

Mr. Speaker: This will not be recorded. Let the hon. Member go on raising whatever he likes. I shall have to offer satyagraha. What else can I do? After all, I am helpless. If every day this kind of thing happens, what am I to do?

Shri Hem Barua: Is it satyagraha on your part?

Shri N. Damdekar (Jamnagar): I move that we get on with the next item on the agenda.

Mr. Speaker: Calling Attention.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

DECISION re AID TO INDIA BY AID INDIA CONSORTIUM

Shri D. N. Patodia (Jalore): I call the attention of the hon. Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon:

"The decision taken by the Aid India Consortium at its meeting held in Paris about the quantum of Aid to be given to India in 1967-68."

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): There are four pages I hope there is no objection to reading it.

Mr. Speaker: I think it is important enough.

Shri Nath Pai (Rajapur): He need not read. We will start asking supplementaries.

Shri Morarji Desai: It will take only ten minutes.

Mr. Speaker: Let him read.

Shri Morarji Desai: Sir, hon. Members are aware that for some years

now a number of countries and institutions interested in development assistance to India have been meeting periodically under the Chairmanship of the World Bank to consider our needs for external assistance. These are Austria, Belgium, Canada, France West Germany, Italy, Japan the Netherlands, the U.K. and the U.S.A. meeting of what has come to be known as the Aid-India Consortium was held in Paris from April 4 to 6, to consider our needs for the year 1967-68. The World Bank has issued a Press Communiqué at the end of the meeting and a copy of the communiqué is laid on the Table of the House. [Placed in Library. See No. LT-322/67.]

2. There is very little that I can add to the communiqué itself. Hon. Members, however, would note that the communiqué shows that the countries and institutions represented at the Consortium have taken a friendly and constructive view of our requirements as usual. Although the full details of the assistance to be made available by each member of the Consortium have not yet been worked out, a target of approximately \$ 1300 million for new aid to be provided in non-project form, inclusive of aid to meet our food requirements, has been considered appropriate. This year we have been faced with a particularly difficult situation in which we need to import substantial quantities of food in addition to the normal requirements of raw materials, components and the like for sustaining our agriculture and industry. It is gratifying that the communiqué is able to say that, together with adequate total non-project assistance, India's immediate requirements of food imports should be met without jeopardising other essential imports. Hon. Members, I am sure, would like me to take this opportunity of thanking the World Bank and the countries represented in Paris for their continued support to our developmental efforts.

3. On food, on present indications, we need to import during the current calendar year about 10 million tonnes of which imports of 4.3 million tonnes have already been arranged largely as a result of supplies authorized by the United States under the PL 480 Programme. Some other friendly countries, notably Canada, the Soviet Union and Australia, have also given us generous food assistance which forms a part of the imports already arranged. In addition, the United States Government has shown willingness to supply a further quantity of 3 million tonnes under the Food for Peace Programme if an appropriate response to our food needs is also found among our other friends. This leaves a balance of about 2.7 million tonnes. Against this balance, some 600,000 tonnes of a total offer of 700,000 tonnes from Canada would be available as they are yet to be shipped and, therefore, not included in the figure of 4.3 million tonnes to which I referred earlier. As the communique points out, new aid for food, fertilizers and related agricultural production materials as well as aid in a form which releases cash for the purchase of food was indicated by Consortium members during the meeting. Although no details are yet available of the contribution of individual countries or its nature, it is believed that total food aid from consortium countries other than United States and Canada will enable us to procure foodgrains worth \$120 million. If some additional food assistance is available from countries and institutions not represented at the Consortium, this should make it possible to meet our immediate import requirements of food, subject, of course, to availability in world markets and the adequacy of total non-project assistance to take care of both our food and non-food requirements.

4. The requirements of additional food aid inclusive of the U.S. portion of 3 million tonnes, the balance of the Canadian offer yet to be shipped and the assistance promised or

expected from other countries add upto \$ 380 million. Since total non-project requirements, both food and non-food, have been estimated by the Consortium approximately at \$1360 million, it follows that non-project assistance for requirements other than food has been placed at about \$900 million i.e. the same level as in 1966-67. While we shall have to wait for legislative and other formalities to be completed in the countries concerned before definite pledges covering this amount are made, it is reasonable to hope that pledges will be made expeditiously to enable us to continue to meet our priority requirements on an effective basis. Consortium members have also agreed that they would join us in a cooperative effort to ensure that a substantial portion of the new aid will be utilized quickly. We propose to explore in bilateral discussions with countries and institutions represented at the Consortium all possible ways of securing quicker utilisation of available aid by improvements in procedures and terms.

5. The communique does not refer to project aid. This does not mean that no project aid will be forthcoming from the Consortium countries during the current year. We are having bilateral discussions with a number of Consortium countries for securing aid for those projects which are ready to go forward and which we wish to carry forward in the light of our own needs and circumstances. Apart from this, there will undoubtedly, be further meetings of the Consortium during the current year at which it would be possible for us to have our requirements of project aid discussed, in general, to facilitate subsequent bilateral negotiations.

6. I would only add in conclusion that a forum like the Consortium represents a significant development in international cooperation. It cannot function effectively or profitably without the utmost goodwill and understanding among all its members whether they be recipients or

[Shri Morarji Desai]

donors. If the Aid-India Consortium which was the first Consortium of its kind has been able to sustain, despite ups and downs a constructive interest in Indian economic development among so many countries around the world for nearly nine years now, the credit for it goes largely to the world Bank authorities.

Shri D. N. Patodia: In the Budget Estimates for 1967-68, provision was made for foreign assistance to the extent of Rs. 835 crores, which will be equivalent to nearly 1,100 million dollars. Out of 900 million dollars, which is equivalent to Rs. 700 crores, for non-food items, nearly Rs. 340 crores will be utilised for repayment of loans and interest, leaving a small balance of only Rs. 360 crores to be spent in effective manner. Regarding project items there is no certainty about the availability of loans, audit will depend upon further negotiations. Therefore how does the Government propose to revise their estimates in respect of foreign investments in view of such indication by the Aid India Consortium? Further, drawing attention to the further passage of the communique laying emphasis on measures to encourage private foreign investments in priority sectors and on efficiency in Indian industry in general, how does the Government propose to put into practice such assurances given by India to the Aid India Consortium?

Shri Morarji Desai: What assurance is the hon. Member referring to?

Shri D. N. Patodia: In the communique it has been said that India has assured that proper incentives will be given to encourage private foreign investment in priority sectors and on efficiency in Indian industry in general.

Shri Morarji Desai: They are what we have already declared and said in accordance with our policies.

Shri Virendrakumar Shah (Junagadh): In view of the continued reluctance....

Shri D. N. Patodia: What about the first question?

Shri Morarji Desai: If several questions are asked, I cannot remember.

Shri D. N. Patodia: How does he propose to revise their estimates in respect of foreign investments?

Shri Morarji Desai: We have got to make all legitimate efforts to do so.

Shri Virendrakumar Shah: In view of the continued reluctance on the part of Consortium countries to decide on the project aid, may I know which projects would be delayed and for how long? May I also know whether any request, formal, or informal has been made by the Government of India to the consortium to reschedule the debt repayment and whether the Government would also consider and assist any debt repayment of loans to private sector projects?

As the consortium has decided to give food aid, will the hon. Deputy Prime Minister indicate as to how this will be financed.

Would the Government use such aid to counteract inflationary pressures by not spending its rupee returns?

Shri Morarji Desai: Five questions are asked. I have no gigantic memory nor am I young as the hon. Member.

Shri Virendrakumar Shah: Yesterday, the hon. Speaker said that one could ask.

Mr. Speaker: I said Mr. Hem Barua puts (a) (b) and (c).

Shri Virendrakumar Shah: If he so desires, I shall request each question separately.

Shri Morarji Desai: I do not mind. Whatever the Speaker allows, I shall answer; I am in his hands.

Shri Virendra Kumar Shah: My first question: In view of the continued reluctance on the part of consortium countries to decide on the project aid, may I know which projects would be delayed and for how long?

Shri Morarji Desai: The question puts the cart before the horse. Unless I know what the project aid is, how can I say which projects are going to be taken or how many are going to be taken. Negotiations have to be carried on and they will be carried on.

Shri Nath Pai: Mr. Speaker, before I proceed to put my question, I should like to have your guidance, I cannot compete with others in lung power but I rely upon arguments and reasons. I have once said—let me not be compelled to repeat it—that survival of the noisiest should not be the rule in the Lok Sabha.

Shri Hem Barua (Mangaldai): Do you agree?

Mr. Speaker: I do not agree; that is why he is on his legs.

Shri Nath Pai: First, I would like to draw your attention to the statement laid on the Table of the House by the Deputy Prime Minister. I have given my call attention notice to the Finance Minister. It is very likely that Mr. Desai has a preference for the title of the Deputy Prime Minister; otherwise....

Shri Morarji Desai: I will correct it immediately; let it be Finance Minister. I have no objection.

Shri Nath Pai: I welcome the forthrightness of his statement. But it raises some very grave apprehensions in our minds. I would like to draw your attention to page 4 where says: the Communique does not refer to project aid. Calculations have already been made by one hon. Member that if we take into consideration what will be allotted for

food and add it to the servicing and repayment of loans, then very little is left for non-project aid. But let us leave that aside. Does it mean that the World Bank and the Consortium which used to under-write the Five Year Plans now chooses to write off the Fourth Plan and as a result of this we can assume safely that the Fourth Plan is more or less scuttled? How does the Government, in the second year of the Plan, propose in view of this communique to rescue and sustain the plan which is in the doldrums?

Shri Morarji Desai: In the first place, the fourth Five Year Plan is not finalised. In the second place, the World Bank is not bound to write off all our Plans or write up all our Plans or underwrite them—whatever terms you want to use. (Interruption). The question is, whatever project aid we require, we negotiate with those countries with the help of the World Bank, and we are continuing to do that. It depends on what aid we get.

Shri Nath Pai: So, the Plan is in the doldrums, because you have no assurance on aid; your Plan depends on that aid; it is not forthcoming.

Shri Morarji Desai: I did not say that it is not forthcoming; When we find that it is not forthcoming, we may say that it is like that; if it is forthcoming, then it will not be like that. All that I cannot say today—(Interruption).

Shri Nath Pai: So, the Plan is in ant, but is he really convincing to you, Sir? My question is very simple; here is a document; his own statement is forthright, and I have been generous enough to accept it. But then he is evasive; the Deputy Prime Minister of India, we feel should be a little more convincing and not be so evasive. (Interruption).

Shri Morarji Desai: Why do you say "Deputy Prime Minister?" (Interruption). Well, there is no ques-

[Shri Morarji Desai]

tion of evading anything. I would not like to do so. It must be seen from the statement that I have made that I have tried to explain the whole thing very frankly. In the matter of project aid, it does not depend only on what will come; it depends on our capacity to convince them, and if we can convince them we will get it. But it also depends upon other resources that we are able to mobilise here. If we are not able to mobilise them, we have to reconsider it. All these have to be considered, and I am not in a position to say today what will be mobilised. The hon. Members will have to wait for the budget which is forthcoming at the end of May.

Shri Nath Pai: Without saying so, he agrees that the fourth Plan is in the doldrums.

Shri Indrajit Gupta (Alipore): I would like to have some information from the hon. Finance Minister regarding certain observations which appear in the communique of the consortium, which is also being attached to this statement. But his statement itself is silent on this point, and that is why I ask this question. In the communique of the consortium, there is a detailed reference to certain assurances or certain indications given to the consortium by the delegation representing the Government of India which was present during the course of the meeting, and it says that on the basis of those assurances and indications, the consortium was pleased to come to this decision. The hon. Minister just now admitted and everyone knows that the Plan has not been finalised yet; it has not been discussed and finalised in this House yet; before that finalisation is done may I know to what extent this delegation of officials was authorised to make the assurances to the consortium in respect of such basic matters as priorities of Planning; whether we are going to go in for more or for less industria-

lisation, whether we are going to divert all our resources of agriculture, whether we are going to give fresh incentives for foreign private investment and so on. All these are indicated here. What are these assurances which were given on the basis of which they have agreed to give food?

Shri Morarji Desai: The assurances are not for changing our priorities. Our priorities are that we have got to increase our agricultural production.

Shri Indrajit Gupta: At the cost of industry.

Shri Morarji Desai: There is nothing at the cost of each other. But food is the first problem; and we have to be self-sufficient in that. But if we are not self-sufficient immediately—that is also the feeling of many hon. Members here—it may not be of some others who perhaps want to cavil at us; I am not interested in that kind of thing—(Interruption).

Shri Indrajit Gupta: Self-sufficient by importing more!

Shri Morarji Desai: We want to stop it, that is why agriculture is important. (Interruption).

Shri Bhogendra Jha (Jainagar): Why are you charging honourable members with wanting to create chaos? That is an insinuation.

Shri Vasudevan Nair (Peermade): It has led to chaos. This Government is responsible for this chaos.

Shri Bhogendra Jha: He will pay for it.

Shri Morarji Desai: We will have to be patient.

Mr. Speaker: Order, order. Let us hear the Finance Minister.

Shri Morarji Desai: I can only say....

Shri Bhogendra Jha: You withdraw it; otherwise, you may be taken

back in the same coin and then you should not resent. (Interruption).

Shri Morarji Desai: Withdraw what? I am not going to withdraw anything.

12 hrs.

I will say it with greater emphasis and stick to it.

Shri Vasudevan Nair: Can a minister be irrelevant in his answer? (Interruptions).

Shri Morarji Desai: I am not going to submit to this kind of thing. (Interruptions). The hon. members should not get annoyed if I meet them squarely. I do not mind them meeting me squarely. I do not understand why they get annoyed. This is not the method of parliamentary tactics. I do not mind their interrupting me. But they ought to hear with patience what I tell them. Afterwards, they can say what they like. In this matter, the assurances are only in accordance with the policies we have framed for ourselves. They relate to two things that we are going to prosecute our agricultural programmes even more efficiently than before and that in the matter of family planning also, the programmes will be taken ahead. There also, the assurances are only those which have been given so far by us. Nothing more is contemplated.

12.02 hrs.

RE. SITUATION IN PUNJAB AND RAJASTHAN

Mr. Speaker: The Home Minister.

श्री मधु लिमये (मुंबई) : मैं दो तीन बार खड़ा हुआ हूँ। मेरा धाप निबेदन सुन लें। आज आखिरी दिन है इसलिये आपके साथ कमरे में बैठ कर कुछ चीजों के बारे में बात करना सम्भव नहीं है। दो मैंने ध्यानाकर्षण के प्रस्ताव दिये थे। एक राजस्थान में लोक-तंत्रीय सरकार के निर्माण के बारे में जिस पर सभी विरोधी दल

Mr. Speaker: If I allow him, I will have to allow everybody.

Shri Bhandhir Singh (Rohtak): There is no Government in Punjab.

Shri Ram Kishan Gupta (Hissar): Constitution has failed there.

श्री मधु लिमये : 22 मई तक हम मिलें नहीं। धाप सुनेंगे भी नहीं, फिर कहेंगे कि मैं चित्लाता हूँ

Mr. Speaker: Rajasthan is important, I agree. I also agree that Punjab is equally important. But we are in the midst of some business. The Home Minister will make a statement.

श्री मधु लिमये : 22 मई के पहले हम लोग यहां घाने वाले नहीं हैं, इसलिये क्या गृह मंत्री राजस्थान की स्थिति पर कोई बयान करेंगे ?

Mr. Speaker: He says, Punjab first.

श्री मधु लिमये : धाप उनकी बात भी सुन लें : मैं कहाँ मना कर रहा हूँ। उनके बात भी सुन लें, आज आखिरी दिन है।

श्री श्रींकार साल बेरवा: (कोटा) :
पहले राजस्थान को लिया जाये।

Mr. Speaker: I request all members to sit down. I entirely agree that Rajasthan is important and Punjab is equally important. If one raises one point, the other side also wants to raise something. You cannot give an oppounity to one group alone. One group alone cannot be treated as a privileged group.

श्री मधु लिमये : प्रिवलेज का क्या मतलब है। धाप हमें नेता नेता कहते हैं, एक मिनट बात भी नहीं सुनेंगे।

Mr. Speaker: If I hear everybody for one minute each, one hour will be spent on this.

श्री मधु लिमये : तो फिर मेरा एक व्यवस्था का प्रश्न है।