter was given to my friend over two months back and he tried to see the Joint Secretary not once but four times but he put him off on some ground or other, and ultimately yesterday the Secretary told him "I am sorry I am going on leave and what is the use of discussing with me. My successor is coming and you might discuss with him." I hope that this sort of thing will not be allowed to go on in the Secretariat, and that when such concrete instances are pointed out to the Ministers stern action, will be taken so that the good officers—and there are many—may not think that officers are pushed up or not pushed up just as the Minister likes or does not like them, and that merit does not count. This sort of attitude should not be countenanced. Ministers must take action when there is inefficiency or slackness of their Secretaries and when these are brought to their notice.

Then there is the other point referred to by Dr. Sita Ramayya—the expenditure on foreign embassies. Looking at the figures I find certain disquieting facts.

Mr. Deputy Speaker: The honourable member's time is up.

Shri H. V. Kamath: I will take only two more minutes, Sir, if you do not mind, and the House does not mind. Well, Sir, on page 104, of the Demand for Grants, I find that for the Embassy in America, the budget estimate for the pay of officers and establishment is Rs. 1,70,000; for the Embassy in Russia it is Rs. 98,000, and for the Embassy in China whose strength is going to be increased in the current year from four to six, it is only Rs. 97,000. Last year it was Rs. 99,000 and this year's figure shows a decrease, in spite of the fact that its strength is going to be increased. In America and Russia the officers and the establishments are going to be decreased, in America from ten to eight, and in Russia from seven to four. But we do not have a corresponding decrease in the expenditure. And it is a disquieting fact—a disconcerting fact that some ambassadors receive representation allowances more than their salaries. And some ambassadors, I am constrained to say, have not remained at their post—whichever be their headquarters—for any considerable length of time. They have been roaming about, I do not know how much of it was done at the cost of the exchequer, or whether the cost was met out of their own pockets. But certainly it will be very wise to enquire how long during the last eighteen months, each one of them remained at their posts, and how many months they spent in other lands.

Mr. Deputy Speaker: May I remind the speaker that our Ambassadors in foreign countries are official representatives and must be held in very high honour. And as I said yesterday, we should not make remarks without seeing whether they have some foundation. There is no good making allegations that our ambassadors are roaming about, whether at their expense or at state expenditure. The honourable member certainly is at liberty to ascertain the facts from the Honourable Minister, and if no relief is obtained, then this forum may be used. Such allegations, I ought not to allow in this House. I look on these allegations with disfavour.

Shri H. V. Kamath: I am sorry, I was perhaps slightly misunderstood. I only wanted to say that...

Mr. Deputy Speaker: There is no good saying that an ambassador was roaming about in the continent or elsewhere. Unless the member has verified his information, it is wrong to make such allegations.

Shri H. V. Kamath: I personally know of one or two instances. Lastly, I have only to make a concrete suggestion with a view to increasing efficiency to effect as much economy as possible and to root out corruption wherever it may be. With this object, I would insist upon a new Ministry—a Ministry of Vigilance or a permanent Vigilance Tribunal, or whatever you may call it, being constituted. I would say that it should be composed only of tried public men, with no officials on its personnel, but only tried public men with service to the country to their credit. This Ministry must be in charge of the duty of attending to complaints of corruption, slackness, inefficiency, misdemeanour, and also go into the question of appointments made without reference to the Public Services Commission when any recruitment is made by any Ministry. The Ministries have no time to go into these complaints that they receive. So I urge that this Tribunal or Ministry must be constituted at an early date, and all complaints in all the Ministries must come to this Tribunal for disposal.

Before sitting down, I only want to add this. The times are out of joint, and I would only read out from a recent speech of Dr. Radhakrishnan the

following, with your permission, because it is very pointed, and it applies with great appropriateness. He said:

"Our leaders have had a stupendous task in these fifteen months in rehabilitating hundreds of thousands of refugees, in getting Indian States into our political framework in tackling the great social and economic problems. They require the assistance of young men and women of enthusiasm, of earnestness, of integrity of spirit. They have been complaining in bitter terms of the large-scale corruption from top to bottom, of the lowering of standards of administrative efficiency. They deplore the manner in which merit is overlooked in public employment and passed over to satisfy other interests. Our independence seems to have intoxicated and unbalanced us. Success has exposed our weaknesses more than failure. Our country is today on its trial and the great qualities which won us freedom require to be developed if freedom is to be consolidated. Things which are happening in the neighbouring countries of Burma, Malaya and Siam must be a stern warning to us. The attraction of Communism is not due to the intrinsic merits of the Marxist creed. It is due to the fundamental deficiencies of our social order. Poverty and hunger are the fertile soil for the growth of wild fanaticism. If our society is sick, if our youth is frustrated, if there are wrongs and injustices in the social order which are not corrected, if we compromise with corruption simply because it is in high places, if we are weak in defending democracy, if people are filled with despair and seek escape in new evangels, we cannot complain. Shortages of essential goods, high prices, the failure of the Government to check profiteering to control inflation, produce discontent and loosen the bonds of authority. If we drift toward chaos, it will not be of deliberate intention but because of our weakness and inaction. The...."

Mr. Deputy Speaker: We can take the extract as read.

Members: 'He may finish it.') I am sorry, but I have to call upon the honourable member to stop here. It is open to me to curtail a speech to the time fixed, or allow some time more. I do not want the House to go on reminding me that this thing must be read, or so much more time must be given and so on. I am watching events here, and I am also aware that there are many more members waiting to speak. I call upon Mr. Sondhi to speak now.

Shri H. V. Kamath: I hope that the Finance Minister and our Government in spite of the adverse circumstances that are prevailing will be able to work in such way that *Daivdra Narayan* will come into his own and that Government of the people, for the people and by the people will become a reality and the common man will have a life and have it more abundantly.

Shri B. L. Sondhi (East Punjab: General): My difficulty also is that of Mr. Mody though I am not myself a capitalist as he is. There is an uncovered deficit of Rs. 185 crores in the capital expenditure of the current year. There is another Rs. 184 crores uncovered in the Budget for next year. What I have not been able to understand, Sir, is how the Finance Minister is going to cover this. He wants us to believe that the Government is very anxious to fight inflation, but to leave uncovered expenditure like this is in my humble opinion just the contrary. Our cash balances, Sir, are dwindling every day. The Government is not in a position to borrow in the open market. Rs. 163 crores according to the figures supplied to us, will be our cash balance on the 31st March 1949, and according to the Budget it will be Rs. 58 crores only at the end of next year. Excepting that we have some Rs. 800 crores in the sterling balances, I would like very much to know from the Honourable Minister as to what are the prospects for 1950-51. Sir, I know that the borrowing capacity of the Government and the public at large has been very materially affected during the last two or three years. There were half a dozen sources from which we could always draw on this account. Firstly, the Ruling Princes contributed a lot to the loans of the Government as well as the public. They are now just disappearing from the horizon. Secondly, the non-Ruling Princes and the big zamindars were our second line of procurement for capital. They are also disappearing. Thirdly, the British capitalist in India, because he was entrenched here in his business on account of the political advantages that he had, was also interested in investing money here. Some of the money that he made in his business—not all—was invested in India in expanding his business here. He also, Sir, to

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the best of my knowledge is not very much interested now. (Kazi Syed Karimuddin: 'Sorry!') The next biggest asset in India was the Punjab. I have some figures showing that as much as 40 to 45 per cent. was contributed by the middle-class from that province towards new investments before the years 1945 and 1946. That Punjab is today lying low. We have not even sympathy from our Ministers. Some Ministers say that they have no legal or moral responsibility for the losses that we have incurred. Some even say that they do not welcome them here in Delhi. Why are they coming here? I do not want to say more because it is my own Government and my own feelings are too well known to the Ministers concerned.

Now, Sir, I have got another grouse against the Provincial Governments' loans and advances that are being given by my honourable Minister. The Provincial Finance Ministers at the Conference held in October in Delhi, were asked to go slow regarding their plans for prohibition and the abolishment of zamindari. They have done nothing of that sort. The other day, our Deputy Prime Minister declared in Madras that we are not in a position to have nationalization for some years and people who are talking of nationalization, when we have not the means to do it, are only crying for leadership. But it was only four days after that, in that very town of Madras that one of the Provincial Ministers gets up and tells them in the Assembly: "we do not agree to that", and that they are going to amend the Electricity Bill, which they cannot do without the sanction of the Government of India, to reduce the compensation for undertakings which they want to buy from the local people there--the electricity undertakings. This is the response which the Provincial Ministers are giving to the Centre.

Under these circumstances, is not it our duty on a basis of reciprocity to tell these gentlemen sitting there that we also have to look to our interests in the Centre: that we are not going to borrow for you from the market because we cannot; we cannot impose new taxes; please look after yourself for this capital expenditure that you want.

My proposal is very simple. Let these Provincial Ministers, try their level best to raise as much money as they can through the Savings Certificates and the National Certificates in their own provinces and let the Centre agree to allow them to utilise that for their capital expenditure. We will have no grouse against them. But let it not be said that they are treating the Central Exchequer, in the form of a currency printing press as if we have a bottomless pit here for them to draw upon any time they like.

Mr. Deputy Speaker: The honourable member may continue his speech after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly reassembled after Lunch at Half Past Two of the Clock, Shri S. V. Krishnamurthi Rao (one of the panel of the Chairmen) in the Chair.

Shri B. L. Sondhi: Sir, before adjourning for Lunch I was developing the point that our capital resources are drying up one after another. I mentioned the Princes, the ruling and the non-ruling. I mentioned the Britishers who were or are engaged in business here and the class of people who are generally called the higher middle classes in the Punjab. Having dried up all these resources I wanted to enquire from the Honourable Minister as to where he is looking to for the tapping of the resources which he wants to use for

capital expenditure. As you know, the money that is still open for collection for this type of work is either with the war babies called the black-marketeers or some class of agriculturists. The agriculturist as a class are not used to save money and put it in the bank or invest them. These war babies now have the shadow of the Investigation Commission hovering over them. Though our Government have recently decided to make some amendments of the Law to allow the Investigation Commission to have some reasonable compromises with them I do not know how long it will take for that procedure to be adopted. Regarding the agriculturist classes unless the Congress Party men as a whole, who are really well known to these people, take upon themselves this task which is entirely theirs and which they are shirking—I am as responsible as other members of the House—we cannot tap those resources in any way.....

Shri B. Das (Orissa: General): Where are those resources?

Shri B. L. Sondhi: I know it better...

Prof. N. G. Ranga (Madras: General): He knows his own people better.

Shri B. L. Sondhi: There is another difficulty from which I would like my honourable friend to help me out. Before the war sometime between 1931 and 1933 the present paper, steel and cement factories began their expansion. By 1936 or 1937 they had practically got all their expansion schemes completed. They took full advantage of it when the war came but those companies which were floated during the war—there were huge flotations then—they could not do anything except put their money in government securities during the war, because capital goods were not available. After the war the capital goods market became the seller's market with the result that the estimate of all these new concerns became out of date. The result was that these new companies have not been able to launch the schemes for which they had gone into the market. I respectfully submit that something needs to be done in this direction, because unless these companies are allowed to function there will hardly be any additional production. The old companies having worked at a very high speed, sometimes double and treble shifts, their machinery is rotting. They are not producing as much as they would normally have done and no additional production is forthcoming. I for one am very much doubtful if we will be able to keep pace with our requirements.

I now pass on to say something about food. As a layman I have found that this subsidy of 32 crores yearly, for the current and the next year, is to my mind a political hush money. (*Prof. N. G. Ranga*: 'To whom?') To you and me. This is for the urban areas. Most of the money is being spent to buy cheaper grain for the urban people. I would therefore request that this matter be looked at from this point of view. After all we are not here to cater for only 5 per cent. which is really the urban population in India. My friend Prof. Ranga who is so solicitous about the agriculturist and the rural areas, I hope, will go into this matter. (*Prof. N. G. Ranga*: 'It is for the Food Minister. Who am I?') As I have been able to calculate this does not save more than two to three annas a week per man. It comes to about Rs. 7 to 10 in a year. I would therefore request that something must be done in this direction. Moreover there is another angle from which I would like to view this question. The provincial assemblies and governments are crying for more and more food. Why not utilise this huge amount and ask those provincial governments to utilise this amount for producing more grain in their own provinces. After all our Food Minister here cannot produce more grain. He has to work through the provincial governments and if the provinces take up this question in right earnest this deficit of ten per cent is not difficult to make up.

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I have a word now to say about the civil expenditure. I find that as compared with undivided India the budget under civil expenditure for this year is more by 13 crores. Most of it has been consumed or is to be consumed by additional posts. I would therefore request the Honourable Minister to use his pruning knife, if he could put it through.

Delhi is well known for its roundabouts but our Secretariat is a big manufactory of red-tapism. It takes six men to dispose of a file which in another country like America or England would have been disposed of by two persons.

I now come to the criticism made in this House by two honourable friends, Mr. Goenka and Mr. Khandubhai Desai, regarding the capital gains tax. They are very much afraid that the companies and their managing agents will swindle the ordinary shareholder in a manner against which there is no remedy here. They forget that there is an office here called Examiner of Capital Issues and no new company can reconstruct its capital without a previous sanction of this Department. That is the negative side. On the positive side when an ordinary middle class investor looks at this picture what does he find? Now that the maximum dividend on ordinary shares has been limited to 6 per cent. and in view of the fact that all new companies cannot declare any dividends for the first few years, what is the attraction for an ordinary investor like you and me to put his money, if he has any, in a new concern if he cannot even participate in the capital appreciation of his shares? From that point of view—not for the sake of the big businessmen, not for managing agents who can be looked after by this Department but for the sake of the common investor—I offer my grateful thanks to the Honourable Minister for boldly taking up this question.

There is another criticism here in regard to which I would like to say a word or two. Rs. 82 crores has been the additional expenditure during the current year. The Honourable Minister has been able to meet it on account of the windfall revenue which he has been able to get. But if we go into the details of these Rs. 82 crores I for one would not blame the Honourable the Finance Minister. Rs. 84 crores out of that is the amount spent for defence. I do not think there would be any person in this House who would not say that the amount was more than justified on account of our Kashmir operations. Then with the drought in certain parts of India we had to import more food. This covers an extra expenditure of Rs. 12 crores. Then, the pre-partition expenditure comes to near about Rs. 21 crores. Relief and Rehabilitation takes another Rs. 10 crores. And we are left only with Rs. 3 or 4 crores.

Mr. Chairman: The honourable member's time is up.

Shri B. L. Sondhi: To close, I would beg this House to take into consideration one more thing and see things from a different angle. We have now termed our Army people, whom we had once called the hired soldiers of the British, as our national heroes; the policemen who used to treat us with their batons are our honoured officers today; the I.C.S. and the Provincial Service people who put us behind the bars are our most trusted colleagues today. Sir, the only class of people who helped us when we were going for fighting the elections and put money into our pockets to cover our expenses. I mean the business classes, I am not mentioning the class of black-market-eers but the common businessmen,—why are we not changing our angle of vision regarding these people? We may again need them tomorrow. The elections are coming very soon. I would therefore beg this House not to create a new class of Harijans but to try to assimilate them and make them as good or as bad as we are.

Shri Deshbandhu Gupta (Delhi): It was my proud privilege to assert for the first time the right of speaking in Hindustani in this House. But the House will excuse me if I speak in English today to make myself intelligible to my honourable friend the Finance Minister to whom Hindustani continues to be as foreign as English is to me. There is no doubt about the fact that the general discussion on the Budget provides an excellent opportunity to members of this House to unburden themselves of the grievances that they keep on nursing against the administration. I see that some members have fully availed of their opportunity. There are others who have showered unqualified praises or congratulations on the Finance Minister for the proposals that he has put forward. I do not propose to emulate the example of the members who belong to either of these categories. I only wish to claim the right of calling a spade a spade. To my mind the Budget that has been presented this time is neither a rich man's budget nor a poor man's budget. It is a compromise budget if I may say so, or an attempt on the part of the honourable Minister to repair the great damage which was done by the Lquat Ali budget two years back. I do not know whether that budget had the blessings of my honourable friend—some said it had—but I am glad that he has sought to repair the damage which was done to the financial fabric of this country by that budget.

So far, strong objection has been taken to the increase in the postal rates. I think this is common ground that in that respect the *status quo* should be maintained, and I have a shrewd suspicion that the honourable the Finance Minister when he proposed an increase in the rate of post-cards he never meant it; it was merely a bargaining point. He probably thought that he would oblige the House by withdrawing the proposed increase in the rate of post-card, and I hope he will do so.

I would like to apply four tests to the budget and I would like to confine my remarks to these four questions namely, (1) whether this budget seeks to remove unemployment in the country, (2) whether this budget seeks to help the removal of illiteracy prevailing in the country, (3) whether this budget helps to solve the housing problem of the country and (4) whether this budget seeks to offer better facilities from the health point of view. Looking at it from this angle I find that I am not only disappointed but more than disappointed. There is no proposal contained in the budget which would help in the removal of unemployment. As a matter of fact the other day when a question was asked whether we have got the figures of unemployment in our country we were told that no attempt has been made so far even to collect such figures. What to say of solving the question of unemployment, which is giving strength to the Communists, and socialists and other elements, when no attempt has so far been made even to register the number of the unemployed. From this point of view I hope even the honourable Finance Minister will agree that the budget is a disappointing one.

Then comes the question of the removal of illiteracy. We are on the threshold of fresh elections and for the first time in the history of India we are going to have adult suffrage. God only knows what result this experiment will bring to the country. To go to the polls and have adult suffrage with a population even 10 per cent. of which is not educated, to my mind, Sir, is a very dangerous thing. I had hoped, and I think the House also expected that the honourable the Finance Minister would provide in his Budget proposals provision for a drive against illiteracy so that by the time the next elections were held adult education would become a watchword throughout the country, and as result of the general drive the number of educated will go up by 10 to 20 per cent. But I see this thing has not even been thought of.

[Shri Deshbandhu Gupta]

Looking at the Budget from the health point of view, I am equally disappointed. Last time when I spoke on the Budget I had raised the question of the housing difficulties. At that time it was felt that this was a very big necessity at the time and some constructive effort would be made by the Ministry of Health to help to solve this problem. Nothing however has been done so far. Today in Delhi you can get anything but a house. You cannot oblige a person by giving him a small room howsoever influential you may be; you can help him in any way but if he wants a corner in some house to put his family you have to ask to be apologized. This is the position. I am therefore obliged to say that in all these respects it is a stereotyped Budget and no imagination seems to have been brought to bear on it by the honourable the Finance Minister. These were the big problems which are facing us and I see no attempt has been made to solve them.

Much has been said by some of the members against the relief measures that have been put forward by the honourable the Finance Minister. In my opinion it would be wrong to attach undue importance to this part of the Budget. As a matter of fact what needs our attention first is the lack of measures which should have been adopted to economise in the expenditure. Today our expenditure, on Defence is Rs. 42 lakhs a day. If we could exercise even 10 per cent. economy there we could have easily saved Rs. 15 crores. Similarly, I find and many other members of this House also have already given expression to that view, that in the expenditure on Services there is no attempt to affect any economy. Partition has brought ruin to lakhs and lakhs of people, many sons of the motherland who had already suffered in the cause of the country have now been totally ruined; values in life have thus changed considerably for them. But there is a class which has benefited by the partition. I wonder if the honourable the Finance Minister has thought of that class. I see today that the S.D.Os. of yesterday are the Deputy Commissioners of today in many Districts; the Deputy Superintendents of Police of yesterday are at once made the Superintendents of Police today, similarly the Under-Secretaries and Assistant Secretaries of yesterday are today the Deputy Secretaries and Joint Secretaries. They have got a big lift merely due to this accident, the tragedy of partition, and have benefited from it. I do not grudge them the lift which they have got—someone had to fill up the vacancies—somebody's loss is somebody's gain—I would grudge them this if only they were to put their heart in their work and work in the right spirit and help to build up a strong nation and a strong Government. My reports are that in Pakistan the spirit which animates the services is different from what it is here. I admit, Sir, that there are honourable exceptions, I know there are persons among the services who are working very hard, but I must say their number is few and far between, their percentage is very very small. I would request the honourable the Finance Minister to devote his attention to this aspect of the question and though not reduce their present emoluments which they are getting based on the large promotions in their salaries directly due to the partition, we should at least expect them to effect economies otherwise and put in greater work. It is a general complaint that in the Secretariat people have not got enough work to do. The Economic Enquiry Committee which sat for affecting economies has not been able to produce any report and it is not known whether we will have it even next year. What this delay is costing the exchequer is better known to the honourable the Finance Minister than to me.

Coming to Delhi, I feel that Delhi, Ajmer-Merwara and Coorg are the three Provinces.—I would call them unfortunate—which are Centrally administered areas. Cutch and Himachal Pradesh have already been added to this list and perhaps very soon Bhopal will also be included. Sir, I have more than once

emphasised that Delhi provides an excellent opportunity for the different Ministries to give a proof of their efficiency. But I am sorry to say that if I were to review the work of the Ministries in the light of their achievements during the last two years in Delhi, I am afraid I would be exposing myself to the threat of disciplinary action to which the President of the Congress has hinted today.

I might mention that I have already had occasion to refer to the working of the Railway Ministry in Delhi. I told the House how corruption was rampant in Delhi and how the achievement of freedom has made no difference whatsoever in so far as corruption in that department goes. If I were to tell at length what was happening in other Ministries I am sure the House will be shocked. My honourable friend the Food Minister has already come in for good bit of criticism by the House. I would not like therefore to offer as remarks, so far as the working of that Ministry goes. It would suffice to say that so far as Delhi is concerned, the honourable Minister has himself admitted that in the Centrally-administered areas nothing tangible has been done to add to the produce or in other words no progress has been made so far in the annual output of cereals etc. As a matter of fact, in Delhi even today gram and fodder are selling at almost the same rate and I cannot think of a greater condemnation of a Government than that fodder, the food for cattle is sold side by side, the food for man at the same rate. This is the position so far as the Food Ministry is concerned.....Sir, I would crave your indulgence for giving me another five minutes as Centrally-administered areas are directly under the Central Government and I would like to refer to other ministries.

Mr. Chairman: If every member goes on taking five minutes extra, there will not be time left for others.

Shri Deshbandhu Gupta: I have not asked for extension so far. You may give me at least one minute for each Ministry.

Coming to Health, I am sorry the honourable the Health Minister is not here, but to give one illustration, may I point out that there was a Municipal Enquiry Committee which went into the question of having a Corporation for Delhi. I believe it submitted its report in the month of May 1948 and it is more than nine months now but the report has not been able to get even the comments of the different Ministries on it. This was a statement made to me by the honourable the Health Minister herself. She told me that the reports have been circulated but no Ministry has found time to offer any criticism of comment on the same so far. It also took about six months to make a reference to the Chief Commissioner's Advisory Council for opinion. I am afraid at this rate Delhi cannot think of having a Corporation even for another year.

Then, Sir, if you were to look at the work done by the Delhi Improvement Trust or by the Health Ministry in the field of medicine etc., I am sorry that there is nothing to complement the Ministry. I can cite examples after examples to show that there has been absolutely no progress. It appears the

Ministry has got absolutely no hand in the working of the Delhi Improvement Trust. It goes on the same old way it was going. In fact things are getting from bad to worse and there is absolutely no improvement in the living conditions of Delhi as result of its efforts. I am offering this criticism not in a spirit of condemnation or criticism, but with a view to bringing it home to the Ministers that they owe a responsibility to this place where they spend most of the twelve months in the year: it is a pity that this place is receiving such scant attention from them.

[Shri Desbandhu Gupta]

If I am allowed to refer to the Education Ministry, I am afraid, the record of its work is even poorer. To quote one example: the Delhi University has made itself notorious by the manner in which manœuvring was done before the Vice-Chancellor's election this time. Things took place behind the *purdah* which would shock anybody if they can see the light of the day. I will take up this question when my cut motion is moved.

Two minutes more, Sir. As regards the Home Ministry, I cannot but compliment the excellent manner in which they have dealt with the R.S.S. question, the Akali menace and the socialist threat of strikes etc. during the last three or four months. There could be no two opinions that the administration has worked admirably so far as these three things were concerned, but I am afraid the same cannot be said about its achievement in the past. I would not like to go into what happened in the past. I would only say that crime has not decreased in Delhi, although the expenditure on the Police has gone up by at least four to five times. Whereas we used to have only two Superintendents of Police formerly we have more than half a dozen today.

I will just conclude, Sir. A word about the Ministry of Industries and Supplies.—

If my honourable friend the Minister for Industries and Supply were to go to Chandni Chowk he will find how the controls imposed by him on the sales of cloth etc. are working. More than 500 shops today are selling unauthorised cloth in the open market and similarly cereals etc. This is how controls and rationing are enforced in Delhi. Outsiders naturally judge the efficiency of the Government and rightly so from Delhi. And they can have but one opinion about it and that is that the Ministers have absolutely no time to devote to this question so far as Delhi is concerned.

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): May I point out that the control of distribution is in the hands of the Delhi Administration and not in the hands of the I. and S. Ministry at all?

Shri Deshbandhu Gupta: That argument will not hold good so far as Delhi is concerned.

The Honourable Dr. Syama Prasad Mookerjee: It does.

Shri Deshbandhu Gupta: Delhi is the direct responsibility of the Central Government.

The Honourable Dr. Syama Prasad Mookerjee: It is not so. It is entirely in the hands of the Local Administration.

Shri Deshbandhu Gupta: Well, let my honourable friend advocate full autonomy for Delhi and I will be the first person to take responsibility for the happenings in Delhi. I hope he would not hesitate to do so?

Mr. Chairman: I am sorry. The honourable member has already exceeded his time.

Shri Deshbandhu Gupta: You will excuse me, Sir. I wish to make just one suggestion—In fact I wish to repeat the suggestion which I had made last time—that there should be some coordinating authority so far as the Centrally Administered Areas are concerned. Today, sometimes it takes more than six months to get a reply from the Government of India. The file goes from Ministry to Ministry and it takes unduly long to take decision. Therefore, I suggest once again that there should either be a separate Ministry for the

Centrally Administered areas or there should be some coordinating authority to which all these Administered Areas may look to. The Centrally Administered areas are increasing in number and there is no attempt whatsoever made to associate public opinion of these areas with the administration. It is high time that Government opens its eyes so far as these things are concerned and look to the real needs and grievances of the people of the Centrally governed areas. With these words Sir, I resume my seat.

प्रोफ़ेसर यश्वन्त राय : माननीय चेअरमैन महोदय इस समय में जबकि संसार की गति तीसरे महा युद्ध की ओर जा रही है, ऐसे समय में जबकि दुनियां में इकोनामिक क्राइसिस (economic crisis) हो रहा है, हमारे माननीय फाइनेंस (Finance) मिनिस्टर साहब ने एक बैल-बैलेन्सड (well-balanced) बजट पेश किया है इसके लिये मैं उन्हें हार्दिक बधाई देता हूँ। जहां तक लज्जरी गुड्स (luxury goods) के ऊपर उन्होंने इ्यूटी लगाई है, उसका मैं स्वागत करता हूँ। लेकिन जब मैं यह देखता हूँ कि तांगा ड्राइवर्स भी यह कहते सुनाई देते हैं कि क्या हमारी कांग्रेस सरकार का दिवाला निकल गया है, कि उन्होंने कार्ड की कीमत और लिफाफे की कीमत बढ़ा दी है, तो मुझे दुःख होता है। इसके साथ ही जहां पर उन्होंने कपड़े पर और खांड पर भी जो इ्यूटी बढ़ाई है, उसको देख कर मुझे फिर बहुत दुःख होता है। गरीब लोग जो देहात के अन्दर रहते हैं, उन्हें बिल्कुल ही कपड़ा नहीं मिलता है, उन्हें बिल्कुल ही खांड नहीं मिलती है। लेकिन इस इ्यूटी के बढ़ने से तो जो उनकी हालत आज बुरी है वह और भी बुरी हो जायगी। कितने अफ़सोस की बात है कि जो मजदूर खांड पैदा करता है और जिसकी मेहरबानी से हमें खांड मिलती है उसी को हम खांड खाने का अधिकार नहीं दे रहे हैं। यह कितने दुःख की बात है कि जो काटन प्रो करता है और जिसको कृपा से हम कपड़ा पहनते हैं उसी गरीब मजदूर को हम कपड़े से (वंचित) डिबार (debar) करते हैं। क्या ही अच्छा होता अगर जो नुकसान हुआ है वह बजाय इन इ्यूटियों के और तरीकों से पूरा हो सकता। रिफ़्यूजिज पर जो खर्च हो रहा है और जितना पिछले साल में हुआ है वह सारे का सारा वृथा है क्योंकि उनका जितना अच्छा इन्तज़ाम होना चाहिये था वह नहीं हो रहा है। आज आप कैम्पों की हालत देखें। दूर जाने को जरूरत नहीं है जो दिल्ली का शहर है उसकी फ़रीज के साथ साथ देखें और सड़कों के पट्टियों पर देखें तो हमें पता चलेगा कि रिफ़्यूजिज की कितनी तरबकी हो रही है। जो हमारे रिलीफ़ और रिहैबिलिटेशन (Rehabilitation) के मिनिस्टर हैं, अगर वह किसी कैम्प का दौरा करने जायें तो उन्हें पता चले कि कौसी दुर्गति हो रही है। मुझे याद है जब पिछले दिनों वह जालन्धर गये थे तो वहां ट्रैफ़िक बंद हो गया था। इससे साफ़ पता चलता है कि गरीब लोग जो कम्पों में रहते हैं वह अपनी शिकायतें उनके पास

[प्रोफेसर यशवन्त राय]

नहीं पहुंचा सकते हैं। बल्कि वहां जो रिफ्यूजी कमिश्नर होते हैं या अफसर होते हैं वह ही मिनिस्टरों के पास पहुंचते हैं और उनको यह पता नहीं होता कि किमको कौसी तकलीफ हो रही है। अगर हमारे मिनिस्टर साहब किसी काम में ध्यान दें और सिर्फ वहां जाने की तकलीफ करें तो उन्हें सारा पता चलेगा। थोड़े ही दिन हुए कैथल कैम्प के रहने वाले शर्णाथी मेरे पास आये, और उन्होंने बताया कि हम कई दिनों से साग खा कर गुजारा कर रहे हैं, हमें अनाज नहीं मिलता है, आटा नहीं मिलता है। जब हम रिफ्यूजीज को बसाने के लिये इतना खर्च करते हैं तो मेरी समझ में नहीं आता है कि आज डेढ़ साल हो गया है, हम अब तक उन्हें बसाने के काबिल क्यों नहीं हुये हैं। अगर हमारा इन्तजाम अच्छा होता और हम उनको बसा सकते, उनके लिये प्राविजन कर सकते, तो एक तो यह जो खर्च है उसकी बचत होती और साथ में जो रिफ्यूजीज काम करते तो उनकी आमदनी से हमें जो टैक्स मिलता उससे हमारी आमदनी बढ़ती।

तीसरा एक और जरिया है जिससे हम खर्च बचा सकते थे। हम जो ड्यूटी कार्ड और लिफाफे पर लगा रहे हैं, और खांड और कपड़े पर लगा रहे हैं उसको इस जरिये से पूरा कर सकते थे। जितना डिफेंस फ़ोरसेज के लिये रुपया खर्च हो रहा है और काश्मीर के अन्दर खर्च हमें बताया जा रहा है वह कम किया जा सकता है। चन्द ही दिन हुये सब आनरेबल मेम्बरस के पास पैम्फलेट्स पहुंचे होंगे जिससे पता चलता है कि हमने रुपया व्यर्थ खर्च किया है। जो कुछ काश्मीर में प्लंबिसाइड से पहले हो रहा है वह बताता है, कि वहां क्या होने जा रहा है, तो इतना रुपया हम किस लिये खर्च कर रहे हैं।

माननीय मिनिस्टर साहब न जो बहुत सारे Relief Measures रखे हैं, उनका मैं स्वागत करता हूं, और साथ ही उन्हें बता देना चाहता हूं कि वह एक बात भूल गये हैं पिछले वर्ष श्री मनुस्वामी पिल्लई ने एक रेजोल्यूशन रक्खा था कि वह लोग जो कि सब से ज्यादा गरीब हैं, मेरा मतलब हरीजनो से है, उनके लिये आप एक करोड़ रुपया सेन्ट्रल गवर्नमेंट से मुकर्रर करें। इस पर एक और रेजोल्यूशन रक्खा गया जो सेठ गोबिन्द दास जी ने रखा था उन्होंने यह कहा था कि एक करोड़ रुपये की बजाय Adequate एडिक्वेट अमाउन्ट कर दिया जाय। वह रेजोल्यूशन पास हो गया था लेकिन मुझे अफ़सोस है कि मैं इस बजट में भी देखता हूं कि इसमें भी हरिजनो के लिये कोई प्राविजन नहीं है। सेन्ट्रल गवर्नमेंट ने यह प्रोमिज किया हुआ है कि सेन्ट्रल गवर्नमेंट साढ़े बारह फ़ीसदी (Reservation in

Service) हर एक डिपार्टमेंट के अन्दर हरिजनों, गरीब मजदूरों को देना चाहती है। लेकिन अभी हाल ही में मैंने (Questions) क्वेश्चनरू किये थे हर एक मिनिस्टर से यह सवाल पूछा गया कि उसके (Department) में कितने हरिजन मुलाजम हैं और 12½ फ्रीसदी को वह कब और कैसे पूरा करना चाहते हैं लेकिन मुझे अफसोस के साथ कहना पड़ता है कि किसी मिनिस्टर ने इस बात की तरफ तवज्जह नहीं दी है कि वह जो साढ़े बारह फ्रीसदी है वह कब पूरा किया जाय। यहां तो यह मिसाल (example) कायम की जा रही है कि "चैरिटी बिगिन्स ऐट होम"। हर एक डिपार्टमेंट के अन्दर मुझे मालूम है कि कोई हरिजन (Scheduled Caste) नहीं है। माननीय मिनिस्टरों की तवज्जह इतनी भी नहीं है कि वह देखें कि उन्होंने इतने हरिजन आदमियों को काम पर लगाना है। हमारे ग्रैजुयट, हमारे एम० ए० बहुत पढ़े लिखे लोग भागे भागे फिर रहे हैं। वह समझते हैं कि हमने इतनी तालीम हासिल की लेकिन सब व्यर्थ है। क्योंकि हमारे लिये नौकरी मिलनी चाहिये। गवर्नमेंट का उसूल यह है कि वह सब को बराबर करना चाहती है, वह कहती है कि वह काश्तकार के साथ है, मजदूर के साथ है, गरीब के साथ है, उनके साथ बड़े बड़े वायदे किये जाने हैं। और कहा जाता है कि उन पर बड़ा खर्च हो रहा है सब जगह मजदूरों का रोना रोया जाता है। लेकिन इन हरिजन लोगों की हालत सबसे खराब है। जिन्होंने गांव का दौरा किया है उनको पता है कि यह लोग कितने दबे हुये हैं। अगर गांव में कोई झगडा हो जाता है तो इनके ऊपर झूठे मुकदमे बनाये जाते हैं। जब वह फरियाद लेकर धानों में जाते हैं तो वह क्या देखते हैं कि उनकी कम्प्यूनिटी का कोई भी आदमी वहां नहीं है वहां और आदमी बँट होते हैं जिनका यह उसूल है कि जो अपनी अपील करना चाहता है उसकी उलटी मार खानी पड़ती है और कैद भुगतनी पड़ती है। यह है हरिजनों और गरीबों के साथ इन्साफ।

इसलिये मैं आपसे प्रार्थना करूंगा कि अगर आप यह चाहते हैं कि सब को सुख और आराम हो और जहां आपने रिलीफ मेजर्स (Relief measures) पेश किये हैं वहां मैं आपसे यह दुर्वास्त करूंगा कि आप कोई ऐसा मेजर भी अस्त्यार करें कि जो इस तरह के लोग हैं वह ऊपर उठ सकें और सोसाइटी एक होस के। वरना कम्प्यूनिस्ट लोग उनमें जाकर प्रचार करते हैं कि तुम्हें रोटी नहीं मिलती है, तुमको कपडा नहीं मिलता है, तुमको इतना सस्त काम करना पड़ना है। इन बातों से वह गुमराह हो जाते हैं और उनक पीछे लगते हैं और उनकी लीडरशिप में काम करना चाहते हैं आपका फर्ज है कि आप उनको इस तरह गुमराह होने से बचायें।

इसलिये आखिर में मैं ज्यादा वक्त न लेते हुये इतना अपने फ्राइनेन्स मिनिस्टर साहब से रिक्वेस्ट करूंगा कि वह इन बातों पर विचार करने की कोशिश करेंगे।

(English translation of the above speech).

Prof. Yaswant Rai (East Punjab: General): At this time when the world is heading towards a third great war, at a time when the world is faced with an economic crisis, our honourable Finance Minister has presented a well-balanced budget, for which I offer him hearty congratulations. As regards the duty he has imposed on luxury goods I welcome it. But, I am pained when I see that even tonga drivers are heard saying, "Has our Congress Government gone bankrupt that they have raised the prices of cards and envelopes?" At the same time it again pains me very much to see the duty on cloth and sugar being raised. The poor people living in villages do not get any cloth at all; they do not get any sugar at all. With this increase in duty their plight, already bad enough, would grow worse. What a pity that from the very labourer, who produces sugar and through whose kindness we get it, we withhold the right to consume it. How regrettable that we deprive of cloth the very same poor labourer who grows cotton and through whose kindness we come to wear cloth. How nice would it have been if the loss that has been caused had been made up by means other than these duties. The expenditure that is being incurred over the refugees and that which has been incurred during the past one year is all futile since as good measures are not being taken in regard to them as should have been taken. Look at the condition of the camps today. There is no need to go far. If we look along the ramparts of the city of Delhi and along the pavements on roads we shall find what is being done for the improvement of the lot of the refugees. If our Relief and Rehabilitation Minister were to go to make a tour of some camps he would find what wretched conditions prevail there. I remember how traffic was stopped in Jullundur when he recently visited that place. This clearly shows that the poor people who live in camps cannot convey their grievances to him. On the other hand, only the Refugee Commissioners or other officers who are on the spot have access to the ministers and they—the ministers—do not know what hardship any particular person is suffering. If our Minister could attend to this side and just take the trouble of going there he would know everything. Only a few days back refugees from the Kaithal Camp came to me and told me that they had been living on *Sag* only, that they could get neither grain nor flour. When we are spending so much with a view to the rehabilitation of the refugees I fail to understand why we have not yet come to be in a position to rehabilitate them during the period of a year and a half that has already passed. Had our arrangements been good and we could rehabilitate them and make provision for them we would, on the one hand, have saved the expenditure that is being incurred while, on the other hand, the tax that would have been levied on the income of the refugees from the work done by them, would have gone to increase our revenues.

There is a third source whereby we could have effected a saving in the expenditure. The money that we propose raising by the levy of a duty on cards and envelopes and sugar and cloth could be raised by this means. The amount that is being spent over the defence forces and the expenditure which, we are told, is being incurred in Kashmir could be reduced. The pamphlets which must have been received by all the honourable members only a few days back reveal that we have spent the money in vain. The things that are taking place in Kashmir before the plebiscite show what is going to happen there. Then what for are we spending so much money?

I welcome the several relief measures which the honourable Minister has proposed. At the same time I want to tell him that he has forgotten one thing. Last year Shri Munishwamy Pillay tabled a resolution that "Rupees one crore be reserved by the Central Government for those people who are the most poor, viz., the Harijan." Upon this another resolution was tabled by Seth Govind

Dasji. He suggested that an adequate amount be substituted for Rupees one crore. That resolution was passed. But I am grieved to find that even in this budget there is no provision for the Harijans. The Central Government have given a promise that they want to give 12-1/2 per cent. reservation in services in each department to Harijans and poor labourers. But only the other day I put questions and enquired from each minister as to how many Harijans were employed in his department and when and by what means did he propose to complete the 12½ per cent., but I am sorry to say that no minister has paid attention to the fact as to when is that twelve per cent. to be completed. This is going to be an example of 'Charity begins at home'. I know there is no scheduled caste in any department. The honourable ministers cannot even give so much attention to this matter as to see that they have to employ so many Harijans. Our graduates, our M.A.s, highly educated people are running from pillar to post. They think that they have acquired all this education in vain unless they get jobs. It is a policy of the Government to equalize all. They say they are with the cultivator, with the labourer, with the poor man. Big and high promises are made with them and it is said that considerable expenditure is made over them. Everywhere their sad tale is told. But the plight of these Harijans is the worst. Those who have toured the country side know how much suppressed these people are. If there is a quarrel in the village false cases are trumped up against them. When they take their complaint to a police station they find that there is no man belonging to their community there. There are other people sitting there whose principle is that anyone who wants to present his appeal has, on the reverse, to undergo beating and suffer imprisonment. This is the kind of justice meted out to the Harijans and the poor.

Hence I would appeal to you that if you want that everybody should be happy and comfortable you should, among other relief measures that you have brought forward, adopt some such measure whereby the status of the people of that category could also be raised and society could be equalized. When this is not done the Communists go and preach amongst them, saying, 'You get no bread, you get no cloth, you have to work so hard.' They are misled by this talk, follow them, and are inclined to work under their leadership. It is your duty to save them from being misled like this.

Not taking any more time I would, in the end, make a request to the honourable the Minister of Finance that he might try to give these matters his consideration.

Shri S. M. Ghose (West Bengal: General): I should like to confine my general discussion on this budget only to a few observations, not in connection with the working of any particular Ministry, but relating to the underlying principles of the budget as a whole.

Every one of us knows, and it has been expressed by almost every honourable member that the problem of the common man today is the problem of food and cloth. There is another aspect of national problem about which we should not remain unmindful, and that is, how to make our nation great, how to make our people conscious about the role that India shall have to play in world affairs, and also to remember the great teachings of Swami Vivekananda, Aurobinda and other great leaders of India, who taught us that India has a message to the world and that India has a mission to fulfil.

Now, after achieving our independence, when we are balancing our budget and at the same time trying to remain conscious about our future role, when we are trying to meet the needs of the common man, we are confronted with one thing and it is this: how best we can create facilities for the common man to earn his living and contribute his mite to building up the future India, which was the dream of our great leaders of the past. We know and most of us have

[Shri S. M. Ghose]

expressed that opinion also that without making a great effort to develop our industries, we cannot even touch the problem. How to stimulate the industries? Many of us at first thought that without nationalising industries, without having a complete programme of socialism, our problem cannot be solved. Many of us believed also that when we had achieved our independence, when the Congress was in power, a serious attempt would be made to have a complete programme of nationalisation and socialism. But, I am sorry, Sir, and I regret to say, that our effort has only produced confusion.

Now, having failed in that direction, having our eye on the present day need of the common man, as well as the failure to induce our industrialists or capitalists to co-operate with us, I do not see why we should not sympathise with our honourable Finance Minister for the way in which he has tried to approach the problem; not that he had not in his mind the problem of the common man, not that he does not know how to nationalise or bring in socialism: but as he has already said in his speech also, the international and national set up in which we function today compels us to take up this course of compromise.

Having said that, now, I come to the question of refugees, especially the problem of the refugees from East Bengal. There are two aspects of that problem: one is of those who have come to the Indian Union, how to rehabilitate them; and the other is of those who are still in East Bengal in a sense of insecurity, trying every day to come out. And by coming out from East Bengal, they will no doubt add to the difficulties of our Government for rehabilitating those who have already come.

In this connection I would like to point out that those now living in East Bengal, their number is more than a crore. Although they are citizens of another State, we cannot remain quite unconcerned about them because I feel strongly that it is the concern of our Indian State and it is a first class problem for us. Sir, if those little over a crore of people are forced to come out from East Pakistan to India, I don't know how far and how long this newly born State of ours will be able to bear such strain and burden. Therefore although they are living in a different State, I consider that it is a great problem of ours too. We shall have to think not only in terms of how to rehabilitate these 15 to 16 lakhs of people who have come but also to find out some means by which we can create a sense of security in the minds of those who are still living in Eastern Bengal. Sir, in this connection my submission is that a Security Insurance Corporation may be set up with the participation of both Governments which might look after the security of the minorities in East Bengal as well as in West Bengal if they so desire. The value of life and property of those living in East Bengal may be registered and some sort of insurance certificate may be issued against any damage done by communal aggression.

Then the condition of the Hindus in East Bengal has so much deteriorated that something should be done by a joint move of both Governments to improve their economic condition. I submit another suggestion for the middle-class Hindus, i.e., those who are living in East Bengal to give some hope in their minds. Being full-fledged citizens of East Bengal, they may be entitled for service in both the Bengals. The right to contest election of local bodies also may be given to the minorities of both the Bengals. It can be done if a new restricted citizenship is created so far as Bengal is concerned. So far as rehabilitation of those who have come is concerned, the problem is such and the grievances of everybody interested are so enormous that unless Government is determined to rehabilitate these people immediately, something very grave at any time may happen. The problem of rehabilitation as I have seen so far as West Bengal is concerned, they proceed on a certain line on the understanding

that the Central Government will help then after a few months when they have accumulated all the facts and collected materials but suddenly they are told from the Centre that they are to proceed entirely on a new basis. I am giving only one instance. At first it was given to understand that loans will be given to individual refugees and on that basis several thousand applications were received, examined and a few hundreds selected. Suddenly after 3 or 4 months when those applications were selected, a circular went there from the Centre that loans should not be given to individuals but only through Co-operative Societies and the refugees should be asked to form Co-operative Societies. Sir, in this way I don't know why the Central Government should allow such huge wastage of public money as well as the services of our Government officials. If Central Government had a plan not to give loans to individuals that ought to have been made known to Provincial Government from the very beginning instead of asking them to prepare lists for individual loans. Then the camps should immediately be abolished and the people should be rehabilitated. Another complaint of Bengal against the Central Government is regarding the allocation of income tax and jute duty. I am reading from the speech of the Finance Minister of West Bengal:

"In spite of our representation, the Government of India has decided that till 31st March 1950 :—

(1) the Government of West Bengal will receive only 12 per cent of the total provincial share of income-tax as against 20 % allowed to Bengal under the Niemeyer Award, and

(2) the share of jute duty allocable to the provinces will be reduced from 62½ per cent, awarded by Niemeyer to 20 % only of the net proceeds and that the total provincial share will be distributed among the jute growing provinces in proportion to the amount of jute grown in each province".

Then the Finance Minister says:

"I regret to have to say that on questions like these the Government of West Bengal has a feeling that its case does not receive adequate attention in Delhi".

I would like to draw the attention of the Finance Minister to this question.

Then before I resume my seat I would have been glad if there was some provision made in this Budget as token grants to the services rendered by the Rama Krishna Mission and Sri Arabindo Mission in spreading our culture outside India throughout the World and enhancing our prestige also. I would have been very much glad if there was some provision made in this Budget as token grants to these institutions. With these remarks, I resume my seat.

Maulana Hasrat Mohani (U.P.: General): Sir, may I point out that the time is up for this discussion, and we should start the other business.....

Mr. Chairman: I know when the time is up.

Shri Radhavallabh Vijaivergiya (Madhya Bharat): One aspect of the budget which has given satisfaction to many of us who come from the States is that in matters of finance and economy of the country, the States are also coming on the same level as other provinces, and our central budget is really becoming the budget for the whole India. And to-day the representatives from nearly all the States are here in the House and taking their due and active part in the deliberations of the House and the people of the States are sharing the responsibilities and the advantages like their brothers and sisters of the Provinces.

The States, with a few exceptions, have been neglected so far. There are vast possibilities in the States, awaiting development, say in the matter of land reclamation, irrigation, etc. so that our food production which is so very short of our requirements, may be increased. Besides these, there are possibilities in the States for commercial and industrial development, and also in connection with our forests and mineral products. I would invite the attention of the various ministries here to give special attention to these areas in the States where there are such vast possibilities for different kinds of development.

[Shri Radhavallabh Vijaivergiya]

In this connection I would like to refer to the wonderful, almost miraculous work which our Deputy Prime Minister has done in such a short time, in bringing about the integration and consolidation of about 600 Indian States. I might also here make mention of the fact that things are not all well in the different Unions. Of course the reason for that is that the process of integration is going on and interim arrangements are being carried on there, and so in the changes that are being brought about, the people of the States, especially those of small States are facing great inconveniences and hardships. Therefore I would request the State Ministry to arrange for a proper machinery to give more attention to the grievances of the people in the small States.

Sir, coming to the budget proper, it is true— and we cannot deny it— that it is very difficult within two years of our independence to form or bring out our budget of finances and economy on a sound basis. Especially so when our country has been under foreign rule for the past two hundred years, and that foreign rule has left the evils behind, of a foreign economy. There were also the difficulties caused by the effects of the war. There were also the disturbances which followed Independence. But still, I would like to ask whether this is the best budget that we could have had. Could we not have had a better one? I feel we could have had a better one, even under the present difficult circumstances. Sir, the common man, the masses of our people measure your budget in terms of food, cloth and fuel, and if they find that their difficulties in these matters are decreased, or increased, they form their opinion of your budget accordingly. If we look at the budget in that light, we find that the prices of commodities have been on the increase. For instance, in February 1947, the price index of food was 290.6, in February 1948, it was 348.5 and the present index for February 1949 is 384. Similarly about the price index for textile products. For February 1947 the figure is 312, for February 1948, it was 374 and for February 1949 it is 381. The general price index in February 1947 was 292.2, for February 1948 it was 342.8 and for February 1949 the figure is 370.5. Therefore, for the common man, things have been becoming worse and worse, and this budget has not evoked any enthusiasm or support from the common people.

The big business in our country is well-organised, they have all the necessary resources to make their influence felt on the intellectual people of India and also on the Government. And therefore they have succeeded in obtaining several reliefs. The honourable the Finance Minister has given relief to the extent of over Rs. 6 crores to big business in his budget proposals, just to gain their confidence, the confidence of the business community and to provide incentive for investment and production. But what about gaining the confidence of the common people? After all it is the common people who are going to count and we cannot ignore the grave dissatisfaction that is present in the common people on account of the difficulties they have to experience at the present day. After all the real asset, the real strength of the country are the millions of our nationals, and if they are happy, if they are good and if they are strong, and united, then our country too and its finances are strong and our freedom will become stronger and stronger, and we will move on the right path. But if these people lose confidence in the Government, or if difficulties are increased day by day, and if there is discontent among them, then we cannot progress far. We cannot move far. After all their support is the main thing. This morning my friend Mr. Modi emphasised that the Government had great strength because the whole country was with them, and that the millions of our countrymen were with them. It is true the country is with the Government. But it is not with the Government to benefit the big business and the capitalists. The country is with the Government to strengthen the whole country and raise the standard of life of the people. Sir, our

civil expenditure has been increasing, and we must call a halt somewhere. In the revised estimates for 1948-49, there has been an increase of 48 crores in the civil expenditure. How long are we going to increase this expenditure? And as the cost has gone up, has the efficiency increased? No. It is clear and I think that is the general consensus of opinion that the efficiency of the administration and of the civil service has not increased. Many high officials here and responsible people inform me that there is favouritism in most of the Departments. What happens is, when one officer becomes in charge, he to entrench himself brings in his friends and tries to create new posts and further brings in more and more of his own people. Also in the appointments, what happens in the Public Service Commission is this. Appointments are made beforehand and after a few months when the matter goes to the Public Service Commission, the same appointments are approved, because one of the Secretaries of the Department is there sitting on the Public Service Commission, while making the decision. Therefore efficiency has not increased. We must aim at increasing efficiency. We must also give relief to the common people. Last year we gave some relief to big business, and this year, again we have given them further relief, at the cost of the poor people. The price index of all the necessaries of life has been increasing, and we have now raised the duty on even coarse cloth and sugar and on articles of transport. Similarly, we have increased the postal rates on postcards and envelopes. Who are going to get the advantages of these postcards and envelopes which are now to be sent by air to different parts of India. It is clear that the big business is going to benefit from this arrangement at the cost of the poor people. For instance I come from the States. I know that in the States the ordinary means of communication are not even well developed, leave alone air communications. When there are not even proper systems of roads and railways, what benefit are those people going to derive—those 9 crores of people—from this movement of letters and postcards by air? It is clear that the whole thing is that big business is going to benefit at the cost of the ordinary people.

Then, Sir, the matter of abolition of the Capital Gains Tax is a very serious matter and it is fraught with serious consequences—perhaps dangerous consequences. For if this taxation is removed, then many industries will re-capitalise their plant and later on if nationalization takes place the nation will have to pay very high costs, or they will derive benefits in other ways in the depreciation value that they will be allowed and by way of dividends. Therefore, I strongly oppose the abolition of the Capital Gains Tax.

Similarly, in the Capital Budget, we have to be very careful. In 1948 we had 274 crores as balance and at the end of the next financial year, that is March 1950 our cash balances will be Rs. 58 crores. This is quite a serious matter.

Similarly, we have to organise our export trade also on a better and sounder basis. As our honourable the Finance Minister pointed out we are finding great difficulties and having deficits in hard currency.

Similarly this matter of food: we are very short of food and yearly we are increasing our import of food and spending more money on them. We have imported 150 crores worth of food from foreign countries and we have spent nearly Rs. 82 crores on subsidies in these food matters, this year. The Ministry of Agriculture is carrying on a Grow More Food Campaign. There is a lot of pamphleteering but real work is not so much as perhaps could have been done. So, what should be done is that these Grow More Food campaigns should be organized on sounder basis and there must be a plan drawn up—a short-term plan and a long-term plan—and effectively implemented and the required machinery reformed in the Centre and in all the provinces: there should be very strict supervision over each province and State to see that the programme is being carried out according to Schedule.

[Shri Radhavallabh Vijaivergiya]

In the end I would merely say that to go forward we must mobilize the nation for freedom: we must gain the full support of the nation. There is great dissatisfaction all round and if we are to succeed, if we are to reap the fruits of freedom, the nation must be mobilized. The nation must feel the glow and blessings of freedom and the common man should feel enthusiastic in the budgets and in the freedom of the country. Therefore, we must organise our budget and our finances in such a way that the common man gets the greatest benefit and the greatest relief possible in matters of taxation, and the price index and the cost of living come down and inflation is checked as early as possible.

Mr. Tajamul Husain (Bihar: Muslim): I was going to make a complaint to you before I had begun my complaint against the honourable the Finance Minister. But since you have very kindly allowed me to speak I think I had better not make that complaint.

Mr. Chairman: I may point out that the honourable member has only ten minutes.

Mr. Tajamul Husain: Everything will finish in time. I will not be long. I think I will make my complaint. My complaint is to you. I do not care how long it takes but it is for future guidance and not for the present only.

This Budget belongs to the Congress Government: it belongs to the Congress Party: it belongs to every honourable member of the Congress Party. Every member of the Congress Party is equally responsible for the Budget. I am not in the Congress Party. I find that more time has been given to the members of the Congress Party than to those who are not in their party. Since this morning I have been trying to catch your eye and I have not been able to. But I am grateful that at last

Pandit Thakur Das Bhargava (East Punjab: General): Many other honourable members have spoken who are not in the Congress Party.

Mr. Tajamul Husain: I say that more chances have been given to them than to those who are not in the Congress Party.

Honourable Members: In proportion to their representation in the House!

Mr. Tajamul Husain: Now I will begin my budget speech.

Mr. Chairman: The honourable member has already taken three minutes in his introductory remarks. He is left with only seven minutes more.

Mr. Tajamul Husain: There is an universal cry. What is that cry? The universal cry is to reduce the poor man's burden. Everybody says: reduce the poor man's burden. Whether this universal cry is wrong or right is not the point now. The only point before us is whether the honourable the Finance Minister is going to listen to the universal cry of the poor people or not. I have not the least doubt that the budget has many good points I say this in spite of the fact that every member of your party has been condemning it. I say that there are many good points in the budget. In fact I am prepared to say that the budget is a good one. But I am not going to speak on the good points of the budget. Those points are obvious. I will mention only a few points which in my opinion are bad. I have just now said that there is a universal cry that the poor man's burden must be reduced..... ("An honourable Member: "That is a good point!") If the Chairman allows me time: I will mention all the good points. A tax on luxuries undoubtedly is a

good thing but there are certain things which have been treated as luxuries although in fact they are not luxuries. Take the case of sugar. Sugar is a thing which everybody takes and which people cannot help taking. You are really taking a thing which is not a luxury but a necessity. It will affect both the poor and the rich but the rich will not feel the few extra pies which they have to pay for sugar whereas the poor will be affected by it.

As regards petrol it is now more a necessity in certain matters than a luxury. The poor man uses the motor transport and if the duty on petrol is going to be increased the poor man will be affected. The honourable the Finance Minister has proposed that as regards petrol used for aviation the tax will not be increased but decreased. Who goes by air? Not the poor people but the rich. So you have given benefit to a certain extent to the rich people. I would suggest that the duty on petrol for aviation should be increased and the duty on petrol for buses and transport meant for the poor should be decreased.

As regards cloth, as a result of the taxation the price will go up and the poor will feel it, though not the rich.

Other honourable members have dealt with postcards and letters. Because this is a poor man's necessity I would also like to say a few words on it. One consolation is that letters will in future go by air as it is possible and then take the ordinary route. In the villages and in the interior of the country there are no air services and so how does this benefit the poor man in the villages. If a poor villager writes a letter from Delhi to Tundla it cannot go by air. It won't go to Cawnpore by air and then back to Tundla. So this is of no benefit to the poor at all. The Finance Minister expects 2.85 crores from this increase. He has given a relief of two crores to the supertax-payers. It means that he takes money from the poor and gives it to the rich. Therefore I will just make a few suggestions. Let there be no increase in postage. Let the postcards and letters go as previously by train but increase the postage on air mail letters. In this way the poor man will not be affected at all.

As regards the exports which we send outside we have received complaints that they are of inferior quality and the imports are so expensive that the poor man cannot afford to buy them. So in this way the poor are affected.

The Honourable Dr. John Matthai (Minister of Finance): Sir, I have no doubt that the House is relieved that this long debate has at last come to an end. It is a relief which, I confess, I share. It has been in many ways an interesting, informative and revealing debate, and I have greatly benefited by this debate. We are in many ways a new and an untried democracy and I think a debate like this, covering the whole range of our national administration, has revealed, if I may say so, all the known characteristics of a young democracy. We have a great sense of idealism and a keen ambition to realise those ideals but we are still somewhat at a loss to understand the problems and the precise difficulties with which we are faced.

[At this stage Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar) resumed the Chair.]

We are getting increasingly impatient with the earth and all that is in the earth. We would like to find our way to Heaven but we have not as yet been able to find it. For the moment I am speaking both of myself and of every member of the House—We are for the moment floundering in space not knowing where to locate ourselves.

I had the rather difficult and unpleasant task of formulating the budget this year. I wonder if in recent years there has been a year when the economic and financial circumstances of the country have been more difficult to assess or to estimate and to provide for. We have prepared

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a great many unorthodox budgets in recent years. May I begin with the Budget of 1946, the Budget which was introduced by the last Finance Minister of the unreformed Government. That was a curious budget. That budget was framed with the main idea of providing influences which would counter the inevitable deflation which was expected to arise after the war. When war expenditure had ceased it was feared widely that there might be a lessening of demand for things and therefore it was necessary to pump more and more money into circulation to stimulate demand. So the last Finance Member of the old Government tried to remove all the taxes which he could possibly eliminate from the tax structure of the country. But the result was that at that time capital goods were not available and difficulties of one kind or another stood in the way of increasing production and the money which was released by the elimination of taxes was used for purposes which had very little to do with production. What happened then was an unhealthy boom in the share market. That continued almost until August or September 1946. Now that date August or September 1946 is a very important date constituting a landmark in the recent financial history of our country. Honourable members will remember that it was in August 1946 that the great communal massacre occurred in Calcutta and it was about that time that a sharp reaction was experienced against the boom that inevitably started with the release of more and more money into circulation as the result of the budget of 1946. That was accentuated by the further communal massacres that took place later in the year. Then in February 1947 came the budget of the Coalition Government, for which Mr. Liaquat Ali Khan was responsible. That budget was framed against an inflationary prospect as Sir Archibald Rowland's budget was framed against a deflationary prospect. The Budget of 1947 was based on the assumption that there was far too much money in the country, that commodities were going up, the inflationary position was worse than ever, the share markets were experiencing an unwholesome boom and it was thought necessary that the process should be reversed. Therefore new taxes and heavy taxes were imposed, the very reverse of the process which found expression in the Budget of 1946. The budgets of 1946 and 1947 were both unorthodox budgets, sensational budgets, and the country has not yet recovered from the cumulative effect of two unorthodox budgets. When the Prime Minister did me the honour of asking me to take charge of the Ministry of Finance under the very difficult circumstances which were developing in the country last October I say to myself, knowing the difficulties and the complications that had resulted from sensational budgets, that as far as in me lay I would produce an orthodox, routine, straightforward budget. This unfortunate country has been knocked about for two years in many ways. What it needs today is a little rest, a little room for recuperation, for convalescence. The period will not be long, but that period is essential if the country is to get back its health. Sir, there is nothing sensational in my budget. It is a straightforward statement of the country's financial position.

We are faced with extraordinary expenses. I have been told more than once that the Government of India have shown very little inclination to implement the oft-expressed desire of the House to effect economy in public expenditure. In fact I think one of the most constant notes which have been struck in the course of this debate is that this Government of which on the financial side I happen to be the responsible spokesman have shown a callous disregard of the anxiety felt by the House and the country in the matter of economy in public expenditure. If the House will be patient with me I should like to tell honourable members that as far as the Economy Committee is concerned there is nothing which I said in the budget or which I left unsaid in the

budget which provides any kind of foundation for the suspicion that we are not going to take the most serious notice of the recommendations which have been made to us by the Economy Committee. The reason why I have not made any definite provision in the Budget for 1949-50 is that we did make a hypothetical provision in the budget of 1948-49 but due to circumstances over which we had little control that hypothetical provision could not be implemented. As far as I was concerned the position in which I found myself was that the Committee had not completed its investigation—a few interim Reports had come—but the final Report which is to set out the general principles and the main considerations on which the recommendations are based is yet to come. And these interim Reports which have come in—valuable Reports—are Reports which give the recommendations more or less in the form of summary proposals, more or less in the form of small cause court decisions. Unless I know precisely the general considerations which govern the outlook of this Committee it is not possible for me to formulate definite serviceable conclusions on these recommendations. Further, as Minister of Finance I am primarily responsible for seeing that every possible measure of economy is adopted. But I have got to consult other Ministries with reference to whom these recommendations have been made, and if I am not in possession of the general considerations on which these recommendations are based, however anxious I might be to introduce economy it would not be possible for me to maintain my stand in the necessary discussions that arise between my Ministry and the other Ministries. I found myself therefore in this position that however anxious I was for economy, however anxious my Government was for economy, I was not in a position to put in the budget a figure which I would be able exactly to implement. Rather than put a hypothetical figure I said to myself I would take the House into my confidence and say I am not in a position to do it but I give my solemn assurance to the House that whatever recommendations are made by the Economy Committee would be recommendations which would receive my most earnest attention.

Shri T. A. Ramalingam Othettiar (Madras: General): The whole of the gap that exists need not be covered. Something may be left over for the economies that are likely to be effected by implementing those recommendations.

The Honourable Dr. John Matthai: That does not improve the position as I have set out. The real point to which I would like to invite the attention of the House is this. Honourable members in the course of their speeches have more than once referred to this fact. The items of expenditure under which substantial economies can be effected are not the items of expenditure covered by the reference to the Economy Committee. There is for example our defence expenditure. There is our expenditure on food subsidies. There is our expenditure on the relief and the rehabilitation of displaced persons. I for one would venture to prophesy that at any rate a very substantial part of these special temporary expenses could probably be eliminated before the year 1949-50 is out if for example the Rs. 85 or 40 crores which represents in the budget of 1949-50 the excess of the defence expenditure due to special developments such as Kashmir—if a substantial part of that—could be eliminated. If developments take place in Kashmir as we anticipate, if as the result of exercising a little more pressure on the procurement policy of the Provincial Governments, if as a result of improving our production schemes aimed at immediate production of food, if as a result of a fall in the level of international prices of foodgrains, if the monsoon is going to be a little less unkind to us in the coming year than it has been in the past few years. It is quite possible that under the expenditure on food subsidies we might be able to make a substantial reduction. As regards the work on displaced persons

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we are trying as soon as possible to transform the work done in that Ministry from relief to rehabilitation. If that transformation takes place—part of it is completed—then the expenditure, once it gets transformed from relief to rehabilitation, will cease to be revenue expenditure and will become capital expenditure and in the revenue budget therefore there might be some substantial relief. As far as I am concerned if I happen to be in charge of this Ministry this time next year my anxiety would be during the twelve months between now and then to strengthen the forces which are likely to give me economies in these three substantial spheres of expenditure. If that happens—it is a dangerous thing for a Finance Minister to forecast—but subject to this qualification that no untoward developments occur, if for example we are not faced with another war situation, if we are not going to be faced with another general international economic depression I would venture to make this forecast that when the time comes for this House to consider the budget for 1950-51 our finances would be definitely more comfortable than they are today. Well, if we are so favoured, if it happens that the budget shows a substantial surplus next year as I hope it may, then it is possible for us to use that in two directions both of which are directions which the House favours, we might be able to provide for substantial tax relief on the one hand and we might be able to contribute much more than we have done since we assumed office for the development of those essential nation-building activities on which honourable members have set their heart and on which Government is as keen as any Honourable Member in this House. I hope, Sir, things will develop as we anticipate. If they do, then I venture to think that the year through which we are going to pass in the next twelve months will probably prove the most critical period in our financial history since the country became independent.

A great deal has been said in the course of the debate on the problem of inflation. Inflation, as the House recognises, is a question of the supply of money on the one side and goods and services on the other. I think several honourable members expressed the fear that not enough has been done in the way of drawing away super-abundant supply of money from circulation. I would like to tell the House quite briefly what, in my opinion, is the present money position in the country from the point of view of inflation. If you think that the quantity of money which is operating in our economic system today is to be measured exactly by the amount of currency notes in circulation and the amount of bank deposits you will be very much mistaken. That gives you no indication of the effective money supply of the country today because, remember, a good deal of this money that is represented by the figures of money circulation and bank deposits has gone underground, is dormant, is not in circulation. There is a good deal of that money which has been hoarded because it has passed into the hands of people who are not used to investment and, therefore, for effective purposes that money does not function. There is a very considerable part of that money which is locked up as working capital in larger quantities of stocks than before because the whole process of distribution and transport is now slower than it used to be before the war. In other words, what I am trying to point out is that the pace at which money turns over is very much less than it used to be before. Therefore, my first proposition is that the amount of superfluous money in the country is much less than we are apt to imagine.

Now I come to my second proposition which is this. What money there is in circulation, relatively little of it is going into the investment market because when it comes to industrial investment the whole trend of opinion among investors for some time has been that industrial investment is a matter

which is attended with special and serious risks. So money avoids the industrial investment market. On the other hand that money is being drained off in increasing quantities into investments in purchase and sale of readily marketable commodities which involves no risks. When that happens, the inevitable result is that all these consumers goods, the prices of which determine our cost of living, are going to be in demand much more. That is the position that we are seeing today. On the one hand you have got a sharp rise in prices of consumers goods, and a large amount of surplus money is floating about. On the other hand, there is extreme stringency of money in the money market. That is the kind of conundrum with which we are faced, and I tell the House with every sense of responsibility that the real problem before us—if we are convinced that production is the final answer to the problem of inflation—the real problem before us is to reverse this process and gradually divert the money from the market for consumers goods back into the investment market. If there is any general principle behind by budget, it is that. I feel there is no other solution for the problem of inflation except increased production and unless you can divert this money in increasing quantities back into the investment market, you are not going to find a solution for it.

As the result of the partition, this country's economy has suffered much more grievously than many of us have yet begun to appreciate. There is hardly an aspect of the economy of our country on which partition has not reacted directly and adversely. Take for example the question of transport. My honourable colleague the Minister for Transport will tell you more than 50 per cent. of the troubles of our railway transport is due to partition. My honourable friend the Minister for Commerce will tell you the whole trade structure of the country has been disorganised as the result of partition. My honourable colleague the Minister for Food will tell you that if our food position has been so acute as it is today it is due in a very large measure to the partition. And as Minister for Finance I know that if our foreign exchange position today is so difficult it is to a very large extent due to partition. If our Defence expenditure is so high today, it is due to a large extent to partition. If I have met large bills on account of pre-partition liabilities, what is it again but partition? What the House has got to realise is this, that as a result of the various circumstances that started occurring from August 1946, the country has got into a position today where its economic structure has been most seriously damaged. The result of the damage that has occurred to our economic structure is that the wheels of production now have come almost to a standstill. I feel today, both as Minister of Finance and as a student of economics, that the most urgent problem before me is to set the wheels of production moving again. I am not interested today in what the future organisation of our economic society is going to be—that problem will arise in the future, there will be enough time to consider it. Today I am concerned with this problem: here is this whole economic machinery of ours going to pieces; I want to piece them together and make the wheels of our economic machinery move again.

That is the great problem before us and that brings us to this question that we are all agitated about and to which we are giving, in my opinion, more thought and time, than the problem at present deserves. Are we going to nationalise our industries, or are we going to leave our industries to private enterprise? My answer to the question is this. So stagnant today is the whole of our economic system that we need all the resources which are available in the country, whether public or private; all the resources which we can muster in the country we need every bit of them for making the productive system of the country function again in the way it ought to

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In framing this Budget, I have felt that one thing that is necessary is that those who are prepared to consider investment in industrial concerns; those who are prepared to devote their energy and ability to organising industries in the capacity of entrepreneurs, both these groups of people have got to be given a sense of assurance and certainty about the immediate future. Without that sense of certainty, neither of these classes can be brought back into work in the way in which they ought to be. Whether we are going to keep it there after ten years or not, that is a question with which we are not concerned for the moment. What we are concerned with today is that these two classes of people, the enterprisers and the investors, must be made to come back into the field where their services are so urgently required. If the State's resources—resources of finance and personnel—are adequate, the State will certainly take up industries and do its part in this business of developing production, but the State's resources are limited and therefore every available resource in this country must be mustered if this country is to be saved from economic stagnation. That, Sir, is the basis of my Budget.

I have given very little by way of encouragement to investors and enterprisers. What I have done is to give tangible evidence of Government's desire to assure them as regards the immediate future that if they put their ability into this business of production, if they put their money into this business of production, Government will see to it that their interests are legitimately safeguarded and I think every community, every section, of the country which plays its part in the development of the country's economic activity has a right to that assurance, and I do not apologise to anybody for giving this little tangible proof of the assurance that they need and need so badly. On that point, therefore, I am fairly confident that there is no criticism that can be urged against me which I cannot meet with reason. (*An Honourable Member*: "What about the capital gains tax?") I am coming to that. I am coming to a number of other things. Now having said that, Sir, I want to echo and endorse what Mr. Homi Modi said this morning. I have framed this Budget, put it forward before the country, deliberately as a challenge to the business community of the country. It is a Budget which calls upon them to rise to a great and important occasion. If they do not do so, I think they will be held guilty of a serious lapse at the bar of public opinion in the country. We have gone as far as we could in the very difficult financial circumstances in which we are placed. We have gone as far as we could to give them that assurance for which they have been asking. They have been complaining that what stands in the way of production is loss of confidence. We have given them this assurance and if this assurance does not give them the confidence that they have asked for, there must be something fundamentally wrong with the business community as a whole.

Maulana Haarat Mohani: You justify it in giving this assurance.

The Honourable Dr. John Matthai: Now, I come to the various tax proposals which have been the subject of criticism in the House. With regard to the capital gains tax, the point was made—and it is quite an effective point that with all this liberalisation that we have made in the depreciation allowances, there is just a possibility of these allowances being abused for the purpose of sales of depreciated machinery at higher values and the excess value escaping liability to taxation. That is a point which I have seriously under consideration and I am hoping at an early date to place legislative proposals before the House which will provide sufficient safeguards against that abuse.

Now, I come to the question of post cards. In fact, I find that of all the proposals embodied in my Budget, that is the proposal which seems to have attracted the most interested attention. I would like to place a few plain, straightforward facts before the House and ask the House to judge these facts for what they are worth. First of all, my honourable colleague the Minister for Communications has given me a statistical statement which leaves me at any rate in no doubt as regards the fact that the existing cost of production of post cards—the manufacture of the cards and the handling of the cards—is exactly 8.2 pies, so that even if there was no question of transporting these by air the very fact that the cost is 8.2 pies provides, a *prima facie* justification for the proposal to which the House has raised such very strong objections. Sir, in many ways our sister Dominion has set us an example in economic matters. They still have a charge of 9 pies for their post cards. The House will remember that for about fifteen years on end, until February 1946, our post cards were priced 9 pies. If you take the rates for post cards in other countries such as the U.K. making the fullest possible allowance in the difference in levels of national income, 9 pies is as low a figure as you can strike. (Shri H. V. Kamath:) "Not in India, Sir" I am not for a moment suggesting that the House must necessarily come to a conclusion on these figures, but I do submit to the House that these figures constitute at least a *prima facie* justification for the proposal that has been put forward.

Babu Ramnarayan Singh (Bihar: General): No.

Pandit Hirday Nath Kunsru (U.P.: General): You did not give that justification in your Budget speech.

The Honourable Dr. John Matthai: Well, I was looking forward to a general discussion of the Budget, a general discussion which has given me precisely the opportunity that I wanted for explaining matters in which the House is interested.

There is another point which I would like to place before the House. I did a certain amount of statistical calculations myself, and I took the total of post cards which were delivered in the course of the last, latest year for which I have figures. Then, I took the proportion of the literate population of the country. I divided one by the other and then multiplied it by 3 pies and then the figure that I got was an average extra expenditure of exactly $3\frac{1}{2}$ annas a year. Now that is divided by the literate population, but supposing I divide it by the whole population or a substantial proportion of the population including the illiterates, it would be considerable less than $3\frac{1}{2}$ annas. I put these facts before the House and honourable members will no doubt turn these facts over in their mind.

I come to this question of the excise duty on coarse cloth. The House will accept my assurance that it was with the greatest diffidence that I finally decided to recommend the duty on coarse and medium cloth to the Government. I had various reasons in my mind for making this proposals, however reluctant I was to face the proposal. The loss of the salt duty has undoubtedly been a strain on our revenue position. To my mind, it is quite out of the question to bring back the salt duty. Apart from everything else, it has a symbolic significance which we of this generation cannot afford to ignore. But I do think from an economic point of view, there is more to be said, if the principle of an excise duty on an article of universal consumption is accepted, an excise duty on cloth than an excise duty on salt. I will tell you what the reason is. It is not an original reason, because, the abolition of salt duty was decided up on two years ago when I had the honour of filling the post of Finance Member in

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the Interim Government. I came to that decision after a great deal of wavering in my mind. Mahatma Gandhi did me the honour of asking me to meet him and I had several long discussions with him. Although on purely economic grounds I was very reluctant to accept the proposal for the abolition of the duty, I can still remember looking back over these two years, ultimately I decided that he was right and I was wrong and I accepted the proposal. When I placed my proposal before the Cabinet for acceptance by the Government, I had no kind of mental reservation.

The difference between the excise duty on cloth and the excise duty on salt is this. However wealthy you might be, however large your financial resources may be, or your purchasing power may be, you do not consume more than a limited quantity of salt fixed by your physical requirements. But if you had an increasing amount of purchasing power available, you can buy more cloth. In other words, salt stands practically on the same footing as air and water. It is one of the essential things of life, on which to levy a tax, I think goes counter to the principles of humanity on which any modern State is based. May I give the House this somewhat interesting fact—at any rate, it interested me when I was considering this matter. If you take the excise duty at the rate we have proposed, on coarse and medium cloth; a quarter anna per yard, the average incidence of it per year is less than half the average incidence per head of the salt duty. I ask the House to consider with me, if you are prepared to allow that there is justification for an excise duty on an article of universal consumption, whether there is not a *prima facie* case for considering this.

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I had also another idea in my mind when I was examining this proposal; I referred to it in my budget speech. The hand-loom industry in this country if the premier cottage industry and I for one believe that whatever kind of economic organisation may ultimately arise in this country, cottage industry must fill an important place, and typical of the cottage industries of the country is the hand-loom industry. The hand-loom industry had a privileged position during the war. Now, mill production is increasing, imports are coming in, in increasing quantities into the country. A time will soon come when the hand-loom industry in the country will be faced with a crisis. If you are at all interested in safeguarding the position of the industry in the country's economy, I suggest that it would not be possible for you to give any assistance apart from the device of an excise duty. I was the Chairman of the Indian Tariff Board of 1932 which went into the question of the Cotton Textile Industry and this question was raised before me over and over again in every part of the country that I visited. The hand-loom industry was suffering from actual competition from the mill industry and I was asked over and over again, "what are you going to do about it." I thought at that time of an excise duty. But a foreign Government was then ruling the country and an excise duty levied by that Government had odious associations which made it quite impossible for me to consider it then. Today, the position is entirely different. That kind of sentimental consideration that prevented me from examining an excise duty as a means of safeguarding the interests of the hand-loom industry is not present today. Before honourable members make up their minds for themselves, I would ask them to look at this question from both these points of views.

Shri T. A. Ramalingam Oshettiar: Do you think that the proposal for an excise duty on cloth is really going to help the hand-loom industry, to put that industry on its legs?

The Honourable Dr. John Matthai: These question of detail, I suggest, may be held over till the debate on the Finance Bill.

There has been a critical reference to the increase in the excise duty on sugar. We are following the same principle there. The excise duty does not apply to *gur*; it does not apply to *khandsari* sugar; it applies only to mill made sugar. In fact, throughout the whole structure of our excise duty, this principle will be borne in mind, that is to say, if it is possible by means of this to give some of the much needed assistance that the hand-loom industry requires, it will be given in this way.

With regard to excise duties generally, a suggestion that I would place respectfully before the House is this. We are in for a time when, whatever rates of duty you adopt with regard to income-tax whatever rates of duty you adopt with regard to customs duty, these two sources of revenue would begin to decline. We are a democratic society trying to function as an independent Government. Honourable members know as well as I do that while democracy is a priceless blessing, it is a very expensive blessing. The more democratic our society becomes, the more it becomes a positive organ of social and economic development, the more you will find the financing of it is going to strain your resources. I have not the slightest doubt in my mind that, if not today, at some time in the near future, you would be seriously faced with the question of accepting excise duties as an inevitable source of revenue for financing the fundamental functions of a democratic Government.

A great deal of reference has been made to the question of provincial taxation. I am aware of the problem that has been created by the conflict and overlapping which have arisen in the matter of taxation as between the Centre and the Provinces. I entirely agree with the view expressed by honourable members that it was time, in the country's interests, in the interests of India as a whole, that this problem was handled and a solution found for it. I will tell the House quite briefly how I am going to face this problem. There are two ways in which you can find a solution for it. You can bring about a convention by agreement between the Centre and the Provinces, and among the Provinces themselves. By agreement, a convention can be created by which this overlapping and conflict may be reduced to a minimum. I held a conference of provincial Finance Ministers a few months ago and one of the questions that we discussed at that conference was how to eliminate this element of conflict and overlapping from one, at any rate, of the taxes levied by the provincial Governments, namely, the sales tax. There was very considerable agreement on major points by the various provincial Governments, but ultimately, it was not possible for us to reach a clear-cut final decision on that point. By exploring the possibilities of agreement between us and the Provinces, it may be possible to reach a solution. Failing a solution on these lines, then, it seems to me we have got to consider in connection with the financial proposals to be put into the Constitution whether we cannot devise a formula which would enable us to eliminate this conflict and overlapping in the matter of taxation by the Centre and the Provinces. There was a certain amount of reference to what is called the Capital Deficit in the budget. It is perfectly true there is a capital deficit shown in the budget statement of roughly about 184 crores. Now I could have avoided that deficit altogether if I had said in my budget speech that instead of estimating 85 crores as my market borrowing, I could have put my estimate at 150 or 200. But I decided to be realistic. I decided that in the circumstances in which I found myself it was necessary that my estimate should bear a fairly close relation to facts. There is another way in which I could have avoided this and that is by telling both the Departments in the Central Government and Provincial Governments 'Nothing doing in the way of capital loans for next year.' Now

[Dr. John Matthai]

a criticism has been made that while you are trying to balance your revenue budget, here is this enormous gap in your capital budget which is going to create inflation and all sorts of difficulties. In fact it has been suggested that this capital deficit is so serious a feature of this budget that it deprives it of all right to consideration. Mr. Deputy Speaker, I don't know if you consider 'nonsense' an un-parliamentary expression.

Mr. Deputy Speaker: Not if it is uttered by a Finance Minister.

The Honourable Dr. John Matthai: May I say, I have seldom listened to such nonsense as has been spoken on this subject. This deficit of 184 crores is being met out of our balances. Now we have got sufficient balances out of which to finance this deficit. Even after allowing for this deficit, at the end of 1949-50 we will have roughly about 58 to 60 crores. In pre-war years, if you take the last pre-war year, our cash balance was somewhat about 18 crores. If you make due allowance for the increase in our budget since then, about 58 or 60 crores is the equivalent of our pre-war normal cash-balance. Of course if it happened that during 1949-50 I am unable to raise the amount of loans in the market that I expect and if demands of the provinces and the Central Government of capital expenditure go on rising, it is of course possible that I may find myself in a difficult position but we have got to take risks. Life and particularly the life of a Finance Minister is a gamble.

Now I will conclude on the note on which I started that I feel barring untoward, unexpected developments, that if we are able to see our way through 1949-50—a very critical year in many ways, a period so to speak marked by a precarious financial balance, if we are able to see our way through that, then I think we shall have broken for some years to come the back of our financial problem. I personally take the view as I said in the budget that our financial future is hopeful. I believe that there are bright days before us. I believe also that these bright days will come sooner than many of us think. If I may say so, Mr. Deputy Speaker, Providence has been good to this country through all the ups and downs of the centuries and if there is one thing of which I am more confident than any other, it is that God's Mercy will not forsake us in this hour of transition and trial.

ESSENTIAL SERVICES (PREVENTION OF STRIKES) BILL

The Honourable Shri Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, my colleague the Home Minister was to have moved for the House to take into consideration a Bill to provide for the prevention of strikes in certain essential services. He has asked me to express his regret for his absence on this occasion because he had to go out of Delhi on an important engagement. He has asked me further to read out to the House a certain statement which he would have read himself if he had been present. This is the statement:

"I beg leave of the House to withdraw the Essential Services (Prevention of Strikes) Bill. In asking for this leave, I should like to explain that when the question of introducing a measure declaring certain strikes illegal was first considered the Railway and Communications Ministries who were threatened with strikes in their respective departments, felt that a Bill prohibiting strikes in these two essential undertakings was necessary to deal with the situation. Subsequently matters improved in that the All India Railwaymen's Federation decided against a strike and the problem was of dealing with strikes sponsored by Unions which did not obey the Federation's mandate and the threatened postal strike. It was then considered that it would suffice to have a mere enabling measure with somewhat wider scope so as to cover certain other essential undertakings in which strikes or threats to strike had become a matter of frequent occurrence to the detriment of the morale and interests of the general community. Now the position has further improved in that the strike threat is at present confined only to certain Railways the Unions of whose employees are dominated by the Communists.

But as against that improvement must be set the grave deterioration which has occurred as a result of recent events in Calcutta and elsewhere. I am sure the House realises, in the light of the statement made by the honourable the Prime Minister the other day, the full import of these incidents and appreciates that the problem is not confined only to possible strikes by certain dissident Railway Unions, but is one of law and order generally, involving, as it does, a violent and brutal challenge to the State. This situation has to be carefully considered and suitable measures devised to meet it. We propose to do this and, if necessary, to approach the House again for such directions and powers as may be deemed necessary".

May I, Sir, add a few words of my own. This statement which I have read out on behalf of the Home Minister, I need hardly add, is a statement with the full concurrence of Government. There have been a number of criticisms in regard to the proposed Bill that it proceeds on certain wrong assumptions and it has been stated by some people that the Government was trying to aim a blow at the Trade Union Organizations or their general right to strike. Government have no such intention. That we have repeatedly declared. Fortunately in the present instance, there is no organized or what might be called regular strike envisaged. And the situation has changed for the better, and to some extent in another direction, for the worse. We have to deal with a situation now which is not a strike situation at all, but something entirely different. I do not know exactly how it might develop. But from statements made, sometimes publicly and sometimes otherwise—and we have a considerable record of these statements—it seems clear, as I indicated the other day, that certain groups are bent, not so much on a strike, but on creating disorder and chaos and indulging in acts of sabotage. The other day I reminded the House of the incidents that happened in Calcutta. These incidents were bad in themselves. They were brutal in the extreme. But what was even worse I think, was not unfortunate fact of some persons being killed—that is bad enough—but the fact that some people of our country should be brutal and mad enough to think of such acts and indulge in them. Unfortunately, that kind of atmosphere has been deliberately encouraged by some groups of people in the country. I am quite sure that the vast majority of people and workers are not affected by it and strongly disapprove of it. I should like, therefore, to make it perfectly clear that we do distinguish definitely between these groups who are bent on these anti-social activities and the large majority of workers or employees—employees of government or other employees—in the country. We have to meet therefore, this position created by certain anti-social elements in the country. That is not a labour situation. That is not a strike situation. That is an entirely different situation. Unfortunately, even a small number of misguided or malevolently inclined individuals can cause trouble. Therefore one has to take care, and we propose to take every precaution and proper care. But in doing so, I should like not only this House, but the country at large to realise the nature of the problem that we have to face. That is problem again, not of labour as a whole, or of strikes—those are separate things which can be dealt with in their proper context—but the problem of certain groups who are out, not for the economic benefits of labour, not for the normal labour or trade union activities, but to create certain chaotic conditions out of which perhaps they would.....

Maulana Hasrat Mohani (U. P.: Muslim): What is the use of this ex-parte judgment?

Mr. Deputy Speaker: Order, order. No interruption please.

Maulana Hasrat Mohani: I suggest this an ex-parte judgment. Where is the use of it?

Mr. Deputy Speaker: The honourable member will kindly not interrupt here after.

The Honourable Shri Jawaharlal Nehru: It is not quite clear what the honourable member meant by *ex-parte* judgment. *Ex-parte* to whom or what? I should like to make it clear that, whether it is *ex-parte* or not, it is the judgment of the Prime Minister and the Government of this country, and so long as this government lasts it is going to act according to that judgment. I do not know if the honourable member belongs to that other party which apparently he thinks is not represented here, except by himself. I think that matter must be made clear. If any member tells you that this is an *ex-parte* judgment, what exactly does he mean? When I am talking of certain anti-social elements in this country, elements which have committed murder, dacoity, arson, loot, and the most horrible crimes, elements which the other day in Calcutta threw two persons into a blazing furnace—I think it is horrible.....

Maulana Hasrat Mohani: The Communist Party has denied the thing. They are not responsible for it.

The Honourable Shri Jawaharlal Nehru: I do not know if the honourable member here represents the Communist party or not. That I would like to know from him.

Maulana Hasrat Mohani: I appreciate the communist principles, but I do not belong to that party.

The Honourable Shri Jawaharlal Nehru: ⁶⁰ May I make it perfectly clear that I am not discussing any economic or political or other principles here at the present moment. So far as this government is concerned, we have tried to give the largest latitude to expression of views, even though those views may, according to some of us, be wrong views. But we are dealing with a situation, not of expression of any views, but with a situation when violent acts, dangerous acts, subversive acts, are committed. These have nothing to do with views as such. I want the House and the country to realize that, because if this government or any government accepts under the guise of expression of views, violent activities, then that government or the structure behind that government cannot last. That is obvious. Are we committed to peaceful activities in this country or to violently subversive activities? That is the point at issue. I submit that no government can admit violent activities, violently subversive activities—and I use the words together I do not mean even theoretically subversive activities, but violently subversive activities, no government can possibly tolerate them. Apart from that, I suggest to the House to consider that the type of activities that we have had to face, that is even worse than what might be called violently subversive activities, an open rebellion of people with arms or otherwise, becoming violent facing an army or things of that kind. Such a thing the Government can meet. But infinitely worse is the person who comes and stabs you in the back. Think of persons being hurled into a blazing furnace. I can imagine nothing more despicable than that.

And the House will remember that I did not use the word "Communist" or "Communism". It is the honourable member who used the word (*Shri H. V. Kamath*: "It just fitted him") I state that whoever indulges in such activities will have to be suppressed and stopped by government, whoever he may be. There are in the country people, a number of small groups, small in numbers, come associated with the Communist Party and some not associated with the Communist Party—it is immaterial what political creed they profess. But if as part of their creed, as part of their activities they indulge in this type of violently subversive activities, then we have to deal with that situation, and I should like to appeal to labour in this country. There may possibly be differences of opinion in regard to labour matters between members in this House or between the Government and the representatives of labour occasionally. But one thing

I shall beg this House and labour generally, to realise, and that is this: This government as a whole is bent on not only improving the general condition of labour—that is rather a weak way of putting it—but of giving its rightful place to labour in the governance of the country. Even if there are differences of opinion with regard to that, I do submit that there should be no difference of opinion even between persons who have different approaches to these other matters, there should be no difference of opinion when we have to deal with a kind of situation that, to some extent, is facing us to-day.

I do not wish the House or the country to imagine that we are frightened of the situation. We shall deal with it adequately, we are quite confident. But it is not the extent or the danger of the situation that rather distresses me, but the nature of the situation, that there should be some persons in our country who are so entirely misdirected or wrongly inclined as to think in such terms. The types of slogans that are used, they are murderous slogans, and the types of activities that are seen in various parts. Who are behind them, what group or party, or what individual, that is another matter which we shall consider at length and have enquiries made. The fact is that there are groups of individuals who do these things and that they deliberately indulge in acts of sabotage which are not only dangerous for the community but may result in grave disorder in a large number of the Provinces, quite apart from the economic aspect. That is a point on which there should be no two opinions—whether labour or those occupied in other activities in the country. It is because we did not wish the issue to be confused that the Government decided not to proceed with 5 P.M. this Bill, which really had been thought of in different circumstances. Therefore, on behalf of the Home Minister, I beg leave of the House not to proceed further with this Bill.

Mr. Deputy Speaker: The question is:

"That leave be granted to withdraw the Bill to provide for the Prevention of Strikes in certain essential services".

The motion was adopted.

The Assembly then adjourned till Quarter to Eleven of the Clock on Monday the 7th March, 1949.