

whether I have rejected his call attention already. If I have not done that, I shall consider it.

Shri Ebrahim Sulaiman Salt: It is about 5 Indians killed in Gaza.

Mr. Speaker: Shri Devgun may continue his speech on the Budget.

Shri M. R. Masani (Rajkot): About the statement by the Prime Minister, it is only fair to the House that the exact time should be announced, so that we may all be present at the time.

Dr. Ram Subhag Singh: I will consult the Prime Minister and let you know. I believe it will be at 4 P. M.

Shri M. R. Masani: O'clock?

Mr. Speaker: It should be announced earlier.

Shri Hem Barua (Mangaldai): May I make a submission? Yesterday, there was a mistake made about the shooting down of the Canberra plane. The plane was shot down near Rawalpindi. The Defence Minister might make a statement on that.

12.25 hrs.

GENERAL BUDGET—GENERAL DISCUSSION—Contd.

श्री हरदत्त देवगुप्त (पूर्व दिल्ली) : अध्यक्ष महोदय, कल मैंने इस बजट पर अपने विचार प्रकट करते हुए कहा था कि इस बजट के जो उद्देश्य बताए गए हैं, इन के प्रस्ताव उन को पूरा नहीं करते। देश की प्रगति और विकास के लिये यह आवश्यक है कि देश में खाने-पीने की चीजें काफ़ी मात्रा में हों, आवश्यक वस्तुएँ उपलब्ध हों, देश की सर्व-व्यवस्था ठीक हो, देश की प्रतिरक्षा का प्रबन्ध हो और कपड़े की गिरती हुई बाज़ को स्थिर रखा जाये। इस बजट में इन में से किसी भी बात का प्रावधान नहीं किया गया है।

माननीय वित्त मंत्री महोदय ने अपने बजट-भाषण में सब से पहले सूखे की ओर ध्यान दिलाया है और उस के परिणामों के बारे में चिन्ता व्यक्त करते हुए एक प्रकार से बजट के लिए मैदान तैयार करने की कोशिश की है। लेकिन मुझे अफ़सोस है कि सूखे की वजह से देश में जो स्थिति पैदा हुई है, उस का बजट में विशेष ध्यान नहीं रखा गया। सूखे के कारण-बारिश न होने की वजह से— देश में भूख का जो अभाव है, उस को दृष्टि में रखते हुए हमें भविष्य के लिए ऐसी व्यवस्था करनी होगी कि यदि फिर कभी बारिश न हो, तो उस समय हमें खाने-पीने के लिए दूसरों का मोहताज न होना पड़े। वर्तमान स्थिति से सबक ले कर हमें भविष्य के लिए ऐसी योजना बनानी चाहिए कि अगर हमें कभी सूखे का सामना करना पड़े, तो हमें दुनिया में भीख का कटोरा ले कर न जाना पड़े।

इस लिए यह आवश्यक है कि हम कृषि की ओर विशेष रूप से ध्यान दें। मुझे बेद है कि इस ओर जितना ध्यान देना चाहिए था, इस बजट में उतना ध्यान नहीं दिया गया है। वृत्तिक-रासायनिक खाद पर 50 करोड़ रुपये की जो सब्सिडी है, वित्त मंत्री महोदय ने वह भी वापस ले ली है। इस मुद्दे से सबक लेकर हमें युद्ध स्तर पर देश की खास समस्या को हल करने और कृषि उत्पादन को बढ़ाने का प्रयत्न करना चाहिए था। माननीय वित्त मंत्री जब मन्त्रि-मंडल में नहीं थे, तो वह कई बार देश का ध्यान इस ओर दिलाने रहे कृषि उत्पादन किस तरह बढ़ाना है। उन्होंने यह भी कहा था कि सेना को भी कृषि का उत्पादन बढ़ाने के काम में लगाना चाहिए।

12.29 hrs.

[**SHRI BAL RAJ MANSUR in the Chair**]

लेकिन मैं उन से पूछना चाहता हूँ कि धातु देश में सूखे से जो परिस्थिति पैदा हुई है,

[श्री हरदयाल देवगुण]

उस के परिणामस्वरूप उन्होंने यहाँ पर कृषि उत्पादन को बढ़ाने के लिए क्यों विशेष व्यवस्था की है। क्या सरकार आज किसानों को हायर-परचेज पर ट्रैक्टर देने के लिए तैयार है? क्या वह बीज की उचित व्यवस्था करने के लिए तैयार है? क्या उस ने छोटी सिंचाई योजनाएँ बना कर उन को कार्यान्वित करने की धोर कदम बढ़ाया है? मैं समझता हूँ कि जिस को "न्यू एग्नाक्चरल स्ट्रेटेजी" कहा जाता है वह देश की वर्तमान परिस्थिति की तुलना में नाकाफी है—उस से देश की आवश्यकता पूरी नहीं होती है।

माननीय वित्त मंत्री ने बढ़ती हुई कीमतों पर चिन्ता व्यक्त की है। उन्होंने बताया है कि पिछले तीन साल में कीमतें 46 प्रतिशत बढ़ी हैं लेकिन पिछले छः वर्ष में खानो की कीमतें 119 प्रतिशत बढ़ी हैं और दूसरी आवश्यक वस्तुओं की कीमतों में भी इसी प्रकार इजाफा हुआ है। जब रुपये की कीमत घटाई गई थी उस समय सरकार ने आश्वासन दिया था कि 16 आवश्यक वस्तुओं की कीमतों में किसी प्रकार की वृद्धि नहीं होने दी जायगी। उनके लिये मिनिमम्प्लेसईज कमिशन मर्रर किया गया लेकिन फिर भी कीमतों में वृद्धि हुई। आज भी वित्त मंत्री महोदय फिर उसी प्रकार का आश्वासन दे रहे हैं कि कीमतों में वृद्धि नहीं होने दी जायगी मैं उन से पूछना चाहता हूँ कि उस वक्त भी आपने आश्वासन दिया था लेकिन आपके आश्वासनों के बावजूद भी कीमतें बढ़ी आज फिर आप वही आश्वासन दे रहे हैं, अगर आप के आश्वासनों से कुछ होता तो देश का बटवारा भी न होता। इस लिये इन आश्वासनों के बावजूद भी जिस प्रकार से उत्पादन कर बढ़ाया गया है उस से इन्फ्लेशन भी बढ़ेगा और आवश्यक वस्तुओं की कीमतें भी बढ़ेंगी। मैं चाहता हूँ और मारा देश चाहता है कि आज सरकार कोई निश्चित योजना उपस्थित करे, जिससे न सिर्फ कीमतों

में वृद्धि बचे, बल्कि आवश्यक वस्तुओं की कीमतें कम हों—क्या यह मुमकिन नहीं है? मैं समझता हूँ कि ऐसा हो सकता था यदि वित्त मंत्री महोदय जुरत और हिम्मत से काम लेते, अगर सरकार चाहती तो इन चीजों की कीमतों को घटा सकती थी, उन चीजों की कीमतों में सरकारी बोझा 30 प्रतिशत पड़ता है, यानी एक रुपये की चीज में 30 पैसे सरकार ले जाती है, वनस्पति भी, कपड़ा, ऊन इस प्रकार की हर चीज पर सरकारी बोझ काफी ज्यादा है, अगर सरकार अपना बोझ उन पर से हटा ले, अर्थात् उत्पादन कर की शक्ल में सरकार जो बसूल करती है यदि उस को हटा ले तो कीमतें नीचे आ सकती हैं इस का उत्पादन पर और मार्केट पर भी कोई बुरा असर नहीं पड़ेगा।

सरकार ने जो नये कर लगाये हैं, मैं समझता हूँ कि उन की भी आज आवश्यकता नहीं थी। पिछले साल 2700 करोड़ रुपये से ऊपर हम ने करो की शक्ल में बसूल किया है—चाहे इन्कम टैक्स हो, एकसाइज ड्यूटी हो, कन्ट्रोल ड्यूटी हो मारा देश इस बात को जानता है कि इन में चोरी होती है और आज अगर सरकार ईमानदारी से उन को बसूल करने की कोशिश करे, उन में कोई इन्वेजन न हो, तो यह टैक्स 2700 करोड़ रुपये के बजाय 3500 करोड़ रुपये प्राप्त हो सकते हैं। लेकिन यह नहीं हो सकता है जब कि सरकार अपनी मशीनरी का कामे। इन टैक्सों में चोरी किम आग में होनी है, मैं इसकी एक छोटी सी मिसाल देना चाहता हूँ। हमारा देश ऊन इम्पोर्ट करता है 1964-65 में 20.4 मिलियन किनोबाम ऊन बाहर से आई इस ऊन का घागा बनता है, जिस पर 3 रु० 70 पैसे से लेकर 12 रु० 80 पैसे तक की एकसाइज ड्यूटी लगती है। तीन किन्स का घागा हमारे देश में बनता है—नीटिंग के लिये, होखदरी के लिये तथा बीबिंग के लिये, जितनी ऊन हमारे देश में जाती है उसकी पूरी जानकारी सरकार के पास होती है,

क्योंकि ऊन इम्पोर्ट करने के लिये लाइसेन्स सरकार देती है। अब यदि हम गारी ऊन का धागा बनाया जाय और इस में से 5 फीसदी बेस्टेज निकाल दी जाय और शेष बचे हुए माल पर कम से कम रेट पर यानी 3 रु० 70 पैसे की दर से एक्साइज ड्यूटी जोड़ी जाय, तो 7 करोड़ रु० में ऊपर एक्साइज ड्यूटी सरकारी खजाने में घानी चाहिए, लेकिन कितनी घाई है? 2 करोड़ 16 लाख रु० एक साल में और 1 करोड़ 41 लाख रुपये उस में पहले साल में। अर्थात् जितना कपड़ा हमको मिलना चाहिये या उसका 30% रुपये सरकारी खजाने में पहुँचा। यह ऐसी चीज है जिसका हिमाक-किताब सरकार के पास है, कितनी ऊन घाई है उसका कितना धागा बन सकता है, कितनी एक्साइज ड्यूटी उस से मिलनी चाहिये, यह सब सरकार जान सकती है। यह भी सच है कि सारी ऊन का नोटिफायर नहीं बनता, जोजरी और बीविंग में ज्यादा ऊन खपती है हर प्रकार के धागों पर पूरी-पूरी एक्साइज ड्यूटी वसूल की जाय तो सरकार को फूला गुना प्राप्ति हो। इस प्रकार सरकार को पूरा कपड़ा नहीं मिल रहा है। इसी तरह में इन्कम-टैक्स में चोरी होती है, कस्टम ड्यूटी में चोरी होती है, अगर इस चोरी को रो दिया जाय तो सरकार को इतना क... वसूल हो सकता है, कि वह एक्साइज में रिमीफ दे सकती है, चीजों को माला कर सकती है। ये जो नये टैबा लाय गये हैं, वे सब अनावश्यक हैं, सरकार ने अपनी जिम्मेदारी को पूरा नहीं किया। बजाय इस के कि वह चीजों को माला करती टैक्स का बोझा घटा कर जनता को राहत पहुँचाती, उसने नये कर लगा दिये हैं।

इस सम्बन्ध में हमारा दिल्ली कारपोरेशन का लक्ष्य है, वहाँ भी चोरी होती थी, जब से हम ने वहाँ काम सम्भाला है, वहाँ हुसारी जनसंघ पार्टी ने वहाँ पर काम सम्भाला है, हम ने ईमानदार आदमियों को

जिम्मेदारी के स्थान पर बैठाने की कोशिश की है, आज आपको यह सूचित करते हुए मुझे दुर्भाग्य होता है कि उन्होंने अधिकारियों के जरिये 10 हजार रुपये रोजाना की घामदनी में इजाफा हुआ है। इसी तरह से डी० टी० यू० में पहले चार हजार रुपये प्रति दिन का घाटा था, लेकिन जन सब द्वारा इन्तजाम सम्भालने के बाद यहाँ का यह घाटा समाप्त हो गया है। सिर्फ ईमानदार आदमियों के बेशर्त में घामदनी में इजाफा हो सकता है। इस लिये हम कहते हैं कि जिनने टैक्स लगे हुए हैं, सरकार ईमानदारी से केवल उनको ही वसूल करे और फिर बनस्पति को, कपड़ा, माचिस, कारोमीन धावन, ऐसे आवश्यक वस्तुओं से उत्पादन कर घटा कर जनता को राहत पहुँचाये। आज जितना रेवन्यु हम इकट्ठा करते हैं, उस में डेढ़ गुना अधिक रेवन्यु इकट्ठा कर सकते हैं। इस लिये सरकार के लिये जरूरी है कि वह टैक्स इकट्ठा करने की मशीनरी को टाइट करे, अगर धावकी मशीनरी ठीक तरह से काम करे तो नये टैबा लगाने की जरूरत नहीं है।

इस सम्बन्ध में एक मुझाब यह भी है कि सरकार अपने खर्चे कम करे। रिजर्वे नोन माना में ही सरकार का खर्च नोन गुना बढ़ गया है। सरकार यदि इस तरह से खर्चा बढ़ाता जायगी और जनता पर उसका बोझा डालती जायगी, तो यह मनासिब नहीं होगा। 2400 करोड़ रुपये सरकार ने पब्लिक प्रण्डरेटिक्लंड में लगाया है, लेकिन उनका डिविडेंड सिर्फ 2 प्रतिशत है। पिछले दो सालों में 14-10 करोड़ रुपये सरकार ने पब्लिक प्रण्डरेटिक्लंड में इन्वस्ट किया है, लेकिन उस पर डिविडेंड 11 करोड़ रुपये निभा है, जिसका मतलब यह है कि 50% नो प्रूफ नहीं हुआ, इस पर जितना व्याज घाना चाहिए, वह भी वसूल नहीं

[श्री हरबचाल देवचुप]

हुआ। अगर सरकार के अपने अधिकारों की यह हालत है, तो इससे धन्दाजा लगाया जा सकता है कि सरकार को एक पैसे का भी नया कर देना उचित नहीं। यह सरकार देश का हितक्षाम करने के योग्य नहीं है।

जब रुपये की कीमत कम हुई थी, उस समय मोरार जी भाई ने कुछ मुझाव दिये थे, कांग्रेस वकील कमेटी के सामने भी उन्होंने कुछ मुझाव दिये थे। माननीय अध्यक्ष महोदय, आप की अनुमति से मैं उन मुझावों का पढ़ना चाहता हूँ। मोरार जी भाई ने 6 जुलाई, 1966 को कांग्रेस वकील कमेटी के सामने कहा था कि देश की आर्थिक स्थिति को सुधारने के लिये क्या करना चाहिये—

"No deficit financing for the next five years."

यानी डेफिसिट फाइनेंसिंग नहीं होना चाहिए। इसका उन्होंने वादा किया था, लेकिन ज़ा टैकम लगाये गये, ज़ा घन-प्रोजेक्ट्स एकम-पैन्डिचर बढ़ा है, उसमें इन्फ्लेशन बढ़ी और जब इन्फ्लेशन होगी। यह कहने है कि कर्टीलाइजर्स के लिये हमें बाहर से इमदद का बायदा मिला है या दूसरी चीज़ों की आयात के लिये बायदा मिला है। परन्तु वर्तमान कुछ धक्का किन्ती और कारण में यदि वह सहायता न मिली तो फिर वह सरकार कैसे उसका भरा करेगी, इसके बारे में मजबूत है। डेफिसिट फाइनेंसिंग अब भी चल रहा है, यह धागे भी रहेगा—इसके बारे में कहा नहीं जा सकता।

उन्होंने धागे कहा था—

"The Central and State budgets should be balanced."

तीसरी बात उन्होंने यह कही थी—

"This is possible only if there is at least a 10 per cent cut in all current governmental expenditure."

हम चाहते थे कि मोरार जी भाई यहाँ पर इस बजट को पेश करते समय कम से कम इस बायदे को तो पूरा करते। जब तीन साल में तीन गुना धापके खर्च हो गये हैं, तो हम उम्मीद करते थे कि इन तीन गुना खर्चों को धाप कम करते, कम से कम यह धापणा करते कि हम 25 परसेन्ट खर्चों को कम कर देंगे। धाप कहेंगे कि इन खर्चों को कम करने के लिये हम रिट्रिब्यूमेंट की हिमायत नहीं करते, मैं तो यह कहना चाहता हूँ कि रिट्रिब्यूमेंट के बगैर भी ये खर्च कम हो सकते हैं। धापने कहा कि यह सरकार पिजरा पोल नहीं है, लेकिन पिजरापोल तो धापने बना रखा है। 17 एक्जीक्यूटिव कौंसिलमें पहले मारे देश का काम चलाने में, प्राज 53 मंत्री और उनमें की सरकार का प्रबन्ध चला रहे हैं, इस तरह में धापने पिजरा पोल नहीं तो और क्या बना रखा है। यदि किसी कांग्रेसी को केंद्रीय मंत्रिमंडल में, धापवा राज्यों के मंत्रिमंडलों में जगह नहीं मिलती तो ऐसे कांग्रेसियों को एकोमांडट करने के लिये उन्होंने कुछ ऐसी संस्थाएँ बना रखी हैं जिन पर सरकार का क्या खर्च होता है। ऐसी घनेक संस्थाएँ हैं, जैसे आराम सेबक मझाव और खासी आयोग इत्यादि जिन पर सरकार का खर्च खर्च होता है। ऐसी घनेकों संस्थाएँ हैं। जिनकी प्राज देश का कोई ज़रूरत नहीं है। प्राज की धक्का-धक्का उनका बोझ सहन नहीं कर सकती। लेकिन उनको सरकार कायम रखे हुए है। किन्तु इन्फ्लेटरीयूट भी एक ऐसी संस्था है जिन पर एक्टर्स और एक्सेन्सिव पैदा करने के लिये करोड़ों खर्चा खर्च होता है। यहाँ पर जाने बजाने की संस्थाएँ कायम हैं जिन पर करोड़ों खर्चा बाधा होता

है। एक, एक मिनिस्ट्री के अख़राजत आप देखेंगे तो आप को मालूम हो जायेगा कि कितना अधिक रुपया खर्च किया जा रहा है? एक, एक मंत्रालय का हिसाब देखने से पता लगेगा कि किस तरह से रुपया पानी की तरह बहाया जा रहा है? सी० पी० डब्ल्यू० डी० को यहां मकान निर्माण की स्थिति देख लीजिये। हावत यह है कि जो इमारत प्राइवेट ठेकेदार 50,000 में बन कर तैयार होती है वही इमारत पी० डब्ल्यू० डी० द्वारा 75 और 80 हजार में बना कर दी जाती है। मजा यह है कि मंटोरियल भी उसमें सब स्टैंडर्ड होता है और परिणामतः प्राइवेट सोम में बनाई हुई इमारत की तुलना में सी० पी० डब्ल्यू० डी० के द्वारा बनवाई गई उसी तरह की इमारत की जिन्दगी भी आधी होती है।

सरकारी खर्च घनाभनाप बढ़े हुए है। हम चाहते थे कि मंत्री महोदय जुरंत से काम लेते और यह कहते कि हम 10% खर्च कम कर देंगे और ऐसा होने से हमें नये टेक्न नगने की कोई जरूरत नहीं होती और न ही इन्फ्लेशन होगा। उसके साथ ही बाकी भी जो उन्होंने बातें कही थी मैं समझता हूँ कि उन पर अगर वह धमल करते तो देश को धर्म-अधर्मवा मुघर मकनो भी। उन्होंने चौबी बात यह कही थी :

The expenditure on community development will have to be stopped.

यह जो कम्युनिटी डेवलपमेंट की धारणाइजेशन है यह वास्तव में कायस की एसेकन मनोनरी है। इन के खिलाफ कई बार आवाज उठाई गई कि इस का धार प्लानिग कमोजन की इव लोक संज में कोई धायक्यता नहीं है। यह प्लानिग कमोजन एक प्रकार से सुपर कर्पमेंट बना हुआ है। उसकी बचाव एक

एक्सपर्ट्स की कमेटी बनाई जा सकती है। जितने मंत्रालय हैं वह वास्तव में इस प्लानिग कमोजन का काम कर सकते हैं। अगर फिर भी जरूरत पड़े तो उनके साथ एक्सपर्ट्स लगाये जा सकते हैं लेकिन उसके लिये अलग प्लानिग कमोजन की कोई जरूरत नहीं है। ऐसे और कम्युनिटी डेवलपमेंट प्राजेक्ट जैसे अनेक बेकार महकमे है और उनका खत्म करने की जरूरत है। हमें अफसोस है कि जो मांग उन्होंने अपनी सरकार से की थी आज उनके हाथ में अधिकार धाया है ना उन कार्यान्वित नहीं किया। उन्हें उसे धमल में लाने का मौका मिला है लेकिन उसे वे धमल में नहीं ला रहे। उन्होंने उस वक्त यह मांग भी की थी :

There should be economy in the use of coal on railways and building materials by the Public Works Department.

ऐसी बात उन्होंने कही थी। उस की धार मैंने ध्यान दिलाया है कि किस तरीके से पब्लिक वर्क्स डिपार्टमेंट में धापाधापी और अष्टाचार फैला हुआ है। वहां के नांग अपनी कोई जिम्मेदारी महसूस नहीं करते। इमारतों, पुलों और सड़कों आदि के निर्माण में सब-स्टैंडर्ड माल इस्तेमाल होता है जिसकी कि जिन्दगी कम होती है। हमारे राष्ट्रीय पुलों अथवा सड़कों आदि पर जितना सोमेंट लगना चाहिए वह नहीं लगता है और कहने को बतलाया जाता है कि सोमेंट लगा है लेकिन वहां वास्तव में रेत लगाने हैं। उन के निर्माण का खपया तो इस तरीके से सरकार से पूरा बमूल कर लिया जाता है। लेकिन चूँकि उसके धनक मंटोरियल नहीं लगाते है इसलिए उनकी जिन्दगी आधी होती है। वहां पर अगर देखभाल व ईमानदारी के साथ काम किया जाय तो खर्च भी कम हो सकता है और उस की उम्र भी लम्बी हो सकती है।

[श्री हरबाल देवगुप्त]

इसी तरीके से फार्म प्रोड्यूस के बारे में उन्होंने कहा :

The army should be utilised for timely and adequate distribution of fertilisers, pesticides, better seeds, and water to agriculturists. It is necessary to impart a sense of urgency to the problem of agricultural production.

मुझे यह कहने में दुःख महसूस होता है कि कृषि की उपज और कारखानों की उपज बढ़े तो इन दोनों में देश का अर्थ-व्यवस्था ऊपर उठ सकती है लेकिन इन दोनों में सरकार स्टैंडम की नीति की तरफ चल रही है घातन जैसा जानना है बीसे चलने देना चाहती है। उमो तरह भागे उन्होंने कहा भी :

The State Bank of India should be utilised to provide timely credit to cultivators. Instead of floating a new Agricultural Credit, a new subsidiary of the State Bank for agricultural credit should be formed immediately. Credit policies should be reformulated so that the export industries and trade as well as import substitution industries are not starved for funds.

एक्सपोर्ट और इम्पोर्ट के बारे में भी उन्होंने कहा। इम्पोर्ट और एक्सपोर्ट घाटे की ट्रेड है लेकिन उस में भी जो जरूरी जाने है, वे नहीं की जा रही है। बावजूद इसके कि हमारा इम्पोर्ट ज्यादा है और एक्सपोर्ट कम, लेकिन फिर भी कर्टिफिकेशन का चीज हम इस देश में इम्पोर्ट करते हैं। अब हमें क्या जरूरत है कि हम अमरीका से सीकरी लिटरेचर इम्पोर्ट करें ? हमें अमरीका से या अन्य विदेशों से फिल्में

इम्पोर्ट करने की क्या जरूरत है ? जब कि हमारे पास फीरेन एक्सचेंज नहीं है उस वक्त ऐसी गंदी, लचर और घबलील तस्वीरें और फिल्में इस देश में फीरेन एक्सचेंज खूब करके मंगायी जाती हैं। उसी प्रकार से यह कोकोकोला है। उस के बगैर यह देश जिंदा रह सकता है। कहने का तात्पर्य यह है कि धनेक चीजें ऐसी हैं जिनकी आवश्यकता नहीं है और जिनके बगैर घाज मुल्क गुजारा कर सकता है लेकिन वस्तुतः उन के मगाने पर देश का करोड़ों रुपये का फीरेन एक्सचेंज खर्च किया जाता है। इसलिए घाज मुल्क की जरूरत यह है कि हमारा एक्सपोर्ट ज्यादा हो और इम्पोर्ट कम हो ताकि हमारे रुपये की कोमत कायम रहे और उस की वजह से दुनिया में हमारी माह बढ़े लेकिन जब तक हमारा एक्सपोर्ट ज्यादा नहीं होता तब तक वह नहीं हो सकता। उनके लिए उन्होंने कहा कि हम मुल्क के घनत्व घपनो खपन में कमी करें और इस दृष्टि में उन्होंने चाय काफो घाद वस्तुओं पर एक्स-इज ड्यूटी लगा दी है लेकिन मेरा कहना है कि उस में कोई फायदा नहीं होगा। चाय और काफो पर एक्स-इज ड्यूटी लगाने से उन की खपन में कमी नहीं होगी। यह राजाना के इन्तेमान की चीजें हैं और यह उनको ही इन्तेमान होगा जिनका कि पढ़ने होनी थी।

खाद्यान्न की कोमतों में गत 6 वर्षों में 114% की वृद्धि हुई है लेकिन उन की खपन में कमी किस्म की कमी नहीं हुई है। इसलिए घाज एक्स-इज ड्यूटी बढ़ाने से चाय और काफो की खपन में कमी नहीं होगी। जरूरत तो इस बात की है कि मुल्क में चीजें पैदा की जाय उन चीजों के पैदा करने में कम्पटीशन हो ताकि उनका उत्पादन ब और सस्तर बह हो तो उस से एक्सपोर्ट बढ़ सकता है।

मैं समझता हूँ कि घोर बहुत नहीं तो बिल मंत्री महोदय ने जो सोनहू बातें अपनी कांग्रेस बकिंग कमेटी के सामने रखी थीं, उनमें से दो, तीन बातों पर, जो वे स्वयं प्रमत्त करेंगे। यदि 10% के बजाय 5% भी बहू खाकों कम कर देते तो उन को नये टैक्स लगाने का जख्खन महसूस नहीं होती। अगर वह इसी तरीके से दूसरी बातों में भी प्रमत्त करने तो हम प्रथम व्यवस्था में कुछ मुधार हो सकता था। हम चाहते हैं कि वह इस बात का क्याल रखें कि इस मुक्त में यह जरूरी है कि यह व्यवस्था के मामलों में आत्मनिर्भर हो और उसे जोख का कटोरा लेकर दुनिया के सामने न जाना पड़े। उस की प्रथम व्यवस्था इस किस्म की होनी चाहिए कि बाहर में इनका मिले या न मिले उस के बगैर या वह गुजारा कर सके। उस का इतनाम इस किस्म का होना चाहिए कि अपनी रक्षा के लिए उसे किसी पर निर्भर न होना पड़े और अपने की मात्रा को फिर नहीं है वह स्थिर रहे। उन की वजह से दुनिया में हमारा मात्रा ऊंची हो। मैं विश्वास है कि इन मुधारों की घोर बहू ध्यान देंगे।

Shri Rane (Buldana): Mr. Chairman, Sir, I rise to support the budget proposals presented by the Deputy Prime Minister and Finance Minister, and also express my views about it. Before I give my reactions to the budget proposals, at the outset, I would like to congratulate the Deputy Prime Minister and Finance Minister who has broken the practice of deficit financing. Sir, the major cause of inflation is deficit financing. When our economic situation is getting worse and worse I think his performance in presenting a balanced budget is a creditable one. I feel, Sir, that the healing hand of the Finance Minister will improve our economic situation. When I say this, I would like to quote the observation made about our Finance Minister by Shri Palikhiwala when he analysed

the budget proposals of 1963-64. He says:

"When Mr. Morarji Desai took over his present portfolio, the national economy was sagging, production was stagnant, the share markets were demoralised and foreign enterprise was most reluctant to embark upon ventures in India. Within a very brief period, he changed the entire climate; the economy became buoyant; production increased at an impressive rate; confidence was restored in the heart of the investor and the Indian economy was well on the way not only to stability, but to impressive expansion."

I have no doubt that this observation by Shri Palikhiwala is in consonance with what many others have said

Prior to the presentation of this budget hundreds of articles have appeared in the press, making different suggestions about the coming budget. After the presentation of the budget, also several economists, industrialists, leaders of political parties and representatives of middle class and even housewives have expressed their reactions to the present budget. I do not want to go into all of them. I shall only classify them into categories. Some economists have welcomed the budget proposals; some have partly welcomed them and partly criticised them. There are some persons and political parties who have completely denounced the budget and went to the extent of saying that the budget proposals are the manipulations of capitalists. I do not agree with them. I have drawn my own reaction. Here I would like to quote the views of one of the bitterest critics of Government and I think it will be to the benefit of the House to give the name of the economist. It is no other than Professor Taraporevala. He delivered a lecture

[Shri Rane]

to the members of the Forum of Free Enterprise, after the presentation of the budget, a summary of which has appeared in the Hindustan Times of 31st May 1967. There he says:

"The Union Budget was realistic, balanced and non-inflationary and a courageous step towards reviving the drought-and-war-shattered Indian economy."

So, this comment of Professor Taraporevala will meet the comments and criticisms made by the hon. Member who spoke on the budget before me.

While the Finance Minister was making his speech, I jotted down on a piece of paper my own reactions to the budget. As he went on speaking, I jotted down one point after another. My first reaction was that it had a human touch when he said that he has made a provision of Rs. 38 crores in addition to Rs. 13 crores for the drought-stricken people. My reaction was confirmed when he said that he has made a provision of Rs. 118 crores for continuing subsidy in foodgrains. Besides this, the third factor which confirmed my first reaction was the large provision he made for the social betterment programme—providing drinking water to the public and upliftment of backward classes, specially the Scheduled Castes and Tribes. Therefore, if anybody says that this budget is a manifesto of misery nobody can agree with that.

When I heard the Finance Minister speaking about measures for agricultural and industrial production I thought that the budget is production-oriented. But for want of time I would not repeat the measures which he said he is going to take for increasing production. My third reaction was that it was not an inflationary budget. I do not agree with my hon. friend, Mr. Masani, and so also Mr. Devgun, that this Budget

will not stop inflation and, on the other hand, it will increase inflation. I would like to deal with this point at great length because that is the main problem of the day.

My another reaction was, when the Finance Minister outlined his measured and concessions in taxation, that it was an export-incentive Budget. When the Finance Minister gave his taxation proposals, my reaction was that it was not a Morarji Desai-pattern Budget of 1963-1964. What I mean is this that in 1963 and in 1964, when he presented his Budget proposals to this House, it was full of heavy taxation. This time, when I heard his taxation proposals, I, personally, thought that the people have escaped heavy taxation. I do take it that there can be a difference of opinion on the proposals of taxation. But my own reaction was that, this time, the taxation proposals were light.

Hundreds of articles have appeared in the press prior to the Budget. It was thought that, as Shri Morarji Desai was handling the Finance portfolio, he would impose heavy taxation. To what extent would there be heavy taxation? People entertained fear that as in his interim Budget the Finance Minister said that during the last year the deficit came to Rs. 350 crores, the Finance Minister will make up this deficit and add something to it and so they took it that, this time, his taxation proposals would come to about Rs. 400 crores. Therefore, I say that my reaction, that it was not a Morarji-pattern Budget of 1963-1964, is correct.

Now, I come to the main point about inflation. In this, as I have said, I do not agree with the hon. Member, Mr. Masani and Mr. Devgun. Here, I would like to quote Prof. C. N. Vakil on what is inflation. He has given several suggestions. I quote from the pamphlet, Deficit Financing and Inflation, of the forum of free enterprise. There are suggestions

given on pp. 13 to 16. He has mentioned what the principle remedy is to inflation. He says:

"The main thing is to reduce demand so far as possible and increase supply as much as possible."

"That means, our demand must be reduced and we must produce more. He has made several suggestions. The first suggestion that he has made is:

"In other words, whatever the overall size of the Fourth Plan that may be adopted, the Plan for the year 1967-68 should be limited to essential purposes."

The second suggestion is that there is also a need for removing the surplus staff in Government.

समाप्ति सहोदय : अब लंच टाइम हो गया है। माननीय सदस्य लंच के बाद अपना भाषण जारी रखें।

13 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair].

GENERAL BUDGET—GENERAL DISCUSSION—contd.

Mr. Deputy-Speaker: Shri Rane may continue his speech now.

Shri Rane: I was quoting from the pamphlet by Prof. C. N. Vakil, entitled "Deficit financing and inflation," published by the Forum of Free Enterprise by including several articles written by Prof. C. N. Vakil in *The Free Press Journal*. I had quoted two of his suggestions. I shall now quote his third suggestion which is as follows:

"There are many cases of wasteful and avoidable expenditure.

It must be stopped and deficit financing should not be adopted in any case."

He further goes on and says:

"This implies that the Government will abide by a firm determination not go in for deficit financing in any form. They shall, therefore, have surplus budgets as far as possible and at first sight of a deficit, cut down expenditure to restore the balance."

These are the four suggestions which he has made. May I ask Shri Masani who has said that there will be inflation, whether there is any suggestion here which the Finance Minister has not complied with? If anybody carefully reads the speech of the Finance Minister, he would find that almost all the suggestions made by Prof. C. N. Vakil, the well known economist, have been complied with by the Finance Minister.

For the benefit of Shri M. R. Masani, I shall again read out what his pet economist Prof. Shenoy has said. In his speech, he has minimised the importance of stopping deficit financing. As I have submitted, the major cause of inflation is resorting to deficit financing. During the last decade, from 1955-56, deficit financing was resorted to, according to Prof. Shenoy, to the tune of more than Rs. 2,000 crores. In a recent article appearing in the *Hindustan Times* (8-3-67) he has made the following observations:

"The current phase of inflation began in 1955-56. During the past decade, that is, from 1955-56 to 1965-66, large budget deficits having persisted year after year, the money supply rose to Rs. 2,310 crores".

Then he proceeds and says in the article that there is little hope of implementing the policy of eliminating inflationary deficit. He was afraid that the present Government would

[Shri Rane]

not also refrain from resorting to deficit financing. He was sure that the same practice of deficit financing would be continued.

What I am trying to point out is that even if we take the view of Prof. Shenoy, the major cause of inflation is deficit financing. I have quoted Prof. Shenoy because my hon. friend, Shri Masani and his colleagues will not be satisfied by Prof. Vakil's suggestion. But I think they can rely on Prof. Shenoy whose views they always look to.

As I submitted, deficit financing has been there for several years. But I submit that the Budget is non-inflationary. I shall give the reasons my holding this view. My first ground is that deficit financing has not been resorted to. Secondly, from his speech, we find that the Finance Minister has not increased any Plan outlay for 1967-68. Thirdly, the overdrafts to the States by the Reserve Bank have been practically stopped. My fourth ground is that the Budget is going to increase our agricultural and industrial production. I do not want to go into the measures which will achieve that end. They are given in the speech and I do not wish to tire the patience of Members by reiterating them. But in connection with agricultural production, I want to make two or three suggestions to the hon. Minister for his favourable consideration.

My first suggestion is that if Government are really anxious to increase production, an incentive, remunerative fair price must be given to the growers. This has not been done by Government so far. During the last 25 years, not less than 8 committees have opined that the farmers should be given a remunerative fair price etc. etc. But it has, I submit in all humility, not been implemented as yet. It may be said that we have appointed an Agricultural Prices Commission and from time to time they

fix prices. I have a grievance against the personnel of the Commission. My own view is that the Commission consists of persons who are consumer-minded; and perhaps have a prejudice against the farmers. So, my submission is that the Agricultural Prices Commission's report should not be taken as gospel truth, because they always fix prices lower than what they actually are. This will be corroborated when I say that almost all the State Governments have increased the procurement price. That itself shows that the Agricultural Prices Commission's prices are very low, and they do not provide any incentive to the farmers.

My second suggestion is this. I would have been happy if the Finance Minister had continued the subsidy on fertilisers. I do not think he will do it now because it is a very large sum and he has presented a balanced budget, but whenever any occasion arises, he should think over this.

My third suggestion is that the existing excise rates on diesel oil are very, very high. During the last five years perhaps the prices have been doubled, and rates for electricity used for agricultural purposes have also gone up. So, I request the Finance Minister to see that these excise duties and electricity rates are reduced.

Lastly, I turn to the speeches of Mr. Masani and Mr. Devgun. Mr. Masani said that the budget was inflationary, he said it was a status quo budget, it did not touch the fringe of the problem, and he wanted a very revolutionary budget, and he submitted an alternative budget. I do not know whether all the members of the Opposition will appreciate his revolutionary budget. It means this: reduce the taxation, reduce Government expenditure. Those are the two suggestions that have been made by the revolutionary budget. I think many members of the Opposition will

say that it is not a revolutionary budget, but it is a reactionary budget. I am corroborated in this by my hon. friend the right communist friends. When the Finance Minister and Deputy Prime Minister announced his concessions, they say that the budget appeases foreign and Indian capitalists, and that too when only a concession of Rs. 5 crores has been given. If my friend Mr. Masani wants to give tax relief to the tune of Rs. 100 or Rs. 150 crores, I do not know what my communist friend will call it, whether it is a revolutionary or a reactionary budget.

He said he wanted to break the taboo and say that defence expenditure should be reduced by about Rs. 50 crores. I do not think that many members would agree with this. I personally feel that even assuming that there was wasteful expenditure on defence, it should not be reduced at this stage. We are in a very precarious position today. Our neighbour Pakistan is procuring almost all the weapons from almost all the countries from where they are available. China is instigating her, China is instigating the people of India to bring about a revolution. I therefore suggest that when we are placed in such a precarious position, reduction in defence expenditure will not be a wise step, it will be an unwise step. I speak subject to correction. Shri Masani has stated that our Air Force estimates and expenditure had gone up twenty times. I do not know for what source he has taken his figures. As I said, I speak subject to correction. The Budget in brief shows that in 1960-61 the expenditure on our Air Force was about Rs. 51 crores and now it is about Rs. 150 crores. It is, at the most, three times what it was in 1960-61. If we had succeeded in the war against Pakistan, it was because of our Air Force. I will not grudge any additional amounts or allocations. They deserve our congratulations. I submit that it would be an unwise step to reduce that expenditure.

I have been listening to suggestions about reduction of civil expenditure. Of course the Finance Minister has said in his speech and he is trying to do this. I am listening to this argument for the last fifteen years. They say: why don't you reduce civil expenditure so that the necessity to tax more will be obviated? In this connection I am reminded of a proverb in Marathi:

दांत कोरून पोट भरत नाही ।

One cannot fill up his belly by taking the remnants from teeth and re-eating it. If you take a bit from this department and a bit from that department, it is not going to fill up the coffers of the Government. Of course wherever possible, Government should reduce expenditure; nobody will disagree on this point. But Mr. Masani says that 150 crores can be saved. He says 80 crores could be saved by not taking in hand some project. I have not studied that project and I leave it to the Deputy Prime Minister to reply to that. I support the proposals of the Finance Minister. While making these suggestions I again congratulate him for presenting a balanced budget.

Shri P. Ramamurti (Madurai): Mr. Deputy-Speaker, The Deputy Prime Minister was applauded by my friend Mr. Masani of the Swatantra Party and by Shrimati Sucheta Kripalani for the realistic appraisal of the present situation. I do not know what there is to applaud in this. After all, everyone knows that the food situation is bad, that the price situation is bad, that the industry is stagnant and the whole country knows that the foreign exchange is in a crisis. Stating this is supposed to be a realistic appraisal of our existing economic situation. These are the symptoms. Has he been able to diagnose what the malaise is? Has he been able to diagnose the basic malaise and the basic disease from which our economy is today suffering? Has he prescribed some remedies by which we will cease to suffer from these things or at least we will go on the road to recovery?

[Shri P. Ramamurti]

That is the question with which we are concerned. Frankly, everyone knows; the Finance Minister wants to blame it on the monsoon. But we know that throughout this Third Plan, right from the beginning, national income had not increased. There has been stagnation even before the war with China in 1962. Right through, from the beginning of this Third Plan itself, our industries had been stagnating. We have had the price problem; we have had the foreign exchange problem; we have had all these problems right from that period. It is true that the failure of the monsoon has certainly aggravated the problem. I do not deny that. But the basic fact remains that our economic ills have started not today or yesterday not last year or the year before last when the monsoon failed, but our ills have started long ago.

Therefore, the question is, does this budget today and the budget speech that the Deputy Prime Minister had made, hold out any hope to our common people in this country; that at least there will be a beginning in a reverse direction? Does it give any hope that their woes will at least begin to end if not be completely ended? We do not today demand of the Central Government that by the budget speech or by the budget proposals immediately all the ills from which this country is suffering must be put an end to. No. But does it give any hope to the people?

What is the problem before the people today? We know that industries are closing down. We know the foreign exchange crisis, the food crisis and the unemployment crisis. People are getting unemployed from day to day. The factories are closing down; retrenchment is on the increase. Therefore, under these conditions, what does the Finance Minister's budget hold out for the common people. I say that it holds out nothing whatsoever to the common people.

But I must say that our Finance Minister is not only a bold person but an audacious person, because who but he can have the audacity to claim, what he has claimed in his budget speech? I refer to paragraph 43, at page 17, of his budget speech, Part A wherein he has said:

"In keeping with the Directive Principles of our Constitution, Government is fully committing to the achievement of a socialist society within the framework of an actively functioning democracy. Much has already been achieved in this connection;—

I emphasise that—

"...Much has already been achieved in this connection; and in the coming months, we propose to explore all possible avenues to make sure that whatever initiatives we have taken in this regard are pursued and implemented with vigour and that further progress . . ."
etc., etc.,

What is that "much" in the implementation of the socialist society, socialist goal, that has been achieved so far? Our Finance Minister, of course, does not want to tell us; he does not want to spell it. But the people in this country through their own painful experience, are aware of what is this "much" that has been done in the direction of a socialist society. They know that during the last 15 years, hundreds of thousands of peasants have been evicted from their homesteads, from their land; they know that the usurers, the money-lenders are tightening their grip over the peasant's economy; they know that in this country throughout the last many years the prices are going up, not today or yesterday but during the entire 20 years since the Congress party had come into power. Through the implementation of the "socialist" programme, they know that as a result of all these things, real

wages, real earnings of the common people are day by day going down; unemployment is on the increase. This is on the one side. On the other side, they know that during this period 75 families in this country have amassed an enormous amount of wealth; they know that these 75 families are getting a grip over the entire economy over the banks, over the industries, over the entire economy and even over the governmental administration itself. Over and above all these things, they know that there are blackmarketeers; they know that there are speculators galore in this country; and on top of these, they also know that foreign exploiters are coming day after day to exploit the people. This is a wonderful kind of socialism. We have heard of socialism and different methods of achieving socialism, but, Sir, this is a Brand of socialism, this is a method of achieving socialism, where you have not only the native exploiter, the native landlord, the native money-lender, the native usurer, the native big capitalist, the monopolist and the blackmarketeer, but over and above and on top of these, you have also got the exploiters from all over the world: the British monopolists, the American monopolists, the Italian monopolists, every day exploiting this country; I must say, nobody can beat the Congress Government in his claim for socialism. This is something unique in history and the credit for this must certainly go to the Congress party and to our Finance Minister, Mr. Morarji Desai, for having made this claim. If you ask them, what is that socialism, they would say, it is a welfare State. Whose welfare? Welfare of all, I am just reminded of the South Indian brahmin purohit in Tamil Nad. After he gets a sumptuous meal, he gives *ashirvad* and blesses the host. He utters a couplet:

सर्वजना : सुखिनो भवन्तु ।

"May all the people be happy". Then there is another line:

यो ब्राह्मणेयः क्षत्रियस्तु नित्यं ।

"Let the cow and the brahmin be happy for ever". For the people, a

general wish. But the cow and the Brahmin are two chosen few who must always and for ever be happy. You just change two words of this couplet and you get the Congress brand of socialism:

सर्वजना : सुखिनो भवन्तु । टाटा बिड़लायां :

क्षत्रियस्तु नित्यं ।

This is the socialism they have been working for the last 20 years. Mr. Morarji Desai promises that they will take vigorous steps in the coming months to see that these objectives initiatives are pursued with vigour. Naturally Sir, we have to be very careful; our people have to beware, when they talk of building socialism in this country in this manner.

What is the glaring fact of our economic life in this country? The most glaring fact is our abject dependence on foreign aid. This is the malady from which our country is suffering. We depend upon foreign aid for every thing—food, clothes, industries, etc. Without foreign help, this country cannot get on. That is the philosophy of Government.

Only two years ago, when there was war with Pakistan, we saw the then Prime Minister and various other ministers thundering against America saying, "we will go without any aid; we will starve and put up with all difficulties, but we will go without aid." The war ended and a new Prime Minister came. The moment she came, she rushed to America, to Mr. Johnson, to create a climate of goodwill. That means 'aid'. Then followed a procession of ministers beginning from the then Finance Minister. Mr. Subramaniam and so many ministers went to the U.S. with the begging bowl. The people of the whole world, and certainly the U.S. imperialists must certainly have laughed in their sleeves at us because just a few months earlier the ministers were thundering that we would have nothing to do with foreign aid. The arm-twisting intensified since then. The whole world knows it.

[Shri P. Ramamurti]

There are statistics published by organisations like ECAFE which show that the total amount of aid given to the developing countries by foreign countries is much less than the total amount of money they have taken from those countries during the last 15 years. These are not communist statistics, but statistics given by ECAFE, a UN body.

Has our own experience been better in this respect? The arm-twisting intensified and on 5th June we agreed to devalue the rupee, certainly not of our own volition. We have got on record a letter written by the previous Finance Minister to the members of the Congress party saying that if we do not devalue the rupee, they are not prepared to consider the question of aid. In order that they may be able to consider the question of aid, we devalued the rupee. It was said then that devaluation was going to lead to wonderful results and bring in foreign exchange liberally. What is our experience? Last year the foreign-exchange earnings have been 15 per cent less after devaluation. The net result is, for the same amount of goods we will be buying from America and other countries, we will have exchange, i.e., to sell them in terms of our production a larger volume of our own goods. What else is it but an intensification of the usual methods that are employed by these western powers to loot these colonial countries, these dependent countries, these developing countries, these poorer countries by that wonderful mechanism of, what is known in economic language as, 'unequal exchange'. Devaluation is a permanent 'unequal exchange' imposed upon our country by the western powers.

At least did we learn a lesson after that? No. We still go on begging. Naturally the arm-twisting also goes on. Shri Subramaniam agreed to the ignoble fertiliser deal, and today our Planning Minister argues wonderfully for extending the terms of the fertiliser deal. And, we have done that.

Why? The same Planning Minister had stated on the floor of this House previously that in our own country we can within the course of the next three years fabricate machinery and all the equipment necessary for the fertiliser industry and all other ancillary industries. We have on record facts to show that the FACT of Travancore as well as the Fertiliser Corporation of India are in a position to fabricate and put up fertiliser factories to the capacity of 3 to 4 lakh tons every year. This statement has been accepted by the Planning Commission. It has been accepted by the previous Petroleum Minister on the floor of this House. In the face of this, why should we today extend the terms of this deal and agree to do this? It is because, if we do not do it, the Aid-India Committee was meeting in Paris if we do not do it before they meet no aid will come. This is our position. The moment we go in for this kind of aid the arm-twisting goes on continuously. Where is the end to it?

The Finance Minister in his Budget Speech says:

"A hospitable environment for private foreign investment in priority areas has also a considerable bearing on promotion of exports. It is generally recognised that private foreign investment can make a valuable contribution to reducing our reliance on exports, particularly when it brings with it know-how and sophisticated techniques as well as capital resources. But foreign investors can also bring with them knowledge of foreign markets and the organisation and other resources to exploit them. As they get to know our own country and potential better, they help promote our exports."

Therefore, today if our exports have got to be intensified for that also we require foreign collaboration. This is the whole philomphy. Without

foreign collaboration this country cannot go forward at all. But, what is our experience? This was the same theory repeated in the last ten to fifteen years. But what was our experience? The Economic Memorandum placed on the Table of the House by the Finance Minister, what does it point out? It points out that by these collaboration agreements they are taking more and more money from this country. During the entire Third Plan period what was our position? According to the statement made in the memorandum, the proportion of interest, dividend and other charges that we are paying to them annually have gone up from 12 per cent of our current foreign exchange earnings in the beginning of the Third Plan to 22 per cent in the end of the Third Plan. And, the first six months of 1966-67 it has gone up to 27 per cent. of the current foreign exchange earnings. That means 27 per cent of our foreign exports are mortgaged for only paying dividend, amortisation and interest charges on these loans and collaborationist capital. This percentage goes on increasing year after year. With more foreign aid and more foreign collaboration, naturally, these payments are going to increase.

It is said that a climate of foreign investment has got to be created. I do not know what new climate has to be created. Today, it is on record, India pays the highest dividend for American private investment in any country in the world. That is what is accepted by the Americans themselves. Not satisfied with that, it is said that more inducement will have to be given for private investment. Then what would happen to foreign exports? Where is the question of increasing our exports? Although foreign exports might increase, all that will be sequestered, mortgaged to amortisation and interest charges we have to pay continuously for this increasing aid. Where will this country go? This is what we have got seriously to think. Now, why and how has this situation come about—this arms-twisting by America, this

arms-twisting by other foreign imperialist powers—I do not want to go into the other questions connected with it, because I have not got the time—why has this thing come about? We have got to find out the reason.

It is not, as Shri Masani tried to make out because there was some planning. He wanted to say that the Soviet Union had a plan, there was a Planning Commission there, a number of members of that Planning Commission were liquidated by Stalin; therefore, beware. Something wrong might have happened there. But, can we forget the fact that the Soviet Union, a country which was totally disrupted by the first world war, a country which had to go through the ravages of a civil war or three or four years, a country with a ramshackled economy built up a powerful economy? After 2½ five-year plans when it was attacked and had to bear the brunt the *weir macht* of Hitler with all the military and economic might of the whole of Europe at his command that country stood up against him and turned the course of the war in Stalingrad and the history of the world itself changed. Mankind was saved. This is the effect of their five year plan. We want to have plans of that type. We want to have plans that will take this country forward, so that we will be able to stand up against any aggressor and repulse him. It is that kind of plan that we must have. It is in that aspect that your planning has failed. Therefore, instead of finding out what are the fundamental causes for the failure of the plan, the Finance Minister says that the rains have failed and, therefore, everything has gone wrong. Really speaking the Plans failed long before the rains failed. The basic fact is, despite what the Congress has been saying and doing all these 20 years, despite waxing eloquent about the sugar-coated socialism, socialistic pattern of society, welfare State and all that, the basic fact remains that they have been attempting to build up a capitalist society in this country. Unfortunately, our capitalists cannot get

[Shri P. Ramamurti]

capital. Unlike British and American capitalists our capitalists have no empire to loot. The British and other capitalists built the industry from the scratch. Today even industrial technique has developed; capital requirements have increased. But we have no empire; our Tatas and Birlas have no empire to loot. Therefore, what do they do? The biggest capitalist resource of our country is dried up, agriculture is dried up for the simple reason that there is no question of putting any inputs in agriculture when the peasant is indebted. He is under the grip of the usurious money lender, he is under the grip of the rentier. Therefore, in the circumstances, thousands and thousands of crores of rupees, which can be used for productive purposes, goes into this unproductive business of money-lending, for the purpose of paying the rentiers and our Congress Government does not want to put an end to this. It has perpetuated it all these years. Therefore, a major source of capital formation in this country has dried up and the only one way left of getting capital for our big capitalists is by looting the people of this country, since you have no empires to loot. How do you loot the people? Ever since the beginning of the year 1947 the primary aim of the Congress Government has been to see that the people are looted in the interest of the bigger capitalists in this country. Price rise is a specific device by means of which the common peoples' wealth is transferred from their hands into the hands of the bigger capitalists. This is a specific form of loot, legalised loot, that has been going on in this country all these 20 years, and the Congress Government in all its policies, its deficit financing policy, its policies with regard to banks, its policies with regard to credit, its taxation and other policies, has been actually abetting this thing, and that is how the capitalists have been able to amass wealth. But what happened? When you create these conditions, when prices go on increas-

ing you also create along with it blackmarketeers, usurious money-lenders, speculators in land, speculators in commodities, in fact speculators in everything, who loot the entire people. So, a big part of this loot of the entire people goes into the hands of those speculators, into the hands of those usurious money-lenders, into the hands of those blackmarketeers.

Shri Masani waxed eloquent about finding capital—a paltry sum of 30 crores by tax relief to the big companies. I do not know why Shri Masani does not want to tap this source, one of the biggest sources of capital for our industries and agriculture. Perhaps because it goes against the grain of the Swatantra Party's philosophy to attack these people, these elements which are the creation of that free society which his party is preaching. Therefore, he does not attack them. Under these conditions when you have created this kind of a thing, the only thing that is left to you, when you are not able to find capital, is to go begging to your class brothers in U.S. and Britain, "Please give us capital; please help us; please come and collaborate with us on your terms." Without collaboration, nothing can be done. What has happened as a result of that? You have created, during the last 20 years, the biggest parasites and, I would say, our monopolists are the biggest parasites in the world. If one has influence with the Government, he will be able to find capital from the Industrial Finance Corporation, from the banks. With a small amount of capital, with influence he will be able to find capital from the banks, from the insurance companies, from this corporation and from that corporation.

Then, about collaboration with foreign countries, what is there for them to do. If you have influence, you will be able to find the foreign collaborator. There is the Government to give guarantees. What have they to do? For technical know-

how also, they need do nothing. The foreigner is there to give it. Why don't you develop technical know-how? The answer is, "No; we need not do that; we are paying the foreigners a royalty and they will do the research." This is the kind of society you have created, a set of parasites who do nothing whatsoever for the development of the country. They do not develop any technical know-how; they do not do any kind of research. If our people should not develop research, why should they develop research? They are, after all, paid money; the foreign collaborators are there. This is what is happening. Therefore, one moral fibre itself is cracking up today under these conditions. A continuous drain of our intelligent young scientists and technicians takes place. They cannot find any avenue for their talents in this country. This is the basic defect from which our country is suffering today. Instead of diagnosing that basic malaise, what do we find? We find some palliatives, we can do this, we can do that, we can give some relief here and some relief there. With this outlook, naturally, what happens is that you go on continuously increasing the tax burden of the common people.

The only thing on which I agree with Mr. Masani, in his entire speech of yesterday, is with regard to the excise duties on these commodities. Today, if the whole country is suffering, if the entire handloom industry is suffering—it is on the verge of collapse—and hundreds and thousands of handloom weavers have closed down and have become unemployed,—it is because yarn prices have gone up during the last three or four months. Under these circumstances, even a simple thing like the taking away of the excise duty on cotton yarn, so that handlooms can be saved. Even that our Finance Minister cannot think of. He cannot even conceive of that. This is the position.

Mr. Deputy-Speaker: The hon. Member may try to finish now.

Shri P. Ramamurti: I am taking the whole time of my Party.

Therefore, under the circumstances, they cannot think of anything but of increasing taxes. If somebody tells him that by increasing the excise duty on coffee and tea, the prices of coffee and tea will go up, he says, "After all, I have increased it by 12 p. per hundred cups." Who bothers about that? The price has gone up by 5 p. per cup. Then, he will say, "Don't take tea." If you say that the price of cloth has gone up, he will say, "Why do you wear clothes? There is no law in the country that the people should wear clothes." Is this the way in which the Minister should answer? I sympathise with him. He will say, "We should avoid deficit financing and, therefore, more taxes." This is a wonderful thing.

Then, about prices, I want to ask him, "Have food prices risen only since last year or a year before?" If that is so, you can blame the failure of the monsoons. But did not the prices rise even in 1964-65 when you had a bumper crop? Your own statistics show that. Prices have been rising continuously during all these 20 years barring one or two years when the Korean War ended. There has been continuous rise in prices even when there was a bumper crop. What is the remedy that is suggested? They say, "We will take fiscal measures. Through the Reserve Bank, we will control the banks." What is our experience. To take only one instance, what happened last year when production had gone down not only in the industrial sector but also in the agricultural sector? What do your own figures show? The credit expansion given by these banks during the busy season, i.e., from October end to April end during the year before the last year i.e. in 1965-66 was Rs. 308 crores; last year in 1966-67 it was Rs. 413 crores during that busy season. This is the wonderful way in which the Reserve Bank has controlled these banks 33-1/3 per cent increase in accommodation during the busy season when production had

[Shri P. Ramamurti]

actually gone down! Naturally you are creating conditions where things could be hoarded.

What happened to the directive that 80 percent of credit expansion must go to industries and to finance exports and imports? What happened to that? The Banks got over that. The statement of the Governor of the Reserve Bank is there; it clearly shows that. I have no time, otherwise I would like to quote it. What did the Reserve Bank Governor do? After the horse had gone, he went to bolt the stable. On the 4th March, he issued another circular saying, "no; don't do this kind of thing". Nobody listened to him. One month later, on the 4th April, when the busy season was to end in two weeks, he sent out a directive, "you must withdraw some of this credit and try to bring it to certain limits". This is the wonderful way in which the Reserve Bank has been controlling the Banks. How can it act against them? How can the Reserve Bank act against Birlas, Tatas and people of that kind? That is the reality of the situation. Let us face it. Today we are being told that the economy will be controlled and all that. We do not have any faith whatsoever in them.

It is not a question of any ism. I am not talking of any ism. This is our experience. During the last twenty years, this has been our experience. I remember, Pandit Jawaharlal Nehru talking in Madras after the Avadi Resolution was passed. He said, "yes; we are planning"; using the military commander's language. he said, "But, we need not go and control every little thing, take possession of every little thing; we will capture the commanding heights". That is what he said. Did you capture the commanding heights all these twenty years? Where are the commanding heights and who commands those heights? Does Government command the economy or the economy command the Government? Have

you captured the strategic heights? What are these strategic heights? Some steel plant here and some ordnance factory there. Are they the strategic heights of our economy? The strategic heights are the banks. The strategic heights of our economy are the industries and undertakings owned by these monopolies. So long as you do not capture them, where is the question of your being able to control the economy? You are not able to control the economy. This is the basic fundamental thing at the root of our malaise and without diagnosing that root, what remedy can be suggested?

Therefore, under these conditions, naturally State-Centre conflict develops. It is a inherent in the situation. What can we do? Whether anybody wishes it or not, it is built-in in the kind of policies you are pursuing.

The other day, for example, the Finance Minister stated, "if the State Governments want to increase the D.A., let them do it; I will not help them for. I am not responsible for the price increase". May I ask him who is responsible for the increase in the prices in this country? Who controls the banks? Who allowed the expansion of credit to the tune of Rs. 413 crores last year? It is Mr. Annadurai of Madras, is it Mr. E.M.S. Namboodiripad, is it Mr. Jyoti Basu or is it the Finance Minister whoever he may be—may be not, Mr. Morarji Desai, but the previous Finance Minister. Who did it? Who is responsible for it? Who did this devaluation? Is it Mr. Namboodiripad who did this devaluation? As a result of this devaluation, a tremendous increase in prices has taken place. Who is responsible for this? It is your policy that is basically responsible for this. Even today for this further increase in prices, who is responsible? You are not prepared to change your basic policies. And the States will have to suffer for you policies? As a matter

of fact, at the time you agreed to devaluation, Mr. Subramaniam and Mr. Sachindra Chaudhuri made a brave promise before the country; they gave an undertaking; they said, "we are aware that the cost of imported foodstuffs will go up; we are aware that the cost of fertilisers that we are importing will go up; we will see that they do not increase, we will subsidise them". Already ten months have passed. Today the new Finance Minister comes and says, "well, the subsidy on fertilisers is withdrawn". Only ten months ago this was promised. You undertook this devaluation with your eyes open. Government knew that the prices were going to go up and, therefore, they wanted to subsidise the States. But now, after ten months, they say that they cannot do that. What happens then to the efforts that the States have undertaken in order to increase food production? How can food production be increased if fertiliser costs today go up like hell? Therefore, it is an actual sabotage of the efforts of many States that are today engaged in increasing food production. This is the sort of thing that goes on. How can State-Centre conflict be prevented with such policies? It is built-in in your policies.

So, what becomes of the undertaking to the people that the Central Government will see to it that the prices do not rise? The Governments' answer is, after all, they are undertakings given to the people, and they can, therefore, be broken at will. But the undertaking that has been given to the princes when they entered into a covenant with them that they would pay them continuously the privy purse, is solemn, eternal and everlasting; it is *sanatan* and it can never be broken. So far as the common people are concerned, whatever might be the promise that Government make to them, they can break it at will after ten months, and it does not matter much because the people are born to suffer; they are people who are accustomed to suffer. But, so far as the princes are concerned, how can

they suffer? They have always been accustomed to live a luxurious life, and, therefore, how can their life be affected? That is the basic philosophy of this Government.

Under these conditions, therefore, something basic has got to be done, not from the point of view of communism, not from the point of view of socialism, not from the point of view of any 'ism', but in order that this march to ruin and perdition be stopped and the country's economy may develop. For this the basic thing that has got to be done today is to express our firm determination that come what may, we shall stand on our own feet and whatever might be the difficulties that we may have to suffer, we shall suffer them but we shall not barter away our honour and our self-respect. On that basis, let us decide here and how that at least from next year we shall put an end to the PL-480 food aid and we shall not have anything more of it, but instead we shall mop up whatever is available in this country.

After all, what have Government done all these years? The Finance Minister talks of a procurement of about 2 or 3 million tonnes only out of a total production of nearly 80 million tonnes which work out to just 3 per cent of our production. Government do not want to procure the marketable surplus in the hands of the richer sections of the landlords and they allow them to do whatever they please. I would suggest that after procuring the entire marketable surplus from the richer sections of the rural landlords, let us equitably distribute, let us not leave it to them to market it as they please and fleece the people but let us procure it from them and then we shall be able to live by ourselves. It may be that we may have to cut it to 12 oz. or 8 oz. per head per day but that does not matter for we shall not be depending upon foreign loans and aid and we shall not be begging for food from them.

[Shri P. Ramamurti]

Similarly, we know the effect of foreign aid. Therefore, let us immediately put an end to the foreign aid. Let us declare a moratorium at least for a period of ten years; let us declare it ourselves unilaterally and not by going and begging them; let us declare that we are not going to pay back the amortisation of and the interest charges for the next ten years because our country is in a difficult condition. Many countries in the world have done that. If we do that, they may not give us further loans. That is all right; that is very good; let them not give us loans. Similarly, we can also declare a moratorium on the repatriation of dividends from the foreign enterprises that have already been started here. We can tell them that we do not want further help from them and we shall be able to stand on our own and we are not going to permit them to have dividends because they have taken enough; let us declare such a moratorium at least for ten years. Similarly, let us have a moratorium on the repatriation of capital also for a period of ten years. All these measures together, I am absolutely certain, will be able to give us foreign exchange resources to the tune of Rs. 400 crores. With this sum of Rs. 400 crores our country's economy can be put on its feet, and after we are able to stand on our own, we shall start paying them back. Can this not be done? I am sure that this can be done.

If that has got to be done, then naturally, we have got to deal with the local exploiter firmly. We have got to take steps to see that the monopolists in this country do not aggrandise themselves at the expense of the people. Their power has got to be broken. Their power comes essentially from the power they have over the economy and from the power of wealth that they have. Unless, therefore, we are prepared to break that power of wealth, all talk of curbing monopoly interest is meaningless. Therefore, let us take firm steps

to see that certain immediate measures are taken. I do not want to spell out all those measures, just now. All those measures can be taken if there is a will. Let us immediately put an end to the privy purse of the princes. It may be a small thing and it may give only Rs. 5 crores annually. I know that, but it is a psychological thing. The common people will appreciate that. The psychological effect of such a step will be great.

Similarly, get hold of the strategic heights. What Pandit Jawaharlal Nehru said at that time, at least put into practice now. What are the strategic heights? Naturally, the banks, the insurance companies and other financial institutions. Do not allow any of these big business houses to come anywhere near that. If they come anywhere near that, in the investment committee, this committee or that committee, then we know what happens. They will be able to utilise everything to their advantage.

Shri Bibhut Mishra (Motihari): Why did Shri Nambudiripad invite Mr. Birla to Kerala?

Shri P. Ramamurti: He committed a mistake. We have said that.

Shri Nambiar (Tiruchirapalli): You have created that situation.

Shri P. Ramamurti: If we have committed a mistake, we are prepared to own it.

Shrimati Tarkeshwari Sinha (Barh): Has he decided not to give any licence to Birlas in Kerala? Or is it only kept in abeyance? He is more concerned with Birlas and what happens inside the Birla houses.

Shri P. Ramamurti: I am answering her.

Shri Nambudiripad has written to the Prime Minister that he does not want any licence to be given to Birlas.

Therefore, if we are prepared to take certain drastic action against this accumulation of wealth and prevent them from exercising the power of their wealth, then only corruption can be put an end to. Similarly, even bank nationalisation will not be able to prevent a price rise in this country because during the last 15—20 years, you have created nearly Rs. 3,000-4000 crores of black money. Unless that money is withdrawn from circulation, no amount of fiscal measures, even bank nationalisation, will lead to the desired results. Therefore, some sort of demonstration as a result of which the black money will cease to play its dirty role in our economy has got to be immediately done.

Similarly, we have to take measures to see that speculation in land, speculation in commodity and in stocks and shares, is stopped. These are all monies invested for non-productive purposes. What is the productive purpose for which this money is being utilised? The only productive purpose is the production of further black money. Therefore, if we have a will, we can today take all these measures.

We can also see that the peasant gets his own land, that he is not evicted from his tiny piece of land, that he is also freed from the usurious moneylender.

If we do these things, then a new life will come and a new enthusiasm will come into our people. Without that enthusiasm, nothing can be done.

It is in this context that I would also say that we should try and see that our defence expenditure today is reduced.

An hon. Member: Reduced?

Shri P. Ramamurti: Yes. Certainly, certain measures can be taken towards that end. The Finance Minister has told us:

"Hon. Members are aware that we are prepared to explore all

possible avenues of reducing the tension on our borders and improving our relations with our two neighbours, China and Pakistan".

I am very glad about it, because as a matter of fact in the last four years our policy has been 'stay put'. Any time we suggested that you must take some initiative in breaking this deadlock, we were branded as traitors. But today I am glad the Finance Minister says that "we are prepared to explore all possible avenues to reduce tension." Very good.

Shri P. Venkatasubbiah (Nandyal): But not at the cost of national honour.

Shri P. Ramamurti: I am not saying that. Why does he say that? We have only said: take the initiative in exploring the possibilities of finding a basis for talks. In fact, our Tenali resolution spoke of exploring the possibilities of finding a basis for starting negotiations. This was our resolution, and at that time we were branded as traitor. Anyway, two years back, when Mr. Nasser suggested to our then Prime Minister that he would arrange some sort of informal talks with Chou-En-Lai the late Prime Minister at that time refused to have it. This is on public record. Therefore, I am glad something has happened now. I hope that this will be pursued with vigour.

15 hrs.

In this connection, I would only like to point out, I suppose I am in good company now, that on the 20th March three good people, eminent people according to our standards, Mr. K. M. Cariappa, Mr. C. C. Desai, I do not know if he is here in the House now former High Commissioner to Pakistan, and Mr. H. P. Kapur, formerly of the ICS, in a joint statement said that India must take the initiative and in the first instance re-assess its relations with Pakistan

[Shri P. Ramamurthi]

and China who may be equally beset with problems of their own, and therefore may be realistically prepared for a reassessment of their foreign policy postures *vis-a-vis* India." I do not go into that question further, defence expenditure and other things they are talking about. But I am saying that a beginning has got to be made. This posture of touch-me-not, stay-out, we-will-not-do-anything, will not do. Some initiative has got to be taken. I cannot expatiate on these things because it will take a long time. What I have suggested are things that can be done by any Government which is interested in the welfare of our country.

I remember that in 1930 I was a volunteer in the Congress. Every day for nearly three months I was getting beaten up opposite Chellarams, the foreign cloth shop in Madras. I would be beaten, go to the hospital, get the wounds cured, and after five or six days again get beaten up and so on. At that time Pandit Motilal Nehru was the President of the Swadeshi Certifying Board. We know that a number of mills if Kanpur, the Buckingham and Carnatic Mills etc. approached Pandit Motilal Nehru and said that after all they were manufacturing cloth in our own country, therefore they should be certified by the Swadeshi Certifying Board. But Pandit Motilal Nehru said: "No, it is foreign capital, therefore, we will not give you that certificate, we want to drive out foreign capital from this country." Believing that, people like me, hundreds and thousands of Congress volunteers got ourselves beaten up day after day picketing foreign item shops. The scars of those wounds are still there. Now today after 30 years we are told that that foreign capital is a wonderful thing, it has got wonderful functions in our country. That is the new philosophy that is today guiding the Congress Party and Government. Under this, this country cannot go forward.

Many of these things can be done if there is a will, but unfortunately even if some of our Ministers say they want to do it, all I can say is they are like Arjuna in the battlefield at Kurukshetra. What did he say? He said:

सौदमिन् वमः पात्राणि रोम-
हर्षश्च जायते । बाणैश्च ह्यमते . . .

My hands are shaking, my hairs stand on end, the Gandiva falls from my hand, I see before me Bandhavas, my friends, my relations, my kith and kin, my blood relations. Similarly, our Ministers, when they see before them the Tatas, the Birlas, the Singhanias, they see then their kith and kin, their Bandhavas, their blood relations. It is that class blood that is running in their veins. Therefore, how can they take any action against them? Naturally, therefore, the action has got to be taken is by the people of this country.

Shrimati Tarkeshwari Sinha: Bhisma Pitamaha!

Shri P. Ramamurthi: The people of this country will one day rise and take action against all these people and they will make our history.

Shri P. Venkatasubbalah: I was not fortunate to hear the entire speech of Mr. P. Ramamurthi, but the concluding part of Mr. Ramamurthi's speech was remarkable for its presentation and narration of events. He said that Motilal Nehru refused to certify the cloth produced by the millowners of Kanpur and that the Congress is flirting with these very people now. May I remind Mr. Ramamurthi, who suffered for the sake of his country, played a different role in 1942 when the whole country was set ablaze by the clarion call of Gandhiji to fight for independence. At that time Mr. Ramamurthi thought it fit to champion the British cause by calling it a popular war. None of us are less patriotic so far

as the interest of our country is concerned.

15.06 hrs.

[SHRI BAL RAJ MADHOK in the Chair].

He referred to the Finance Minister's speech which says that negotiations have to be carried on with our neighbouring countries who have been hostile to us. May I remind him in this connection about the speech of Shri P. Sundarayya, the Secretary General of the politbureau of the Communist Party of India to secede Aksai Chin and other areas which had been established beyond doubt as being part and parcel of our country. I would only request Mr. Ramamurthi to throw more light on the suggestions made by Mr. Sundarayya.

Shri Nambiar: Answer the points raised by him.

Shri P. Venkatasubbiah: Why are we asked to mortgage the safety and integrity of our country. Before preaching sermons to others, our communist friends must behave in a nationalistic and patriotic manner. Apart from natural calamities and the two wars, the attitude and behaviour of the Communist Party in India has created difficulties for the orderly progress of the country.

An hon. Member: Which Communist Party?

Shri P. Venkatasubbiah: Both; there is no difference on that. I would only appeal to his patriotic fervour and his conscience and the sufferings he has undergone, to get back to that mood and help the country so that its economy may rest on sound footing.

Shri Nambiar: What is the price increase due to? Answer that point.

Shri P. Venkatasubbiah: Mr. Ramamurthi said that we had made a solemn assurance to the people, to the agriculturists that the fertilisers would be subsidised and the inputs would be supplied in time to implement the

food production programmes. I would suggest to the Finance Minister that in consonance with the philosophy and approach of Mr. Ramamurthi he should stop PL-480 imports and go towards self-reliance in food production. I entirely agree with him. But he should also bear this responsibility. We are spending Rs. 118 crores as subsidy on foodgrains. The Finance Minister is subsidising imported foodgrains at the cost of thousands and lakhs of agriculturists in the country. In pursuance of the philosophy preached by Ramamurthi I would appeal to the hon. Finance Minister to stop this subsidy on imported foodgrains and help the agriculturists instead. If inputs are supplied to them in time and in reasonable quantities, they would be able to give you the required quantity of foodgrains.

Coming to the budget, I would only say that though Mr. Morarji Desai, the Finance Minister, has not given the budget that great revolutionary character or colour, he was very modest in the presentation of the budget. I do not say it is a status quo budget. It is a realistic budget, keeping in view the conditions prevailing in this country, both man-made and also God-made, because continuously, we were suffering from serious drought for the last two years . . .

Shri Nambiar: God made man.

Shri P. Venkatasubbiah: Shri Nambiar does not believe in God but at least he has now mentioned the name of God. I am very happy. This occasion has provided him the chance to mention the name of God, as Shri Ramamurthi also said about Mahabharata and Arjuna. I am very happy that at least for the first time in the life of Shri Ramamurthi, he quoted from Mahabharata. Now, Sir, we were suffering from two droughts and also two wars with our neighbours, who have always been adopting a sort of belligerent attitude: they were not happy with our parliamen-

[Shri P. Venkatasubbaiah]

tary democracy. One is for some reason, and the other is for a different reason. Both are having their support in one form or another in this country unfortunately, from some quarters because we have been wedded to this type of democracy and would not rule in a dictatorial manner. These people have been hostile to us for all these years. For the sake of self-preservation, to safeguard the territorial integrity of our country we have to spend large sums on defence. Can Mr. Ramamurti, by any stretch of imagination suggest that we must drastically cut down the defence expenditure at the peril of our country's sovereignty and integrity?

Then, the food production of which I have made mention has to be accelerated. The Finance Minister had made certain attempts in order to give a boost to the agricultural production in this country. With many measures I may not personally agree, but he has created a psychology in this country as to accelerate the food production. Secondly, about the States' allotment, he has made certain provisions for the enhancement of the State quota in the present budget, compared to the interim budget. But I would only suggest that this amount of gesture shown to the various State Governments will not help them to implement their plans in a successful manner. I would only suggest in this connection to the Finance Minister that he should not merely stand on this moral stand of perpetuating prohibition in our country. I would only suggest to him that a realistic stand should be taken so as to facilitate the State Governments to raise more resources and not to depend on the Central Government any more. (Interruption). I know by personal experience. Of course, everybody in this House is very much interested in the implementation of prohibition in this country, but unfortunately, we have thoroughly failed in our attempt not only to success-

fully implement it but also it had the disastrous and adverse effect not only on the economy but on our moral and social standards.

An hon. Member: Amend the Constitution?

Shri P. Venkatasubbaiah: I will come to that. I am not going into the various budgetary provisions he has made. I can only say that he has been realistic in attaching the utmost importance to the need to put an end to the psychology of inflation, limit the outlays of the Central Government strictly within the resources which can be mobilised in a non-inflationary manner and ensure that the private industry is not inhibited from increasing production by limitation on the availability of credit. He has undertaken certain important measures which will go a long way to revive our economy.

Coming to agricultural production on which the Finance Minister has laid great stress. I would suggest certain things for his consideration. In spite of the fact that after independence we have been able to create irrigation potential for nearly 20 million acres of land, we have achieved only 80 per cent utilisation so far as major and minor irrigation projects are concerned. In minor irrigation projects, we have not made much headway in spite of the fact that we have laid great stress on it. The Finance Minister must take special steps in this regard. He has allotted to the land mortgage banks Rs. 5 crores. But I do not know why throughout his budget he has not made any mention of the cooperative sector. In the mixed economy we have accepted, co-operative sector is one of our established sectors. He should pay more attention to it. Only through this sector it will be possible to reach the millions of agriculturists and provide them with necessary inputs.

Another point he has not emphasised is the non-availability agricultural machinery in this country. Yesterday I heard the speech of Mr. Masani. Whatever may be the merits of his speech, I was attracted by one point he made about the non-utilisation of the installed capacity for the manufacture of agricultural machinery in this country. The Finance Minister should go into this very carefully and see that the necessary machinery is supplied to the peasants so that they can carry on their operations. I am narrating these things to facilitate the State Governments to accelerate their food production measures. The Central Government should go in a big way to the assistance of State Governments to subsidise plant protection measures hundred per cent.

The AICC has time and again passed resolutions regarding introduction of crop insurance scheme for the benefit of agriculturists. A beginning has been made by one or two States. It should be implemented sincerely, so that it may be useful to the agriculturists.

15.2 hrs.

[MR. DEPUTY-SPEAKER in the Chair].

About the other taxation measures which the Finance Minister has introduced in his budget, I only want to say that he was able to tap only some of the resources which are not tantamount to such things as are required for the progress of the people of this country. I am very glad to find that the Finance Minister was able to identify those areas where there is the least scope for increasing the price spiral.

In this context, I would like to suggest to him that the tax on tea and coffee may hit to some extent the common man whose prime need has become coffee and tea in almost every nook and corner of the country. I would have been very happy if he had made certain suggestions not only to restrict the internal consumption to

make a marketable surplus available for export but also take measures meant to increase the production of these two commodities. I very well remember Shri Vishwanatham is also here—that some effort was made to raise coffee on an extensive scale in the Arakku Valley of Andhra Pradesh. If that could be successfully tried—there are several other States where this can be done—it will help us a lot. I would request the Finance Minister to take steps not only to restrict internal consumption but also, side by side, explore avenues of extensive cultivation of tea and coffee in this country.

Coming to the tax on footwear, I myself was not happy with it, but when it was made known, when it was clearly stated that it will not affect the common man as the tax is being sought to be imposed on the factories which manufacture on a large scale I was tempted to make one appeal. In this country, unfortunately, the administration is so weak and vulnerable that any tax on any score will have a disastrous effect on every part of our life. Suppose a tax is levied on the costlier variety of tea, there is no suitable machinery to check the price rise in other varieties of tea. He should evolve a method by which the common man is not hit by these taxes.

The imposition of tax on petrol and high-speed diesel oil, I am afraid, may ultimately hit the poor farmer. Whether it is high-speed diesel oil or crude oil, let not the farmers and peasants be the victims of the machinations of the vested interests.

This budget, I would only say, as I said earlier, is a realistic budget if it could stop the inflationary tendency and also avoid, as has been stated, deficit financing. We hope that in the years to come Shri Morarji Desai will be able to present a socialistic budget, a budget which gives a fillip, which gives a sort of enthusiasm to the common people. We hope that he will be able to come to this House in

[Shri P. Venkatasubbalah]

the next year with a revolutionary budget.

A point which he has not mentioned and which has conspicuously escaped his attention is the regional imbalance. Time and again we have been mentioning in this House that like concentration of economic power in a few hands, concentration of development has been the privilege of certain States at the cost of others. Unless this regional imbalance is corrected, the entire social and economic structure of our country will not have fair treatment.

Coming to Andhra Pradesh, I would like to place the bare facts for the consideration of this House. Whenever food is discussed and the names of surplus States are mentioned, the name of Andhra is there. It is sometimes implied that Andhra has committed some sin. Not even a word of thanks has come for what we have done.

Shri Nambiar: We are prepared to give hundred words of thanks.

Shri P. Venkatasubbalah: I will quote one specific instance. In the month of May Andhra was requested to supply 40,000 tons of rice. Then, some allegation was made that nothing has been supplied by Andhra. I may mention that against a demand of 40,000 tons, Andhra supplied 29,000 tons to Kera's, 2,000 tons to Mysore and 5,500 tons to Madras and 29,000 tons of feed to famine affected Bihar.

In spite of the fact that the Andhra peasants have been doing their utmost to have increased production to supply to deficit States, certain measures taken here and the treatment meted out to Andhra from the Centre are causing despair and frustration. One should not forget the fact that slowly as the population increases Andhra may become a marginally surplus State, unless some speedy and effective steps are taken.

Take, for instance, the case of Nagarjunasagar. Here is a project which is unique. Whereas in the case of other projects like DVC, Gandak and Bhakra two or more States are allowed to share the responsibility and expenditure here is a project which is being executed fully by only one State with Central assistance. Is it not discrimination? Even in the matter of Central assistance discrimination has been meted out to this State. Andhra was made to pay interest on the loan taken from the next year of receipt whereas in the case of other States—I may specifically quote Bhakra here—interest was allowed to be paid only after benefits have accrued. Why should there be this kind of discrimination between States?

Then, the present position of the project is that if Rs. 30 crores are allotted the project can be completed. When it is completed 22 lakhs of acres will be brought under irrigation and an additional quantity of 16 akhs tons of foodgrains will be produced. We are going with a begging bowl to each country and we are feeling elated, happy and grateful whenever Burma, Thailand or other countries offer to supply us 10,000 or 15,000 tons. Here is a State which is prepared to give 6 lakh tons every year and another 15 lakhs or 16 lakh tons if Rs. 30 crores are made available to complete this project.

Though work on the project was started in 1955, still it has not seen the light of day. Though the dam is complete and water is ready, the canals are not ready. The canals which were constructed can irrigate only to the extent of 6 lakh acres. If Rs. 30 crores are made available to Andhra—they are not asking anything beyond their legitimate share; they are only saying that within the overall Plan provision of Rs. 30 crores, instead of spreading it over five years it should be granted in two or three years—then Andhra will be able to produce more of foodgrains.

Coming to another point, I would like to show by way of illustration as to how regional imbalance can cause certain difficulties. Andhra is the only State which is spending 14 per cent of its expenditure on irrigation alone whereas, in respect of any other State, it has not exceeded even 7 per cent. At the cost of other things, rural water supply, roads, electricity, Andhra is spending 14 per cent of its expenditure on irrigation. What is the position? The per capita consumption of electricity is the lowest in the State. We have been asking the Central Government that certain assistance must be given to the State. Here, I would like to point out that there are Central power generation projects, such as Neyveli, Kalpakam, Rana Pratap Sagar and other projects. Of course, Mr. Nambiar may be unhappy but, I say, these are bare facts that I want to put before the House. Whenever electricity power is generated from the public sector, it is but natural that it should be shared by the other deficit States. But what is happening is this. I am not envious of Madras when I say Madras is in a very happy position because it has the advantage of having Central projects where power is generated without spending a pie from the coffers of the State Government. The Neyveli project is having 600 MW of power generation and Kalpakam project will give another 400 MW of power. I suggest, whatever be the project, whether it here or there, the power generated should be shared by other States.

Shri Nambiar: We will give it to Andhra.

Shri P. Venkatasubbaiah: What is the fate of Kerala? Kerala is deficient in so far as per capita consumption of electricity is concerned, but Madras is surplus in electricity. They have now started another project at Ennore and for the Ennore project, coal has to be taken from Kothagudem to generate electricity. I would suggest that there should be

a Central power generation project at Kothagudem where electricity can be generated at less cost. I will bring it to the notice of the Minister concerned also.

No mention has been made regarding the eradication of famine in the country. Famine protection is as important as food production. We have been seeing the sorrowful spectacle of Bihar and Eastern U.P. where thousands and lakhs of people have been the victims of famine. Some provision has to be made for the eradication of famine in the whole of the country. Wherever there are famine pockets, they have to be identified. Take the instance of Rayalaseema which is the worst affected famine area.

Shri Ranga: (Srikakulam): Srikakulam and Vishakhapatnam also.

Shri P. Venkatasubbaiah: Yes, Shri Ranga has the unique privilege of being elected from there. These are also the worst affected famine areas. These areas should be identified here must be Central assistance for these areas to eradicate famine.

In this connection, I would like to make a mention of Tungabhadra High Level project which is beneficial to the States of Madras, Mysore and Andhra. This is a project which will not only give water to irrigate the lands and to increase food production but will also go a long way in eradicating famine. That also must be borne in mind.

Coming to the nationalisation of banks, Shri Ramamurti need not be vociferous (Interruption).

श्री राज सेवक दास (बारबंकी): भावडी में, जबपुर में समा-बाद माने का प्रस्ताव पास किया था। कहाँ बना गया वह?

Shri P. Venkatasubbaiah: In the All India Congress Committee, we have passed a resolution for the social control of banks. The Cong-

[Shri P. Venkatasubbalah]

ress Party can take credit that it has abolished the princely order, that it has abolished zamindari system, that it has nationalised Life Insurance Corporation and that we have set a number of public sector undertakings. (Interruption) The Congress Party is not ashamed to say all that. We have done more things than what our friends there are doing. We are here to champion the cause of the people and also of socialism. We are second to none. (Interruption) I would say that in accordance with the resolution of the All India Congress Committee, this step must also be taken.

One word about princely States and privileges. The princes, at the troublesome times when disintegration was threatening, made a patriotic gesture. We should not forget the history. They made a patriotic gesture in voluntarily liquidating the States and merging in the mainstream of public life. I would appeal to the big prices who have got huge privy purses to do national service by voluntarily liquidating or surrendering their privy purses. I know that many of the small princes get a paltry privy purse. I come from Banganapalli where the prince receives a small pittance; there is no other ostensible means. What could we do with such people? I do not stand on covenants or promises made to the princes; I stand on humanitarian grounds; I appeal to their patriotic fervour and instinct to voluntarily surrender these privy purses.

I commend this Budget with some minor adjustments. I would make a request to Shri Morarji Desai: If he taxes the common things like coffee and tea, effective measures should be taken so that the common man does not feel it. I hope he will be able to arrest the prices and also this inflationary tendency.

Lastly, I would like to make this request. Fortunately or unfortun-

tely in this country a large amount of forged currency or counterfeit currency is under circulation. (Interruptions) I must tell the fact. He must take effective measures to check this because this is having a disastrous effect on our economy.

With these words, I support the Budget.

Mr. Deputy-Speaker: Mr. Dange.

Shri S. A. Dange (Bombay Central South): It is 3.40 now. The Prime Minister, I think is to speak at 4.00. I do not want my speech to be broken in parts. Unless, she agrees to make her statement at 4.15.

Mr. Deputy-Speaker: How can I promise? it is difficult for me to say anything about this.

Shri S. A. Dange: She can make her statement at 4.15.

Mr. Deputy-Speaker: All right; I will request her accordingly.

Shri Kanwar Lal Gupta (Delhi Sadar): Mr. Ram Gopal Shalwale has to go out. So, he wants to speak. If you can accommodate him.

Mr. Deputy-Speaker: I have got this name.

Shri Kanwar Lal Gupta: He is prepared to speak just now.

Mr. Deputy-Speaker: I have called Mr. Dange.

Shri S. A. Dange: If I may be permitted to resume the thread where my friend Mr. Ramamurti left, I would like to introduce a correction in the mythological simile which he quoted. The correction may not be very palatable but I cannot help it. Mr. Ramamurti compared Mr. Morarji Desai to be in a state where Arjun was . . .

Shri P. Ramamurti: Not he, some of them.

Shri S. A. Dange: where he was trembling before Birlas and his Bandhavas and whether they would fight them and kill them. The simile proceeds like this. Arjuna was given a dose of philosophy by Shri Krishna, and perhaps in this case by Shri Ramamurti, and ultimately he decided to fight the Bandhavas and kill them. (Interruptions).

An hon. Member: Pandavas?

Shri S. A. Dange: Bandhavas and not Pandavas. You do not know the word 'Bandhava', relations?

In that simile, it seems that Mr. Ramamurti is optimistic about the Congress leadership changing to the new philosophical preaching. He has some hope, but unfortunately I have not got that hope. My simile, therefore would go further and say that we have to treat them as Shishupala and give them the medicine that Shishupala got when all his hundred gatas or the pitchers were filled with sin and they were no longer fit to live.

श्री शिव नारायण (दन्त) : देवता
योग बोल रहे हैं !

श्रीमती तारकेश्वरी विद्या : महाभावा ।

Shri S. A. Dange: In any case, I thought that they would enjoy a reference to the Mahabharata. So, I just wanted to give it. But if they do not want it, I shall come to the present Mahabharata, that is, the war launched by the budget against the people of India. That would be more to the point perhaps than reference to the past Mahabharata.

For, what does the budget amount to? It amounts to two essential points. The first essential point is that it imposes excise duties on tea, coffee, footwear, cigarettes and so on, which are things consumed by the

common man. Even the duty on fine and superfine yarn supplied to the powerlooms is going to hit the common man in the sense that the middle class man at present uses fine and superfine dhotis and the powerloom sector is a quite powerful contributor to the textile production in this country.

The hon. Minister has first imposed excise duties, whose inevitable effect will be rise in prices. So, he creates a deficit in the common man's budget and then takes the credit for balancing his budget and not going into deficit financing. It is a wonderful method of balancing the budget and it is a wonderful press and they are wonderful gentlemen outside and there are some of them here also, who praise the Finance Minister for having achieved a feat for the first time, namely, a balanced budget. I could recommend to him that he could make a surplus budget. He can double the excise duties on tea, coffee, footwear, cloth and so on; then, he will not only balance his budget, but there would be a surplus budget of Rs. 100 crores and then he would get perhaps double the cheers as compared with what he is getting today from the congress benches, is that the scientific method of balancing a budget that you should raise the prices, raise the excise duties and hit the common man and then say 'I have balanced the budget, a feat which was not done formerly either by me or by others'?

The second point which I want to make is this. Has he rid society of that single factor which is responsible for high prices in the present economy? Of course, he has enunciated his ambition that he wants to reduce high prices. Certainly, everybody wants to reduce high prices. I believe in him when he says that he wants to reduce the high prices. But by what method? He first raises the prices by imposing excise duties? As for the Railway

[Shri S. A. Dange]

Minister, he raises the fare by 7-1/2 per cent and then becomes generous and says that he would raise it only by 5 per cent. These are the tricks of the budget. I do not know whether later on the Finance Minister may not also do the same thing and say that he would reduce some of the excise duties. Anyway, that does not detract from the argument that this is not the method of attacking the phenomenon of high prices in our country. High prices today have nothing to do with the cost of production; high prices today have nothing to do with the rise in wages; high prices in our country today have nothing to do with rise in dearness allowance. Take, for example, the high prices of steel. We have heard a lot about it. It is said that the high prices of steel in this country are higher, than the international prices. The element of wages in the steel industry in this country accounts for only 10 to 15 per cent of the cost of production. In foreign countries, it is something like 25 per cent. But here it was found in a study of the cost of production in the HSL by one of their experts that if we take away the element of freight and excise, the selling price would come only to 71 per cent whereas in Germany it would be something like 92 per cent and in America it is something like 90 per cent or so.

That means, here the high prices are not due to the rise in wages or rise in DA or any inefficiency or the low productivity of the worker. Then what are they due to? They are due to the fact that 75 monopoly houses control the market in this country, control the main elements of capital investment in this country. You take the hundred commodities listed in the Monopolies Commission Report. You will find that the most essential goods are subject to the control of monopoly. Where a monopoly comes into existence in any economy, high

prices are an inevitable phenomenon, and no amount of talking about the ambition to reduce high prices will ever make anyone succeed in carrying out his objective unless and until monopolies are broken.

In his Budget or elsewhere he does not propose any method by which he is going to attack monopoly capital in this country. In fact, it is being strengthened in this country. Apart from what the Hazari Report may say or what the Monopolies Commission may say, even taking all the facts of last year's phenomena, you will see that monopoly has strengthened its hold. Therefore, unless monopoly is broken, you cannot reduce the rising prices in this country. Merely saying that agricultural production should be increased and the months that feed on it should be decreased by population control—these are the two pillars on the basis of which he has raised his whole structure of this year's finance for his budget—will not achieve the objective. You will not find the phenomenon of falling prices thereby. It has already been proved. Even when there was high agricultural production even then prices rose. Shri Subramaniam at that time was very heroic enough to say, 'Since I have got 80 million tonnes production, you will see what can be done'. What can be done! Nothing was done. Because this product of agriculture is ultimately controlled mainly by the big landlords, big landlords and big rich peasants and, secondly, by banking finance. Banking finance by advancing money in the name of trade and credit, to speculative trading ultimately aids hoarders to hoard foodgrains and unload them on the market at the opportune time at high prices.

Therefore, even if you increase production in the agricultural sphere, you are not going to succeed in pulling prices of foodgrains down. Therefore, I come to the same point: unless and until you break the highest

concentration of monopoly capital, that is banking, and unless and until you nationalise banks, you will not succeed in reducing prices.

Now, the Finance Minister or his friends may say that I am obsessed with nationalisation. That is not the point. Show me any other way than this way of reducing prices. You have been trying it for the last 15 years.

An hon. Member: 20.

Shri S. A. Dange: I am taking the Plan date, from 1951-52. They have been trying that and they have failed. Why don't they say that they have failed?

Therefore, the Congress leadership is obsessed with the idea of preserving monopolies, not hurting them, not taking away their power of command over capital in this country. Therefore, they are not able to succeed, in spite of good intentions they have got. I do not charge them with having very evil intentions and all that—I am not going into that. Even Congressmen who really want to reduce prices cannot succeed as long as these banks are in private hands. I will take up this point later.

The second point I want to make is that he has not anywhere in the Budget proposed concrete measures to reduce high prices. Then he says that he is also intent upon taking away the psychology of inflation. With prices rising due to excise, how the psychology of inflation is going to be taken away. I do not know. Perhaps Dr. V.K.R.V. Rao the celebrated economist, might enlighten us how with rising price and with rising concentration of banking finance, the inflationary psychology is going to be taken away. Maybe Dr. V. K. R. V. Rao may not say because he is in the Cabinet, maybe he will do it in some seminar, but at present seminars and lectures have no value, they are only philosophical lectures. What

do you do in the Government, I want to know.

Therefore, this question of solving this problem as posed by the Finance Minister is not going to be resolved at all, and we are going to have higher prices, we are going to have a demand for higher dearness allowance and the Government is going to refuse, and we are going to have more struggles. I am sure we are going to hear that I am threatening them with struggles. I am not threatening. Every excise duty is a call for struggle, for a general strike; having concentration of monopoly and banks is a call for struggle, and therefore it is not we are raising, so to say, the ghost of all these struggles.

Since the budget was published—of course I do not mind people praising Mr. Morarji Desai, and he has got the reputation of being ruthless; of course, he is ruthless with the mass movements, never ruthless with the monopolists, but I do not want to go into that—let us see the myth that is created. The first myth is a balanced budget. You just add Rs. 5 crores this side and adjust Rs. 5 crores that side and call it a balanced budget, but I have lost Rs. 115 crores from my pocket as a consumer, and then you put it there on the other side and say you have balanced the budget. The balancing is a myth, and therefore it is a hit against the common man and a service to the monopolists.

He is doing a few things for the service of the monopolists. For example, take the tax holiday. Instead of six years it is now eight years. You can start any bogus factory, then he gives you a credit of Rs. 10 crores more in a financial institution, then he will give more subsidy. You start the factory and do not pay any taxes for eight years, then you say that you are not carrying on well and ask for more subsidy. What is the way of dealing with monopoly, this rising phenomenon which hits the common man? This is only one instance.

[Shri S. A. Dange]

Then he says that inflation would be curbed by the present budget. I do not like to quote many of these people who speak on this question, but one quotation I might present. Mr. Shenoy is a very favourite subject, a favourite gentleman with some people, a celebrated economist. There is the myth that the psychology of inflation will be taken away. Mr. Morarji Desai is very clear. He did not say that inflation will be taken away, only the psychology. That means inflation will remain and the psychology will be taken away. You have to believe that psychology, not inflation, is going away. Mr. Shenoy says on 31st May, after hearing the budget, that inflation would still result. From what? He is not a communist, anti-imperialist, he is not anti-U. S., but is presenting us with a remark which Mr. Masani might take note of. He says that the results from the U.S. use of P.L. 480 funds by the U.S. Embassy must be as inflationary as the expenditure of created moneys by any other party. On the available data, the expenditure by the U. S. Embassy was of the order of Rs. 80 crores in 1964-65. He felt it was time the full statistics of the P.L. 480 transactions were published, in view of the important role they played in the monetary and economic situation.

So, this choice bit from Mr. Shenoy would awaken Mr. Morarji Desai and he should not claim that inflation or the psychology of inflation will be taken away by the measures that he is proposing.

He wants another thing, to increase production. He is very clear on that point, and I agree with him that there is no general recession as such in the country, that there is some fall in production. In the same paragraph he himself says that there is a certain fall in production, and

There is stagnation in production. Why? Because the monopolies have got hold of the main production mines and have raised the price level to such an extent that the demand is contracting. Unless the price level is brought down, there cannot be stimulus to production. They think that this can take place by means of liberal imports, liberal export subsidies and liberal foreign-exchange aid. Why is the foundry industry, one of the main, basic industries which go to stimulate production in the industrial sphere, lagging behind? Why is the coal industry lagging behind? I will give one more statement; it is not mine because ours may be challenged. The fifth annual meeting of the coal industry was held and the President of the Indian Coalmine Owners' association says: "Under-utilisation of capacity is a long standing complaint". Why is there under-utilisation? He wants fuller utilisation. I agree with him. My suggestion is to stop import of foreign machinery and rely on our own machinery. Self-reliance was the slogan after devaluation. Soon afterwards it was given up. Now, this gentleman says that the import of mining machinery under the World Bank loan agreement has added to the existing extent of under-utilisation still further with what the president of the Association, Mr. Agarwal, has called baneful effects on the cost structure of the coal mine. Here we have got the capacity to produce machine tools and machinery and everything. That capacity is forced to lie idle because the World Bank says: if you want loan you must take the machines that we give from the American inventory; you cannot use your capacity. Similarly, when the railway capacity is lying unutilised, orders for railways are placed in Canada or the United States or elsewhere. Is that patriotism? Somebody was delivering a lecture on patriotism. In coal industry, there is a man speaking from inside that under-utilisation is the result of your policy;

you are importing machines and goods which you can produce here but you are not allowed to produce them because the loan-giver says you should not do so. The same thing could be said about the engineering industry. There had been retrenchment and notices in the engineering industry. People have resisted these notices. There have been struggles. Why is it that the engineering industry is in the doldrums? I need not quote to you a long passage. But Mr. S. K. Datta, former president of the engineering association says that much of this is due to the fact that in spite of our having the capacity to produce our key machines, we are forced to buy them from abroad in the name of aid. Therefore, our capacity lies idle and there is a systematic sabotage of India's industry imposed upon us by the American capital which is acquiesced in by the leaders of the Government, when they allow such things to happen in this country, whether that be in the public or the private sector. The import of things which could be produced here must be stopped but it is not being stopped. I do not want to bother you with technical details. They are complaining about the textile industry. Do you know that the Indian Standards Institution undertake a study of making spinning uniform and less expensive and help the spinning industry to go ahead? they found that there were eleven different varieties of clamps as each mill imported under the aid a clamp from a different country.

16 hrs.

Each country had its own clamp and the Indian Standards Institution pleaded inability to solve that tangle, because this arises out of foreign aid. This is a report made by the Director of the Indian Standards Institution. Has any Government Minister paid attention to this? Has any Government Minister asked the spinning industry and the textile industry not to import parts but to standardise

the parts in this country buy our own machinery and nothing else? Therefore, this excessive obsession of getting foreign aid and imports even in those places where we can produce our own goods is at the root of the evil of stagnation, fall in production and under utilisation of capacity, and therefore inability to plan the budget and ultimately having deficit financing and rise in prices. These things, I do not think, are unknown to the Congress leadership. They are known to them. Then why don't you cure them? That is the question. The cure does not take place because the policy is like this: you shall not stop the American *datta*, the American donor, because you cannot do without foreign knowhow. It is not a question of not borrowing foreign knowhow. In certain cases, yes, do take foreign knowhow. My objection is not to taking foreign knowhow. My objection is not to pay for it. But objection is about taking foreign knowhow in a place where we have our own knowhow; where our scientists and technicians have produced their own inventions, their own formula, their own products. There you import and stop the use of their own inventions. There, I am objecting. My position is, after having invested something like Rs. 15,000 crores in the last two or three Plans, it is astounding to see that many of these plants are lying unused, under-utilised, and some of these plants are even undergoing sabotage. If the completion of the Ranchi plant was sabotaged purposely,—I do not know by whom; let them find it out; they have appointed a committee but nothing came out of it—the internal management of things in some of these strategic plants is sold out to foreign interests and friendly American interests. Therefore, in conjunction with them, a deliberate inefficiency is imported, deliberate clashes take place, deliberate fires take place. And a strategic plant like the one in Ranchi, if it were completed, then, a combined Bhilai and Rourkela can produce one steel plants every year. But Ranchi plant could not be com-

[Shri S. A. Dange]

pleted in time. Why does this happen? Is there any checking up in the Planning Commission anywhere, of any individual schemes and individual plants or anything?

Somebody quoted Mr. Masani or somebody as saying the other day that Stalin shot some planners, and he said: "This is what comes out of planning." Here, the method is different. Stalin should not have shot the planners. He should have followed the Congress practice. If you fail in the Planning Commission, you are promoted to the Cabinet position. If you fail in the Cabinet position, you are promoted to Governorship, and if you fail in the Governorship, then you are made an Ambassador outside. That is the way of getting rid of the people, but you do not get rid of them; they come back again. So, I am not commenting or I am not saying that Stalin's method should be followed, but the wonderful patriotic Swadeshi method of rewarding failures in this way at least should be given up henceforward and a check-up of the plants be made.

For example, many of these public-sector plants have been good; many of the managers are good, and I shall always say that the public sector must prevail over the private sector, in spite of the fact that I know this corruption and theft in any amount in the public sector; who can say there is no theft or corruption in the private sector? The Teja is there; Mundhra is there. The textile mills are there. Mr. Morarji Desai personally once settled the feud in the United Mills in the city of Bombay when he was there as Minister. In that mill a fraud of Rs. 96 lakhs was discovered; the rupees were not recovered; the losses were not recovered but somehow or other a patchwork was made and the mill was set going. Therefore, let us not talk of corruption only in the public sector. There is corruption in the private sector and the public sector.

My suggestion would be that in the public sector, the manager should be appointed on the basis of his ability and technical knowledge and he should not be given just a scale of pay, say, 1000-50-1500-EB-1600 with a dearness allowance of Rs. 500 and all that. The managers in control should be given their salaries plus a commission on production of quality. The moment you do that, there will be a change in the attitude of the management and there will be improvement in the public sector. If you bind them only within the framework of the ICS salary, they will go on stealing by lakhs, stealing in production, stealing in prices, stealing in contracts and stealing everywhere. Therefore, as an incentive, along with their salaries, a certain commission or any other method that is feasible and reasonable should be allowed, so that theft and corruption can be brought down and efficiency can be increased.

I am not in favour of running down the public sector, just because it is public sector. At the same time, I know this Government at present is not capable of managing the public sector.

Mr. Deputy-Speaker: Will he take more time?

Shri S. A. Dange: We agreed that I will speak till 4.15 or 4.20.

डा० राम मनोहर लोहिया (कन्नौज) :
4.20 तक जाओगे ?

श्री श्री० अ० डा० : मैं नहीं, 4.20 पर तो उन का नया स्टेटमैंट होगा ।

I have already enunciated my main proposition that the method of imposing excise duties at a higher level is wrong and is going to raise the cost of living index, resulting in unrest and discontent. The method of not attacking monopolists is wrong. If you continue to leave banks in

private hands, you will not be able to solve the problem in this country. They say they are having social control. I read in the papers that the Congress Party passed some resolution on social control. Read the results of last year's working of the banks. Unsecured advances—clean advances, as they are called—have risen last year more than in any other year. Deposits in the banks have increased and reached the highest last year. The Reserve Bank and many other commercial journals say that clean advances are a method of inflation, bribery, corruption and blackmarket. Yet, you think that social control exercised by the working committee of the Congress Party will work; it will not work. Unless the banks are taken over and managed in a democratic way with the assistance of the employees, and not managed by the same old Directors as they are today, the same Birlas being appointed in the State Bank instead of in a private bank, you will not solve the problem. If you want to correct the economy, this is the only method.

16.08 hrs.

[MR. SPEAKER in the Chair]

Why should the Government be lenient towards thieves of foreign exchange? Bird Heilgers were found to have stolen foreign exchange and they were fined Rs. 1.55 crores. The Revenue Board or some revision board reduced it to Rs. 48 lakhs, and allowed them to run away with Rs. 1 crore. I cannot understand this leniency. When a known thief is found, how is it that the ministry becomes very generous suddenly towards such an institution? Bird Heilgers are not really the same Birds they look from their names. Actually they have relationship with the great Birla Empire. They have got a European name, but they are no longer European....

Mr. Speaker: He should conclude now.

Shri S. A. Dange: Sir, I had made a pact with the Deputy-Speaker....

Mr. Speaker: I know about it. Even that is over now.

Shri S. A. Dange: Then I will continue afterwards.

Mr. Speaker: I heard it, that you were to go up to 4.15. If you want a little more time you can continue afterwards.

Shri S. A. Dange: Sir, there is nothing sacrosanct about the statement....

Mr. Speaker: She has to make it here and then go to the other House.

Shri S. A. Dange: Let me try to finish as soon as possible.

Mr. Speaker: No, no; he can continue afterwards.

16.11 hrs.

STATEMENT RE. DEVELOPMENTS IN WEST ASIA

The Prime Minister and Minister of Atomic Energy (Shrimati Indira Gandhi): Mr. Speaker, Sir, nearly two weeks ago, my colleague, the Minister of External Affairs, made a statement in this House giving Government's assessment of the explosive situation in West Asia and expressing our deep concern at the developments that were taking place there.

Since then, our efforts in the Security Council as well as outside have been concentrated on counselling moderation and lessening of tension and preservation of peace in that area. Our Representative in the Security Council in consultation with the non-permanent members of the Council and others made earnest endeavours to formulate a resolution which might be acceptable to the Council. The resolution aimed at supporting the Secretary General's recommendations contained in his reports to the Council and earnestly