

[Shri Siddananajappa]

lowed under the model clause to each House of Parliament to modify the rules.

Therefore I have tabled this amendment, which is more in conformity with the model clause accepted by the Law Ministry, and I hope that the Deputy Minister will accept it.

Mr. Deputy-Speaker: The amendment is now before the House. Is the hon. Deputy Minister accepting it?

Shri Hajarnavis: I am not accepting it.

Mr. Deputy-Speaker: Is the hon. Member pressing his amendment?

Shri Siddananajappa: No, I am not pressing it.

Mr. Deputy-Speaker: Has the hon. Member leave of the House to withdraw his amendment?

Several Hon. Members: Yes.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 17 stand part of the Bill".

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18 was added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

Shri Hajarnavis: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

15.25 hrs.

***DEMANDS FOR SUPPLEMENTARY GRANTS (GENERAL)**

Mr. Deputy-Speaker: We shall now take up Supplementary Demands.

*Moved with the recommendation of the President.

DEMAND NO. 9—DEFENCE SERVICES, EFFECTIVE—ARMY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 67,00,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Defence Services, Effective—Army'."

DEMAND NO. 11—DEFENCE SERVICES, EFFECTIVE—AIR FORCE

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 8,00,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Defence Services, Effective—Air Force'."

DEMAND NO. 25—UNION EXCISE DUTIES

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 40,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Union Excise Duties'."

DEMAND NO. 26—TAXES ON INCOME INCLUDING CORPORATION TAX ETC.

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 39,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Taxes on Income including Corporation Tax etc.'"

DEMAND No. 49—CABINET

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 3,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Cabinet'."

DEMAND No. 97—INDIAN POSTS AND TELEGRAPHS DEPARTMENT

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 4,50,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Indian Posts and Telegraphs Department'."

DEMAND No. 111—SECRETARIAT OF THE VICE-PRESIDENT

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 56,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Secretariat of the Vice-President'."

DEMAND No. 114—DEFENCE CAPITAL OUTLAY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 20,00,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Defence Capital Outlay'."

DEMAND No. 144—CAPITAL OUTLAY OF THE DEPARTMENT OF ATOMIC ENERGY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1963, in respect of 'Capital Outlay of the Department of Atomic Energy'."

Shri A. K. Gopalan (Kasargod): I rise to support all the Supplementary Demands for Grants presented before the House. These Supplementary Demands are a logical follow-up of the firm determination of this House expressed the other day to drive away the Chinese aggressors from our territory. After having unanimously adopted the resolution moved by the Prime Minister, expressing the united will of the Indian people, the time has now come for us to translate that determination into concrete actions and deeds.

The most important of these concrete deeds is, naturally, the acquisition of the necessary military power for throwing the Chinese aggressors out. Naturally, the primary instrument of this task is our Armed Forces. They have to be augmented both in human and in material resources. They have to be provided with up-to-date, efficient and suitable weapons. Fresh reinforcements have to be recruited, trained, mobilised and led. All these will certainly strain our limited resources to the utmost. Already, we were engaged in the herculean task of the development of our economy for bettering the lot of our people. Even the limited successes which we were having and which we achieved required the sacrifices of the common people. The new situation will further strain our economy, and will divert our limited resources into unproductive channels. But this is a task which we cannot postpone.

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Coming to the Supplementary Demands for Grants, out of the hundred odd crores of supplementary grants now demanded, nearly Rs. 95 crores are meant for defence purposes Rs. 75 crores of revenue and Rs. 20 crores of capital expenditure. A casual look at the details of the expenditure will show that out of the Rs. 75 crores of revenue expenditure on defence, the lion's share goes for the expenditure on the acquisition of equipment and stores, Rs. 20 crores for the ordnance factories, Rs. 24 crores for the purchases outside the Government ordnance factories, and Rs. 4 crores for Air Force stores; this comes to a total of Rs. 48 crores. Undoubtedly, I am sure that quite a sizeable proportion of this expenditure will have to be incurred in foreign exchange for the purchase of weapons from abroad.

In this connection, I have to say that only the other day, the Prime Minister enunciated our country's policy as far as the purchase of armaments and the armament industry are concerned. I agree fully with that declaration. But, here I have to say that we should not forget that in the past our efforts to produce modern weapons in our factories were obstructed by the private arms manufacturers abroad by their claims on patent rights. I remember in this House itself when answering a question in 1954, the Prime Minister, who was also Defence Minister then, said that our ordnance factories could not undertake the manufacture of a number of modern weapons due to objections raised by the foreign firms who owned patent rights. So though it was possible for us to produce those weapons, we could not do so.

As the Prime Minister has said, we cannot go on purchasing arms from abroad. In an emergency, we have to do it and should do it. But every effort must be made to use our material and scientific and technical skill to produce our own weapons. For this purpose, we should, as we have been

emphasising very often, among the existing patent laws and trade marks and stop also the treks abroad for purchases.

In this connection, I want to emphasise that the arms purchases being made should be strictly on a commercial basis. I know, of course, that there is practically no free trade in them. It has to be purchased either in the international black market or at fabulous prices or it has to be got by political arrangements, on a government to government basis. When coming to such arrangements, we have to be vigilant about being tricked by attachment of political strings to such deals.

Another point is this. There are voices being raised in the country that planning should be dropped and social services etc. should be cut down to help defence effort. As the Prime Minister said the other day, we are opposed to such course of action. After all, what is defence if it is not based on the economic strength and political stability of a nation? The very process of strengthening our defence means basing it on our own economy and the well-being of our people. So we cannot neglect this aspect.

That brings us to the question of resources. We have two tasks. We have to prosecute an enhanced defence effort and simultaneously continue to plan for socio-economic development. So it is very difficult to find the resources. It is certainly heartening that as far as defence measures are concerned, we are seeing everyday that all sections of people, even the poorest sections, contribute according to their mite. Certainly as long as the emergency lasts, there will be more contributions. But these voluntary contributions will not be sufficient because we have to find resources for defence as also for the continuation of socio-economic development plans.

So I am placing certain proposals before the House as to how resources can be found specially in this emergency; the first is that we should take over the banks for the emergency period. I do not say nationalise them now, though we are of that opinion. Let that question be decided afterwards. What I say is, that Government should manage the banks so that their resources can be used for the defence effort and also for other purposes to which Government think priority should be given. Then speculation and speculative trading should be stopped. As regards privy purses, some rajas have donated a percentage to the defence fund. What we say is that privy purses over a lakh of rupee should be suspended for the emergency period. There should be a cut of 5—15 per cent on salaries over Rs. 1,000. Certain companies and concerns have got resources accumulated. These also have to be utilised. Former princes as well as certain other people in this country have got foreign assets. It is said that this amounts to about Rs. 100 crores. They may be asked to declare those assets. These can be used for purchasing things from abroad.

There has been a magnificent contribution of gold. But this has come mainly from the middle classes and the poorer sections. According to the Finance Minister himself, there are about Rs. 2,000 crores worth of hidden gold. The gold with millionaires and bullion traders has not come out. We have to consider this matter very seriously and make an appeal to them. We should make it attractive for them to come out with it. If necessary, we may pay a little more price and then see that we get all the gold available. If the appeal is not effective, we will certainly have to consider certain legislation by which we will be able to get all these resources.

The next question is about foreign trade. In this emergency period, I think the foreign trade must be taken over. Also, if it is possible, the trade

must be done on a barter basis. Then there are Rs. 30-40 crores going as remittances abroad. At least 50 per cent of these may be stopped till the emergency is over and the amount taken over.

The next source of income is excess profits tax. When we were discussing the Bill to amend the Companies Act the other day, one of my hon. friends said that the workers are working, and are ready to work, extra hours and pay the wages to the NDF. What about the profits that come on account of that extra work? That must certainly go to the NDF. When everybody in the country, specially the poor people, is making the utmost sacrifices, certainly there must be a limit for the profit and the excess profit must be taken over.

As far as agricultural production is concerned, according to the figures given to us, even now there are wastelands. These should be given to landless agricultural labourers free. There should be no formalities now because these must be given immediately so that they will be able to cultivate those lands that are even today lying fallow and held by landlords. This must be done so that in this period of emergency every piece of land that is cultivable is cultivated.

The next point is, as my hon. friend, Shri Kamath, said, about scrapping prohibition till the emergency is over. That will also give us some money. When I pointed this out last time, the Finance Minister did not like it and replied that it would not be done. But in this emergency, we should consider whether it cannot be done.

Then I come to the last point. As far as the defence strength is concerned, the morale of both the jawans in the front and people in the rear is very important. War does not simply mean a question of raising some fund, buying or producing some weapons and leaving the soldiers to do the battle. After all, soldiers are also

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human beings. They have their kith and kin, wives and children far away in the rear. They think of their homes and their children. So it is the duty of Government and Parliament to see that our jawans feel assured of the welfare, security and future of their people. Most of the soldiers come from the peasantry, from villages.

In this connection, I have to say that at least as far as this emergency is concerned, we must see that on no account, for any reason whatsoever, should the peasant be evicted from the land. I say this because there is the judgment of the Kerala High Court and the Supreme Court invalidating the Agrarian Relations Act. It also affects Mysore and other States where ryotwari areas exist. If we do not do this, what will happen is that when the jawan who is now fighting and driving away the enemy from our land comes back he will see that the little piece of land which he had has been taken away by the landlord. Then what would be his feeling?

We have got the Defence of India Act. Using it, we should see that whatever little land the peasant has got whatever right he has got must be protected. As far as the majority of the jawans are concerned, they are sons of peasants. So they must feel that while fighting boldly and driving the enemy from our land, they will not lose their land. So, the morale of the jawan as well of the people in this country is very important, **more important than weapons.** Similarly, the question of prices is very important. The Planning Commission has placed certain proposals before us, but as I have pointed, the action of the High Court and the Supreme Court should be corrected without delay, as this is a question which will especially trouble the jawans.

Sending my greetings to the jawans who are bold fighting. I support the supplementary demands.

Mr. Deputy-Speaker: The time allotted is three hours. I would request Members to limit the time for their speeches. Shri Guha.

Shri Hari Vishnu Kamath: Unfortunately you are not a member of the Business Advisory Committee.

Mr. Deputy-Speaker: I am a Member.

Shri Hari Vishnu Kamath: But you did not attend the meeting anyway. You were not present. The Speaker, as Chairman, agreed that if the House was so minded, the time would be extended by one hour. One hour is always up your sleeve, at your discretion. He agreed to four hours. It may even be more if necessary, because it is very important.

Mr. Deputy-Speaker: Cut motions may now be moved subject to their being otherwise admissible.

Need for enlisting the services of ex-I.N.A. personnel in the national war effort.

Shri Hari Vishnu Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (24).

Constitution, functions and powers of the National Defence Council

Shri Hari Vishnu Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (25).

*Constitution, functions and powers of
the National Defence Council*

Shri Hari Vishnu Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 8,00,00,000 in respect of Defence Services, Effective-Air Force be reduced by Rs. 100." (26).

*Feasibility and probability of supply
of MIG jet aircraft by the Soviet
Russian Government.*

Shri Hari Vishnu Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 8,00,00,000 in respect of Defence Services, Effective-Air Force be reduced by Rs. 100." (27).

*Necessity and desirability of reducing
the size of the Council of Ministers
for the duration of the Emergency.*

Shri Hari Vishnu Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of Cabinet be reduced by Rs. 1,00,000." (32).

Mr. Deputy-Speaker: These cut motions are now before the House.

Shri A. C. Guha (Barasat): This war has brought about almost an unprecedented enthusiasm in the country. Every section of the people is now determined to fight this Chinese aggression and to meet the situation created by the Chinese invasion. The people are determined, and have become enthusiastic in the endeavour to put forward all their resources for this purpose.

This puts the Government under an obligation to make an earnest and serious effort for total mobilisation of

our resources. While we should make all efforts for the proper conduct of this war and to drive out the invaders we should at the same time see that our home front is also properly protected, that there is no slackening in the development works, in the social services etc. War is likely to bring about certain dislocation in our administration and in our social services but it will be the obligation and the duty of the Government to keep a strict watch on all this and to see that our plan is not scrapped and that social services are maintained. So, in addition to the normal revenue required for the administration and for the plan purposes, now we shall have to find revenue also for this war for that, proper economy in administration is of great necessity.

It will be difficult for any of us to make a correct or even an approximate estimate of the financial requirements of this war. This supplementary budget has made a provision only for about Rs. 95 crores. This is only for five months. Calculating on this basis it can be assumed that the Government estimate of the annual requirement for the purpose of this war is about Rs. 300 crores. The tempo of war will increase, it will not remain for long just a limited thing, it may expand. At least, we shall have to make all the preparations for that contingency. So the total requirements for war purposes may exceed Rs. 300 or even Rs. 400 crores annually, and may go to even larger sums. So from the very beginning we should mobilise our financial resources for that purpose.

We find that during the last world war, within four weeks of America's entry into the war, America put an excess profit tax; and soon it was raised to 100 per cent. The United Kingdom also put an excess profit duty of 100 per cent in May, 1940. But in this supplementary budget, no tax proposal has been made and the gap of Rs. 95 crores has been left uncovered. I do not know what the hesitation is

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on the part of the Finance Minister to propose certain taxes even for these remaining four months of this financial year. The longer we put off this inevitable thing the more difficult it will be for us later. Now, public enthusiasm is at its crest. If the Government do not take advantage of that enthusiasm and allow it to slacken then it will become more difficult for the Government later on to go in for heavy taxation. This was an opportune time for proposing at least some of the taxes. The excess profits tax capital gains tax and similar other things should have been proposed here, and this gap of Rs. 95 crores should not have been left uncovered.

The inevitable thing would be for the Government to go in for deficit financing. They will have to cover this gap by created money. Whether they print new notes, or takes recourse to bank credit, the result of the economy of the country will be more conditions for financial conditions to or less the same. The inevitable result would be inflation. That is one thing which the Government should be very careful to guard against. It should be the first object of the Government to see that there is no undue rise in prices. There is naturally a tendency for prices to go up in war conditions, for financial conditions to give a push to prices upwards but if Government measures also help that it will be bad for the country and the economy of the country.

I do not like to go into the merits and demerits of inflation or of deficit financing. It is an old thing and the House and the country are quite aware of it. But I would say that the natural tendency for inflation or higher prices should, to a certain extent, be checked by curbing the purchasing power of the people, at least of the higher income group and that could have been done by putting taxes on the people. That should have been one of the methods for keeping prices within certain limits.

The Government could also attempt some vigorous campaign for small savings. That is also going on in a more or less routine way. I do not know whether the Government can think of having some compulsory saving. My hon. friend who preceded me suggested that there should be a cut in the salary of the higher income groups. That was imposed during the last world war also. I do not know what the difficulty of the Government is in imposing a cut on persons with high incomes in the Government departments; most of the business houses then would also cooperate with the Government in enforcing it.

People will be earning more because of the war expenses. There will be more expenditure, more purchases by the Government and by the public and so there will be more profits. What is the difficulty new in saying that a portion of the profit must be saved, must not be allowed to be spent in consumption. A sort of compulsory saving scheme should also have been introduced by now.

In the debate on the two resolutions moved by the Prime Minister, myself and some other friends from that side like Shri Kamath, suggested the scrapping of prohibition, and also the introduction of some small duty on salt. I have been in the Congress from the very beginning of the non-co-operation movement. These things were almost a creed to us. But I think times have changed now; and we can also adjust our ideas and ideologies according to the changed situation not only for this emergency, but for other times as well. Not only a big amount of revenue is lost in States where prohibition is in force but extra expenditure is incurred to put down the bootleggers. This has become a sort of a social menace and a number of years more. The luxury the social order has been jeopardised to a certain extent by the introduction of prohibition. There is some re-thinking and at this opportunity we

should keep aside our ideological niceties. We should take courage to scrap pro-scrap prohibition and get the revenue out of it.

I do not suggest that we allow people to go on drinking merrily. That is being done in bigger, higher, official circles, practically in all the big clubs and hotels. Government should rather check these things. There may be something to regulate and control these things. It has come to our notice in another connection that in colliery areas there are a great deal of liquor shops. We should try to keep some days of the week as dry days in those areas but most of the States have not complied with such a request when it was made. I do not like that the coalmine labourers should be allowed to drink merrily. There should be some control. But the general policy of prohibition should be scrapped.

As for salt, the abolition of salt duty has hardly benefited the poor consumer. If you look into the price structure, there is a big variation. If it sells in Gujarat or Maharashtra at 5 or 6 nP. per seer, in Assam and Manipur it sells at five or six annas per seer and not all this difference is due to the transport expenses. Most of it goes into the pocket of the profiteers. What is the harm then, if we put a small tax on salt and try to sell it all over the country at the same price. It is the barest necessity for every individual and it should be obtained at a reasonable price all over the country, so that people may not buy it at profiteering prices.

Any war creates a situation where the profiteers make bigger profits. There has been no indication, I am sorry to say, in these supplementary demands about any measure to check that. This Budget should have been presented with some remarks about some policy declaration of the Government about financing the war. They have just presented it as an ordinary supplementary budget. What

is the idea of the Government? How will they finance this war? It is not likely to be a small affair of just four months or one year; it may continue for some years. We should make preparations on that basis. It may continue for some years. The country would require total mobilisation of its resources. We send our soldiers to the front. They should be properly equipped. They make the highest sacrifice. People of the country should also share their sacrifice in their respective fields. The only sacrifice that we can do is to curtail our consumption, increase our production and get ready to pay more tax and contributions. Contributions have been coming splendidly but it is not possible for any Government to conduct or finance a war with these contributions. The total may be about Rs. 15 or Rs. 20 crores. I do not like to deprecate this. I appreciate the enthusiasm of the people who are making these contributions and most of them are coming from ordinary men not all from big men. But we realise that we cannot finance the war with these contributions. War requires the total endeavour of the Government, mobilisation of the financial resources of every man in the country, not only the rich but also the poor. We require the imposition of taxes and the declaration of the policy regarding the financing of the war and economy in administration. With these words, I support these demands.

Shri U. M. Trivedi (Mandsaur): Mr. Deputy Speaker, eight years ago when Mr. Guha was Minister of State he was not willing to accept the proposition about taxing salt. Today things have changed. We must be practical in our outlook. Whatever sentiments we may possess about the slaughter of cows, necessity has led us to this position that slaughter of cows is going on with all the protests coming from various parts of the country and from various people....

An Hon. Member: What has slaughter of cows to do with Defence?

Shri U. M. Trivedi: My hon. friend may hear me for a while. Prohibition is not as sacrosanct as cow slaughter. We have indulged in this for long and it has deprived us of the revenue and the Centre has also to contribute half of the losses incurred. Apart from that a very recent demands has been made that for enforcement expenses, Centre should pay. Some figures were given some time back of about Rs. 4 lakhs or so in answer to a question regarding enforcement expenses in U.P. But the enforcement expenditure of U.P. was Rs. 4 crores. Such a heavy expenditure is being incurred in the various States where enforcement is being carried on and the loss of revenue is very great. Should we not reorientate our policy about this bogey of prohibition? Let us admit that we have miserably failed. It is no doubt a good thing. But it has failed. In Bombay, in the old days you could get these things at a particular place only but now you can get them anywhere and everywhere. They are available at exorbitant prices and these bootleggers do not pay any income tax on their lakhs of rupees. It is not useful to the country. This aspect of the question must be very well considered in these war days and in these days when we are considering the need for economy and sacrifice on our part. The Government has not come forward with any indication of the policy of the war measures on the financial side which they will adopt, and the supplementary demands have been just ushered in in the ordinary routine manner. There is absolutely no indication as to how the prices are being controlled, what economic policy will be further followed and what consequences are likely to arise.

When I was reading these supplementary demands for grants, it appeared to me that probably the grants were formulated before the 20th October, 1962 before the emergency set upon us. Our Vice-President used to have a car from other sources. I do not know why this moment has been

chosen to provide him with a staff car; although the expenditure is not much, I do not know why at this juncture this thing has been formulated. While he could carry on without this car for ten years, I think he could carry on further, without this car, for a number of years more the luxury of these jeeps and staff cars allowed to the various departments has increased out of bounds for the last so many years and it is on the increase. You must put a stop to this. Every little thing which can save fuel which can save this expenditure of money, and which can show the real austerity and the sincerity behind our objective of driving out the aggressor must be clearly displayed in all our measures, whether they be in this House or outside the House. It is, therefore, my suggestion that all unnecessary expenditure must be immediately cut down. There is no indication of that. Rs. 75 crores is the only amount, in addition to the sum of Rs. 8 crores for atomic energy, I think, that has been demanded for meeting the expenditure in respect of the defence forces. We have just started digging the well when the house has caught fire! We had absolutely no arrangements made for increasing our air force, and now we are thinking of doing it. Even without these supplementary demands, the expenditure could have been incurred just as it had been incurred so often and even after incurring it it had taken years before the House has been apprised of it. I do not know why this method is adopted and the requirements of the country have not been met. We find ourselves in a most miserable position today: with all the man-power that we are setting up to meet the enemy's advance, we have to gallantly fall back day after day to the ridicule of the world and to our great-shame.

In these days, I do not think that there is any Member who would oppose the supplementary demands. They will be certainly granted, and will be voted whole-heartedly, but it will be the duty of the Government

to exert itself in such a manner as to indicate to the House that nothing slipshod will be done and that the purpose for which these supplementary demands have been made before the House will be carried out systematically, properly and sincerely and not for the purposes of putting down or throwing down this money into the well of corruption.

For example, Demand No. 56 is to meet an expenditure of Rs. 61,000 which is the compensation payable to the land-owners as assessed by the land acquisition authority and about which some suits were filed. It says:

"After careful consideration, it has been decided to file appeal in the High Court in one case."

All these things which have been indicated on the question of acquisition of land by the Home Ministry will surprise many of us. Why should this small sum of Rs. 61,000, which is 'charged', be included today in this demand? Although it is a very small amount, when an appeal is already being filed and a stay order has been obtained by the Government, why should it be charged today for making payment? Could not such payments be kept in abeyance? Other similar items are included in other demands in regard to expenditure which may be avoided. Why has it become necessary that all these demands must be immediately met, so far as the private individuals are concerned?

Other demands of course, do not exceed Rs. 4 crores and so there is not much to be said on that account. But, as suggested by other speakers who preceded me, so far as land revenue measures of the various States are concerned, the law must be so made either on the direction of the Central Government or by issuing a letter of instruction to the State Governments that if a soldier, a bread-earner, a tiller of the soil, who is a member of a joint Hindu family and upon whom depends the occupation or

utilisation of the land is on the front, till such time that he is on the front, he should be treated, for the purposes of the Land Revenue Act, as a person present in the village; he should not be treated as an absentee from the land and at the end of the hostilities, he should not be made to find that the possession of the land has gone from him. This had happened so often during the last ten years when thousands and thousands of young Rajput boys who had offered their services and who were actually on the front, because they happened to be merely Rajputs and as Rajputs they were irritated against the Congress party, were deprived of their right to hold the land with a vengeance with a vindictiveness. Here I would say that we are one in this cause and we are fighting as one man against this aggressor. So there should be no discrimination, be he a Rajput, a Jat, Sikh, Jain or a Baniya; to whatever caste he may belong, he should not be deprived of his right to hold the land when he returns after the hostilities.

On a previous occasion I had supported the payment of privy purses to the princes. Even now, on principle, would not like to stand in the way of their enjoying the benefit that has been bestowed on them under the Constitution. But when all our countrymen are agreeable to a life of austerity during these hostilities it would be in the fitness of things, it would be met and proper for them not to draw more than Rs. 1 lakhs per year as their privy purse. It will be a donation to the country and, indeed, their sacrifice or good deed in giving up their privileged position which they were enjoying so far would be no less than the sacrifice of those who had fought on the front to achieve freedom. Yet it is these people from whom a further sacrifice can be demanded, and I hope that this may go home to them.

With these words, I do support whole-heartedly the demands relating to the Ministry of Defence.

Shri D. C. Sharma (Gurdaspur): I think all members of the House are agreed that Demand Nos. 9, 11 and 114 should be voted unanimously because they deal with the Defence Ministry. But I want to ask one question: how far will these Rs. 95 crores of additional money carry us? How long will they be of use to us? I am not a military expert or strategist, but I have read some books on this subject and I find that the tempo of fighting has increased these days. Every newspaper tells us that waves after waves of Chinese soldiers are trying to overrun our country. I feel this is going to be a major conflict and as to how long it is going to last I cannot say anything. But it is going to be a big and major conflict, the tempo of which is increasing day by day. How long will this money last? I feel that the Government which knows much more about this war than I do, or anybody else does, then even the newspaper pundits do, should have taken a more comprehensive view of things and should have tried to build up the war machinery in terms of soldiers, equipment and everything in as big a way as possible.

It has been stated on the floor of the House that this money is required only for four months and we shall have to grant some more money in the next budget. That is true. But I feel that in a war a sense of urgency is a great asset. In war it is dangerous to wait upon event. In war the best thing is to prepare for something which may take place and not for something which is taking place. In war the 'would be' is much more important than 'what is'. Therefore, I think, our country should have asked for more so far as defence is concerned, so that we should have been able to fight the Chinese barbarians with as much vigour and effectiveness as we want.

Of course, defence is a secret thing and we do not know how this money will be spent. But I know that this money will be spent very wisely and

that it will be spent to the advantage and benefit of our country and of our nation. I know that. But I feel that we want a large scale effort in the manufacture of arms, a big effort in the manufacture of other things. Rs. 20 crores is not a small sum, but still when we think of the Chinese preparations and when we think of the Chinese strategy, you may think that this is not much. All the same, I welcome this sign, this note of emergency and urgency on the part of the Government.

It has been said that the Government should have told us how they are going to meet this. So far as I know about Rs. 5 crores have been collected from all over India. There may be a little more. (*Interruption*). I think, I can speak better for my own State than you. About Rs. 5 crores have been collected so far, so far as the public is concerned and, I think, my home State, Punjab, has given Rs. 2,70,00,000.

An Hon. Member: It has appeared in the papers as Rs. 87 lakhs.

Shri D. C. Sharma: Instead of telling me that it has appeared in the papers you should tell your States that they should also come forward. They are trying to correct my figures instead of emulating what is being done in the Punjab. It is a strange thing which these hon. friends of mine are doing.

I was submitting respectfully that about Rs. 5 crores or a little more than that have been collected from all over India. That is a token of the great interest which our people are taking in the war effort. There is no doubt about it. But you cannot wage war with the help of Rs. 5 crores or Rs. 50 crores. You cannot wage war with public donations. It is not after all a philanthropic organisation. Therefore, the money has to come from the nation and I would suggest only two things in order to get more money from the public.

I have been going round my constituency during the last four days and I have come to one conclusion which is this. I tell you of one place where the cripples went to the Deputy Commissioner and gave him Rs. 44 out of their beggarly collections—the cripples, people who cannot walk. The salaried classes are also doing their bit and the most enthusiastic persons are those whom we call the lowly and the humble. They have shown much more interest in this war than those persons who belong to other income groups. But I am very sorry to say that the people whose incomes are large, people who show conspicuous consumption, people who belong to the upper income brackets, are not showing as much interest in this war effort as they should do. The poor

16 hrs.

agriculturists, poor shopkeepers, school teachers, clerks, peons, orderlies, beggars, all these persons are coming forward to meet this challenge with the utmost generosity. But the people who, I think, are going to make a lot of money out of this war,—they will make money out of anything, even out of this war—have not proved their mettle in coming forward with donations. This is a very sad thing to which I refer. I would say that we should get as much from them as possible. Excess profits tax and other things can be imposed upon them so that they are not found wanting so far as this war effort is concerned. There is no doubt about that.

At the same time, it should be regarded as a religious duty—we can use religion in this context—to buy Defence gold bonds and Defence certificates. Formerly, for these Bonds and Certificates, the Government used to have a machinery. We should do away with that machinery. Every citizen of India should come forward to buy these gold bonds and Defence certificates.

More than this, we should do away with the frills of planning. There are

certain things which are essential for our socio-economic planning. There is no doubt about that. We should hold fast to that as we stick to something which is very vital for us. There are so many other things. I do not want to refer to these things. Because, the other day when I referred to one thing, I got into trouble. I do not mind getting into trouble. I am always in trouble. The difficulty is this. There should be a Cabinet Committee for this. The Cabinet has Organisation and Methods Division to short-circuit procedure and to bring about more efficiency. There should be a Committee of that kind in order to see which items of planning are essential and which are not essential. Of course, we should go ahead with the plan. I would say that this thing should be seen to so that planning does not suffer in its essentials, but we can economise so far as non-essentials are concerned.

I am also happy that our Government of India is taking over the Travancore Rare Earths Ltd. Formerly it was owned jointly by the Government of India and the Government of Kerala. Now, I find that the Government of India alone is taking it over and the Department of Atomic Energy is going to run it. I think this kind of dual control was not very helpful. Moreover, the Department of Atomic Energy requires this material very much for its needs. So, I think this is a step taken in the right direction. I hope the Indian Rare Earths Ltd. will give a better account now when it has escaped from the duality of control, than it was doing before.

In the end, I again support the Demands for Defence and I think every Member of this House will support them.

Mr. Deputy-Speaker: Mr. Kamath. Your cut motions 29 and 31 are out of order. You can speak on them.

Shri Hari Vishnu Kamath: I will speak on them.

[Shri Hari Vishnu Kamath]

Mr. Deputy-Speaker, under the lengthening shadow of the national humiliation, temporary though it be, brought on.....

Shri D. C. Sharma: I object to the word humiliation.

Shri Hari Vishnu Kamath: I still stick to it.

Shri D. C. Sharma: It is strange that an Indian Member of the Lok Sabha should use this word humiliation.

Shri Hari Vishnu Kamath: I repeat it. Under the lengthening shadow of national humiliation, temporary though it be

Shri D. C. Sharma: I do not think that any Member of Parliament should use the word 'humiliation'.

Shri Hari Vishnu Kamath:...brought on by the disastrous reverses of our Armed Forces on the Himalayan frontier which in its turn, was, in the words of our President, the President of India, the result of credulity and negligence in the past, the House is discussing the Demands for Supplementary Grants totalling nearly Rs. 100 crores, out of which, in the fitness of things, Rs. 95 crores have been asked for under the head of Defence Armed Forces and capital outlay thereon. The House will be only too willing to grant these Demands, of course, on the definite understanding or condition that Government lay before the House, without any reserve, without any mental reservation what their policy is, what their ways and means of prosecuting the war are in the coming years.

The Prime Minister has already warned the House and warned the nation that the war against communist China may drag on for years; it is not a matter of a few months only, and, therefore, the House is entitled to know on this occasion, when we are being asked to vote for a hundred crores or more, what exactly Govern-

ment plan to do in the coming years, and how they plan to raise the resources for prosecuting the war vigorously and expeditiously.

I have got cut motions Nos.....

Mr. Deputy-Speaker: The cut motions are all taken as moved. The hon. Member can go on with his speech.

Shri Hari Vishnu Kamath: I shall take up at the outset the first three cut motions and dispose of them very briefly, because the subject of the others is rather important and I would dwell upon them at greater length.

The first of these cut motions relates to the need for enlisting the services of the former Azad Hind Fauj, the former INA personnel of Netaji Subhas Chandra Bose. They were very well trained particularly in guerilla warfare during the years 1943-45, and I would submit that Government, unless they are affected by Myopia, should take advantage of this opportunity to enlist the services of about, I am told, 20,000 such personnel who are scattered all over the country, that is ex-INA personnel. Out of them, some may be overaged, but even their services can be utilised for training younger people, particularly in the art and science of guerilla warfare, besides the actual warfare at the front.

Now, I come to the subject relating to the next cut motion, and that is about the National Defence Council. It is very well that the National Defence Council has been constituted. But I am anxious, as, no doubt, you are anxious, and the entire House is anxious, that the National Defence Council should in no way erode the functions and powers of Parliament, should in no way seek to supplant or arrogate to itself the powers and functions of Parliament. Especially, if we want to promote parliamentary democracy, in this emergency if we want to see that parliamentary democracy does not come to an end, since all of

us, including you, Sir, are anxious that we should have parliamentary democracy, then we should see to it that parliamentary democracy flourishes and finally conquers communism; then we should see that the National Defence Council does not supplant or arrogate to itself the powers and functions of Parliament. The National Defence Council is good in its own way. But I would appeal to my hon. colleagues, and to the Minister on behalf of the Government, to see to it that Parliament's functions are in no way watered down or whittled down.

My concern was aroused because of a brief report in one of the papers, about the constitution and powers of the National Defence Council. One of its functions is:

"To take stock of the situation and arrangements for national defence . . .".

I need not read out the entire thing, because I am racing against time.

As I said the other day, and as I have been saying it day after day, Parliament is entitled to know from Government what the war situation is on a particular date. What is being done by Government to meet the situation as it arises, whether the situation is bettering or worsening from day to day, and so on, and Parliament should be asked to advise Government as regards the war efforts and the prosecution of the war. The National Defence Council can function in a different capacity and in a useful manner—I have no doubt about it. But I will enter a caveat, a word of caution, to my hon. colleagues and to Government to see that Parliament's functions are not usurped, not arrogated, not whittled down in any manner, by either the National Defence Council or by any other committee that may be constituted by Government in the country. Parliament must be assured the supreme place in this emergency.

I will now turn to another cut motion, No. 3, which relates to the strength of the Air Force. The Prime Minister is reported to have told the Consultative Committee of Parliament, and perhaps the Congress Party Executive also, that the Soviet Government is willing and is probably prepared to—he was confident that it would—honour its commitment with regard to the supply of the MIG 21 jet fighters. But unfortunately the very day after the Prime Minister made this statement, there was a London report—I am reading from one of the well-known papers of India, the *Times of India*—attributed to Soviet Embassy officials in New Delhi not anywhere else, who denied the claim of the Prime Minister that the Soviet Government would honour its commitment. The House and the country are entitled to know where it stands with regard to this deal or transaction. I might here appeal to you for protection, for protection of the powers of the House. The Minister concerned, the Finance Minister or any other Minister, may say that he has got no information. I would request you to kindly direct the Minister concerned or the Prime Minister to tell the House what the position is, because in this particular matter, there are other consequences that might arise from it.

As I said earlier, the Defence Minister-designate, whom we will have the pleasure of welcoming here in a day or two, is reported to have said two days ago—last week—that he believes Russia will not help India. Whatever it is, I hope Russia does fulfil the hope of the Prime Minister and many of us here and does help and honour its commitment with regard to the MIG deal. But I would like to know, when a reply is forthcoming from one of the Ministers or from the Prime Minister himself, what exactly the position is, whether Russia has finally assured Government that it will honour this commitment to the Government and to the country.

Now, I come to the last two subjects, one with regard to prohibition

[Shri Hari Vishnu Kamath]

and the other with regard to reorganisation of the Council of Ministers. On this occasion of a grave national emergency, when we are hard put to it to find money for helping the jawans in fighting—that should be our supreme consideration—I am glad that I have received support not merely from my hon. friends on this side but also from my hon. friends opposite with regard to scrapping of this farce of a prohibition policy. I do not want that our country, our army, should be sacrificed at the alter of a fetish, at the alter of a fad; I do not want that it should be crucified on the cross or the shibboleth of prohibition. What have you got as a consequence of prohibition? I am sorry to use strong words, but they describe it aptly, that all that we have got, besides loss of revenue—to which I am going to come later on—is degradation of public life, corruption of administration and hypocrisy, cant and humbug. That is what we have got in consequence of prohibition. I am sure my hon. friend, now that he is no longer a Minister, will support me wholeheartedly in this matter. Here I have got some facts and figures with regard to this fad and farce of a prohibition.

If it had worked well, certainly we might have considered the matter and asked the Government to have a longer lease of prohibition, but when it has failed, when every committee appointed by any State Government has reported that it has been a failure, to stand on false prestige at this moment of grave national emergency and say that prohibition has been a success is, I have no compunction and no hesitation in saying, with due deference to such person's judgment, gravely damaging, even sabotaging, the national war effort for the jawans, for our army.

Here are the facts. There was a question asked in August by a number of hon. Members, including myself, about the cost of enforcement of prohibition—not the loss of revenue.

The figures were given for six States only. It is more than Rs. 6 crores. I tried my best to get figures from the Library, Research and Reference section, regarding the loss from excise revenue and all that. The Library, unfortunately, has not been able to give me exact figures, but one of our leading newspapers, *The Indian Express*, has estimated the loss of revenue as about Rs. 300 crores.

The Minister of Transport and Communications (Shri Jagjivan Ram): Fantastic.

Shri Hari Vishnu Kamath: I leave it to the Government to correct it if it is wrong.

In the State from which you, Mr. Deputy-Speaker, hail, Mysore, not that I am narrow-minded in any sense, the Chief Minister the other day made a statement in the Assembly stating that the prohibition offences have been mounting from year to year. I do not want to give the figures, but they run into thousands, tens of thousands per year.

Anybody who has been to Bombay knows as my hon. friend Shri Trivedi said, how easy it is to get a bottle of whisky or brandy or whatever you like, provided you have the know-how of getting it.

It is therefore that I said earlier that I have no compunction in saying that it has led only to hypocrisy and cant and humbug, and at this moment I am sure that if this matter is left to the free vote of the House, to all parties and groups, I have no doubt in my mind that there will be near-unanimous vote with regard to the scrapping of prohibition.

Shri Sonavane: Question.

Shri Hari Vishnu Kamath: I said near-unanimous.

Shri Jagjivan Ram: It is a State subject.

Shri Hari Vishnu Kamath: I would even go to the length of saying that a

vote for the continuance of prohibition, to enforce what to my mind is mere pseudo morality, is a vote unfortunately, I will repeat the word unfortunately, tragically, for the butchery of our jawans in the frontier. I do not want to say any more on that subject.

Shri Sonavane: That is a very severe implication to be drawn by the hon. Member.

Shri Hari Vishnu Kamath: I will come to the last subject, that is the re-organisation of the council of ministers. There has been an insistent demand throughout the country voiced by the public and in the press that the Government should cut down on administrative and governmental expenditure; just as charity begins at home, they should begin with their own council of ministers at the Centre and in the States. I believe the size of the council of ministers here is 59, including parliamentary secretaries; not yet 60, it is only 59. I do not say that it necessary follows that a big cabinet cannot prosecute a war. What I am anxious about here is that Ministers, Ministers of State, Deputy Ministers and Parliamentary Secretaries must be appointed solely on the basis of national necessity, not on party grounds nor on political grounds, but on individual merit. May I suggest in that connection that if in 1947, soon after Independence, the Prime Minister could go outside his party and invite Dr. Syama Prasad Mookerjee and Dr. Ambedkar to join his Cabinet, are we not faced with graver emergency today? Even non-party men, competent men should be invited to join the Cabinet and some of those friends in the Cabinet may usefully give place to those who are invited to join the Cabinet so that war may be prosecuted vigorously.

One word more and I have done, Sir. What I am asking for is, as I said, the reorganisation of the Council of Ministers and at this time of our national destiny and national emergency, no partisan considerations

should find a place with the Government in this supreme task of prosecuting the war. Paraphrasing a fine observation made by a British statesman, a great task and little minds go ill together, and unless Government brings to this great task a great mind dominated only by national considerations after a clean break with partisan considerations, until that is done, I for one am afraid that war cannot and will not be prosecuted with the vigour needed. In the end, therefore, while supporting the demands for grants, I seriously and earnestly request the Government, first, to consider seriously whether the policy of prohibition should be continued for the duration—I do not want it to be permanently scrapped, of the emergency and whether it should not be scrapped so that we can get Rs. 200 or Rs. 300 crores more for prosecuting the war; and secondly, they should seriously consider whether the Council of Ministers should not be reorganised in the manner I have suggested.

Shri Venkatasubbaiah (Adoni): Sir, I rise to support the demands for grants. We are in the midst of a grave crisis and a national emergency in which we are faced by the Chinese and today's news shows the worsening of the situation. But anyhow, under the bold leadership of the Prime Minister we are determined to fight out the war to the finish and drive out the Chinese. I regret to say that the way in which these Demands have been presented did not clearly reflect the seriousness or the emergency facing the country. Out of Rs. 100 crores sought to be provided for Rs. 95 crores is being spent on our Defence forces. If you see the sentiments that have been aroused, you will find that the country is in a mood to sacrifice everything to defend our motherland. When the Government is charged with this grave responsibility and the entire nation is behind the Prime Minister and the Government, no stone should be left unturned to channel the resources of our country and to stand up against this aggression. Great wars are fought not only on the frontier but on the home

[Shri Venkatasubbaiah]

front. We have to mobilise our economic and other resources when we have to spend hundreds and thousands of crores for our defence. Our Prime Minister has correctly said that apart from the struggle on our front, our economic, industrial and agricultural base has to be strengthened. Unless that is done, we will not be able to withstand the strain and stress that are being put upon the people to continue this war.

My hon. friend Shri Kamath has been suggesting one important thing regarding the scrapping of prohibition. I agree with some of the opinions expressed by Shri Kamath so far as the implementation of prohibition is concerned. In most of the States, for several years, prohibition has been in force, and as he said, nearly Rs. 6 crores are being spent for its implementation. Some of us feel that prohibition has not been so thoroughly successful as it should have been. There have been, however, several reasons for that. We must have failed and the voluntary organisations which were very enthusiastic about the implementation of prohibition must have failed in their duty apart from the duty of the Government in enforcing prohibition. But, now, at this stage, suppose the Government takes a decision to scrap prohibition does Shri Kamath expect that Rs. 300 crores is going to come to the coffers of the Government? I don't believe it because the conditions are such that even if prohibition is scrapped, there are several people—vested interests—in this country who have been making the best use of prohibition and they have become enormously rich by resorting to this illicit arrack. Suppose, tomorrow, the Government auctions all the toddy and arrack shops, can we think that we can get so much of revenue as Shri Kamath envisaged?

16.27 hrs.

[SHRI MULCHAND DUBE in the Chair.]

I do not think so. It would not fetch any revenue. Now, because everywhere

there are illicit distillers, when the man who gets after auction on behalf of the Government will not come forward, and the effort to get revenue will be thwarted and spoiled at every stage. So, we should not be of the impression that we could get so much of revenue. We should not give up the policy of prohibition. If it can be abandoned at a later stage, it can be slowly done on a phased basis, but not at this moment. Stopping or scrapping of prohibition will not only not bring any revenue to the Government but will upset the social values and the social equilibrium that have been maintained in this country. So on that point, I do not agree with my hon. friend Shri Kamath.

Another point that I would stress is, unless the Government comes forward to tax people and also to devise ways and means as to bring revenues, it will not be possible, and this may lead this country to inflation. We have seen after the last war how several countries which had participated in the war—Germany and other countries—had suffered from inflation and how inflation had worked on the economy and the calibre of those people. So, from this time onwards, the Government should take sufficient care to see that we get sufficient revenue and reimburse our national war effort.

The first thing that I would suggest is regarding the privy purses. Patriotic princes have voluntarily come forward to cut their privy purses and give the amount to the Government. But I would say that the Government should come forward to say to the princes that there will be 50 per cent cut on the privy purses of princely families, with a view to get a considerable income to our coffers.

I would also suggest one more thing. The Nizam of Hyderabad—the State from which I come—is considered to be one of the richest people in the world. He may be tackled properly

and he must be persuaded to invest his amounts in gold or defence bonds. He is supposed to have amassed enormous gold and is considered to be one of the richest people. Such men, and some of the industrialists and some of the zamindars who have hoarded money, should also be tackled properly, and if that is not possible, legislation can be brought in this House to impose certain taxes on such people so as to get revenue to the State.

Regarding small savings, as my friend has pointed out, small savings should be enforced with redoubled vigour and every effort should be made not only by the Government, but also by the non-official organisations to push through the schemes, because the mood and temper of the country today are very much in accordance with this drive and the Government should make the best of this opportunity to mobilise the resources of the country to strengthen our war efforts.

Most of the amounts have been locked up in cooperative institutions under common good funds and dividends. If necessary Government should bring in legislation that during the emergency period the common good funds and dividends that are to be given to the members should be appropriated to some extent to the Government coffers.

With these few observations, I wholeheartedly support these demands and I am confident that we will fight the war to the finish.

Shri Ranga (Chittoor): I am very much in agreement with most of the suggestions made by my hon. friends, the leader of the Jan Sangh and the Deputy Leader of the PSP. We have ourselves from our party given notice of three very important cut motions suggesting that there is need for special additional allowances of Rs 30 per month for jawans employed in the military operations on the frontiers and an additional gratuity of Rs. 1,000 for all those who meet with death in tactical military operations, we have sug-

gested these amounts at random; if the Government are willing to give more, we would be only too glad.

Shri S. M. Banerjee: Normally they get more than Rs. 1,000.

Shri Ranga: This is in addition to what they will get normally.

Secondly, there is need for increase in gratuity for the pilots and other officers associated with them on the ground and in the air while in military action against the Chinese aggression by Rs. 5,000 and for the jawans by Rs. 1,000.

I am extremely anxious that Government should give serious consideration to the suggestions and try their best not only to accept them, but also to implement them, so that we could have some feeling of satisfaction that we are not remiss to the special needs of all these brave men who are not only risking their lives, but are actually laying down their lives one after the other by thousands as it were, trying to safeguard the liberty and freedom of our people. It does not need much argument to justify these demands which we are making. Government can possibly raise two objections, namely paucity of funds and discrimination against others. Regarding discrimination, I would suggest that we have made it very clear that we want to give these special allowance for all those jawans and officers who are today actually engaged in national defence and the war associated with it. Therefore, there is no such thing as discrimination. So, that complaint ought not to be raised.

Then there is the question of paucity of funds. It is there that the suggestion made by our friends for the abolition or suspension of prohibition becomes very relevant. One of our friends was asking "Suppose you abolish prohibition immediately; would it be possible to get all this money?". You may not be able to get all that money, but it would certainly be pulling in and by the end of the year at least half of what is estimated to have been lost by us by the introduction of prohibition can certainly be realised

[Shri Ranga]

and even that would be a very big contribution indeed in this direction.

In addition to that, the abolition of prohibition will certainly raise the morale of the people, the moral standards of our officers as well as the people concerned, and it will rid our society of the new incubus that has come to play mischief with our social standards and moral levels. Therefore, I do not think I need have to stress very much more to urge Government to give fresh consideration to this matter.

I had been as much keen on the introduction of prohibition as my friends on the other side in the Congress party. I have also been guilty of having contributed my share in bringing about this demoralisation in our social standards as a result of the introduction of prohibition. By all standards and from all quarters it is admitted that it has been a failure. It has also been admitted that a new cottage industry has come into being. It is also admitted that officers who are entrusted with the enforcement of the so-called prohibition are the worst possible offenders themselves and they are making huge profits. In a sort of way all those people who are appointed as prohibition enforcement officers consider themselves as extremely fortunate because without any difficulty they are able to make huge profits. Therefore, we would be doing a very good service indeed to ourselves by scrapping prohibition. I am sure, if Mahatma Gandhi were alive today, he would be the first person to say "scrap this thing, because it has become an evil". Therefore, we would be doing a great service to ourselves if the ruling party and others agree, if not for the abolition, at least for the suspension of prohibition during the pendency of the emergency.

Then, I find we are still unprepared to face our responsibilities in regard to the present war. I was told on good authority—nevertheless, I speak subject to correction—that some

friends from abroad connected with other Governments, friendly governments, were asking for details as to what kind of support we needed from them, and some of their representatives were also here and they were waiting for the convenience of our government. It was told that in the first instance they had to wait for fifteen days before they could possibly get any kind of detailed assessment of our needs and the kind and magnitude of the help that we needed in different aspects of defence equipment. Even now it is not yet quite clear to them, as press reports go, as to how many aeroplanes we want, what type of aeroplanes, when, from which country and so on. It appeared in the newspapers that America was asked to send aeroplanes, the American Government agreed to it but afterwards when our representatives were asked by the American authorities as to the details of the type we require, our representatives told them that they were awaiting advice from India with the result that they did not get it. We do not know how many aeroplanes are being supplied—we need not be told about it, but we would like to be assured that our Government are first of all alive to our needs and our Government have got sufficient number of experts to advise them in this particular regard.

There are very many rumours afloat, the truth of which we do not know, but we feel very apprehensive about the possible unpreparedness of our Government to assess their own needs in great detail and then decide how much of these needs can be satisfied by whatever we have today in our possession, whatever we can possibly get repaired or rehabilitated and then put into action, and how much more we need and from which countries we could possibly get them conveniently and readily.

We have no idea whether it would be advisable or necessary for us to invite experts from some friendly countries to come over to us and co-operate with our own experts in assessing our needs

and in deciding to what extent and in what manner we can possibly ask for assistance from different countries; and what are those countries and so on. Would it be too harmful to us—I would like the Government to examine this very carefully—to invite these experts from abroad? Would it not be, on the other hand, advantageous to us to invite these experts and welcome their co-operation and ask our own experts to work in co-operation with those expert; and then assess our needs? All these things have got to be considered very carefully at the highest possible level and not merely by the Defence Minister or by the Foreign Affairs Minister but by whosoever is placed in charge of the whole defence responsibility of India. All those Ministers will have to sit together in a conference with our experts and then decide about these matters. I would like to be assured what Government are now trying to do in this direction what they achieved till now and what they propose to do in the near future.

This matter does not brook any delay. Only this morning we heard the melancholy news. It was a big loss indeed for us. With very great difficulty and after making so many sacrifices we were able to build that air-strip at that great altitude. We have lost it. What would be the military significance of it? That is not for me to assess. It is for the Defence Ministry as well as the Government as a whole to do. Whatever advantages we thought we would be gaining by constructing it and keeping it ready. I am sure, the enemy would be able to get very much more advantage because it is better equipped and better prepared. Their armies have already come into our land in such huge numbers and with such heavy equipment. Now that they have got this air-strip in their possession. We do not know how much more they will be able to bring in the very near future, possibly in the next few days.

Under these circumstances would it not be wise on the part of the Govern-

ment to think in terms of obtaining support from abroad on a massive scale? You cannot possibly have this kind of a massive support from other countries unless you make up your own mind in regard to your own political attitude. It is in that connection that so many of us have been repeatedly demanding that the Government must make up its mind as to whom it wishes to invite as friends and on whom it is going to depend primarily. It is no good going on dreaming of some kind of support that might possibly come or materialise either from Soviet Russia or from any of her satellite countries in Europe. We have waited long enough and it is time now that the Government make up its own mind. We have said so much in the other debate that I do not think it is necessary for me to say anything more in regard to this matter and to bring to the notice of the Government the urgency of this particular situation.

Then there is a question of the Cabinet. It is a vexed question. If we suggest, as many people have been suggesting that there should be a national government, the question arises whether it should include representatives of the Communist Party. I am opposed to that. There also, the Government has to make up its mind in regard to its attitude towards the Communist party. It is high time for my hon. friend the Prime Minister to revise his own views. He has expressed his views the other day. I did not wish to interrupt him while he was speaking. I am clear in my mind and I am sure a large number of people belonging to various other political parties, excluding the Communist party also are clear in their own mind that in this national crisis, we cannot very well depend upon the Communists to play a patriotic role as we can expect from the other political parties. My hon. friend the Prime Minister is not prepared to make up his mind.

One thing at least he must be prepared to agree, that you cannot possibly have a place in any National Gov-

[Shri Ranga]

ernment for the Communists in this country. We have heard so many horrible things happening in Assam and also in Bengal. Of course, my hon. friends the Communists would disclaim all responsibility. But, my fear is, knowing as we do about the activities, intrigues, schemes, machinations and plans of the Communists not only in this country, but all over the world, it is not impossible—I do not accuse my friends here and now; it is not impossible I say—for the Communists to play the game of being patriots on the one side loyal to their resolution which they are supposed to have passed and for another group to disagree with it—the minority group to play the role of international communists and the majority group to play the role of patriotic communists, both of them going in the same way, hoping for the same results in the end.

In these circumstances, the only thing one can suggest is a coalition Government. How can we think of suggesting a Coalition Government standing as we do from the Opposition? We are not over-anxious to share responsibility with the present Government unless and until the Government itself, unless and until the ruling party, their own Prime Minister make up their mind that it is time for them to invite the co-operation of all non-Communist parties in order to fight the Chinese. Therefore, I dismiss that consideration also.

Then, I come to the third consideration, that is not only about the size of the Cabinet, but also the quality of the Cabinet, content of the Cabinet. I can say that they themselves have confessed by having to go out of the House and beg a Chief Minister from one of the States, to come over here as God coming down from Heavens, to be the Defence Minister,—they have confessed that out of the 62 Knights Templars, they do not have one other man apart from Shri Krishna Menon in whom the Prime Minister has

enough confidence to call upon him to be the Defence Minister. I am sure, it cannot be said by the Prime Minister himself that the gentleman who has been fortunate enough to be called here as Defence Minister has some special qualifications to be the Defence Minister which are not possessed by his other colleagues. There was a time when an old man Dr. Katju was good enough to be the Defence Minister. The late Shri Gopalaswami Ayyangar was considered to be good enough to be the Defence Minister. The Prime Minister considered himself to be good enough to be the Defence Minister.

Shri Shivaji Rao S. Deshmukh: You remember Professor, these are peacetime leaders.

Shri Ranga: Unfortunately, I do not happen to come from Sahyadri. Therefore I am not obliged to play to the gallery of Sahyadri.

Shri Sonavane: The co-operation of the hon. Member would not be forthcoming unless he is taken in the Cabinet. (*Interruption*).

Mr. Chairman: Order, order.

Shri Ranga: Therefore, I am coming to this conclusion. I have shown to the House that through their own failure, it is clear that they do not rate very high their own abilities to provide the necessary leadership for the defence of this country at this stage from the Cabinet's end. My hon. friend Shri Kamath has suggested that a smaller Cabinet would do. He has also suggested that there should be a Defence Committee or Council, smaller in size than what has been constituted. I do not wish to say anything about it because they are matters especially within the realm of power and the exercise of power by the present Government.

Mr. Chairman: The hon. Member should try to conclude now.

Shri Ranga: I am speaking for my group, and, there is no need for you to

remind me to conclude. I know when to start and when to stop, and I am going to stop very shortly too.

Mr. Chairman: The hon. Member began at 4-30 P.M. How much more time does he want?

Shri Ranga: I am going to conclude very shortly. I do not wish to take even one minute more than what is necessary.

As I was saying, the Defence Council is their own look-out. It is our duty here to judge them by their achievements. As for their achievements, a part of their achievements was detailed this morning by the Prime Minister. So, by every count, this Ministry stands self-condemned. It was not because we did not agree with the idea of moving a vote of censure that we did not support our friends of the Socialist Group when they sought leave for a vote of censure, but it is our duty to say quite frankly and boldly that this Cabinet has lost the confidence of the Opposition. They have even gone beyond the limit of tolerance on the part of the Opposition. That is all that I can say, because, after all the Cabinet has got to have its own majority, and they have got 370 of them and they are in such overwhelming numbers that the moment they raise their voices, we are all completely silenced here in this House. Should they not take a leaf from the experience of Great Britain? They refuse to do so. They just want to hug one another and warm themselves, as our jawans are not able to do. But, however much they may warm themselves, a time will come when they have got to try and present a better Cabinet a smaller and a more powerful cabinet a Cabinet that will inspire confidence in the country, and what is more, evoke toleration and co-operation from the Opposition. As things are today, it is time that this Cabinet comes to be reconstituted as soon as possible.

In conclusion, I would only say one thing. Is not the Prime Ministership

a big enough responsibility? Does it not call for almost a superman today? Is it right that this country should be blessed with a leader who is not satisfied and who thinks so low or so small about the responsibilities of Prime-Ministership that he must continue to load himself and burden himself as he has been doing over all these years with the various other responsibilities that he has been burdened with? Is it proper? Are they doing their duty towards the country as well as they could possibly be expected to do? Therefore, I sincerely hope that the Prime Minister will soon come to a conclusion that he should divest himself of all other responsibilities and begin to play the role of Prime Minister, as hundred per cent Prime Minister, as an effective and dynamic Prime Minister giving the lead and providing the leadership that this country has got a right to expect from its Prime Minister.

Shri Harish Chandra Mathur (Jalore): I must compliment my hon. friend Shri Ranga on his extraordinary ability and capacity to distort and twist facts and present them in his own way. He was just saying that since we had to import a Defence Minister it meant that the Prime Minister had no confidence in his present colleagues. I think that he should have gone a little further and said that the had no confidence not only in the 62 friends but in the 370 Congressmen here. I think that he could have taken his argument to that length. May I know if he would agree with me that when we asked Shri C. Subramaniam to join here as the Minister of Steel and Heavy Industries, the same was the reason, because there was nobody here and we wanted to import somebody from Madras?

An Hon. Member: He was reluctant.

Shri Harish Chandra Mathur: I wish my hon. friend Shri Ranga to understand that there are various considerations. Most particularly, in

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a matter of emergency like this, I do not think that it behoves a man of his stature in public life to exploit a situation like this and present a picture in that form.

He also made a brief mention about the Prime Minister. I think he will understand me properly when I advance certain argument. I think he will understand much better when I quote the Prime Minister of U.K. when he analysed the causes of this big conflict between China and this country. The first cause he mentioned was that China was feeling envious of the great reputation which the Prime Minister of this great country has built up in the international field. I wish any hon. friend to understand that it is not the bigness of an individual, it is not the bigness of this Government, it is the bigness of this country, a bigness of which he should be equally proud as I am or anybody sitting in this House. So at least in a time of emergency, let us cast aside these petty considerations and see things in their proper perspective.

Shri Vasudevan Nair (Ambalapuzha): Why don't they take the Swatantra Party into the Cabinet?

Shri Harish Chandra Mathur: I have a great affiliation with my hon. and esteemed friend, Shri Ranga. We were together for four years in the Rajya Sabha and now we have been here for quite a long time.

Now, I would like to devote myself exclusively to these Supplementary Demands before us. These Demands have assumed a special importance because they make a special provision to meet this emergency. There is provision for our defence need in this respect. Otherwise, we pass these supplementary demands without much discussion. I am happy that the entire House has rivetted its attention on this particular crucial demand to meet the emergency. But I am afraid that I do not find that spirit of emer-

gency, that business like attitude, in the Demands as they have been presented and have been discussed. I think everyone in this House will bear me out when I say that when the Finance Minister represents his annual budget here, the whole House is full and all the galleries are full. And what does he come out with? He just comes every year with a certain amount of fresh taxation amounting to Rs. 50—80 crores. Last time, we had about Rs. 70 crores. The country had expected that it would be about Rs. 40—50 crores. But for that there is so much awareness and consciousness and everybody thinks so much about those proposals.

Here now we have before us these Supplementary Demands totaling about Rs. 95 crores, and they are to last us only for four months. Working on this base, we need another Rs. 300 crores extra. I do not know on what promises these estimates have been based. I wish the hon. Finance Minister had taken good care of the mood and temper of the country at the present moment and presented, as a matter of fact, a supplementary budget to meet the defence liabilities of this country. At this time, he should have taken this House into confidence. In this emergency, everybody is in a proper frame of mind, in a proper mood to come forward and do anything needed for meeting the emergency. We would need no less than Rs. 300—400 crores—it is obvious to me—to meet the emergency we have to face.

If we have to face this emergency and when they present these Demands, I think we must take it for granted that it is not by putting certain paper currency into circulation that he wants to meet these Demands. I do not think it is only by drawing treasury bills that he wants to meet these demands. He should have taken this House into confidence, and we must have heard simultaneously how he is

going to meet the demands of our requirements for defence. He should have at the same time given a very good proof as to how the Government is going to gear itself up to bring about an amount of economy. There is a lot of room for economy. In all war times we had always taken certain strong measures to bring about certain economies, we had tried to inject a certain efficiency in the administration, we had tried to do so many things. While standing here, I would be prepared to make quite a few suggestions as to how we can bring about quite a large amount of economy, what other measures we can adopt to gear up and create a fresh climate in the country and make people understand and also take forward the enthusiasm which has already been generated.

It is obvious to all of us that this war is not going to be financed by these donations. So far as donations are concerned, we are deeply appreciative, and I am quite aware, and am one with my hon. friend Shri D. C. Sharma who said that at present the donations by far and large have been coming from the lower strata of society—I would not call them lower strata, they are rather the top strata because these are the people who have given a good account of their patriotism and come forward with all sorts of donations. When you accept a donation from a mercantile clerk who is giving you all his life savings, you must understand what a tremendous responsibility we are taking upon ourselves; we must also realise the tremendous responsibility we are accepting when we are taking the life earnings, the ornaments etc., from the lowly people who have through their sweat and toil earned a little and come forward quite readily and willingly to put them in the coffers of this Government to meet this emergency. While we deeply appreciate this, we must have a clear understanding of the entire situation, what it means if we are to

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raise even only Rs. 40 or Rs. 60 crores annually.

I have certain suggestions to make as to what we can do to meet this emergency and raise our revenues in the present tempo. I just enquired the other day to find out what the wage bill of organised industry and mining only in this country was. It is about Rs. 1,000 crores. That means, if they contribute only 10 per cent, it will come to Rs. 100 crores per annum. We have got a provision here in the emergency provisions by which we can ask for a certain percentage out of the salaries drawn by people. Most of the people are willing and coming forward to do that, but the Finance Minister must give it his first attention. There will be no objection, particularly because the people at the lower ladder are quite willing to give 10 per cent, and some of them are prepared to give even 15 per cent. If the people in the higher strata, higher level, are not in tune with that patriotic spirit, I care a tuppence for their feelings. We must put in 10 per cent for a particular income, and 15 per cent for the higher income which will give this country about Rs. 100 to Rs. 150 crores.

Shri Ranga: For the civil section.

Shri Harish Chandra Mathur: This does not include the government services. I was speaking of organised industry and mining. Then there are the commercial houses. If the wage-earner can contribute Rs. 100 crores, there is absolutely no justification, no reason why these profit-making big concerns should not be able to give twice what the wage-earner is giving as a matching grant. That is, they must be made to pay Rs. 200 crores per annum out of their profits.

You may ask how we can get Rs. 200 crores. I will give you an example. Instead of sales tax being realised by the State Governments, if the Centre takes over the organisation of the sales tax, and if there is no

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leakage and if it is realised at origin as a turnover tax, what will happen? The Chief Minister of Punjab the other day told in a public meeting that in Punjab alone the leakage of sales tax amounts to the tune of Rs. 2 crores per annum. Just consider what is the leakage all over the country? It means that without additional taxation of a single naya paisa, you can get about Rs. 39 crores additionally simply by taking over sales tax administration and making it foolproof. You will also earn the gratitude of lakhs of people who are being harassed by the small man who wants them to come to him and present his books and so on.

I will take another five or six minutes.

Mr. Chairman: He may continue tomorrow.

Cut motions nos. 1 to 6 and 15 to 20. by other hon. Members may also be moved by them subject to their being otherwise admissible.

Need to implement Raghuramaiah Committee Report for army personnel

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (1)

Need to grant permanency to those civilian employees employed in lieu of army men

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (2)

Need to expand the manufacturing capacity of the ordnance factories

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (3)

Need for co-ordination of ordnance factories, army workshops and Technical Development Establishments to step up production

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (4)

Urgent need to expand the M.E.S. Organisation

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective Army be reduced by Rs. 100." (5)

Need to expand the Border Road Organisation

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services-Effective-Army be reduced by Rs. 100." (6)

Immediate need to revive negotiating machinery at three levels in all defence establishments to maintain absolute industrial peace.

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (15)

Urgent need to use the army workshops for production purposes

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (16)

Need to put E.M.E. and station workshops under Controller General of Defence Production

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (17)

Immediate need to recall the technical experts who are able-bodied and utilise their services in Ordnance factories.

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (18)

Need to have three shifts in Ordnance factories

Shri S. M. Banerjee: I beg to move:

"That the demand for a supplementary Grant of a sum not

exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (19)

Need to expand the Defence Liaison Unit at Delhi to expedite procurement to material.

Shri S. M. Banerjee: I beg to move

"That the demand for supplementary Grant of a sum not exceeding Rs. 67,00,00,000 in respect of Defence Services, Effective-Army be reduced by Rs. 100." (20)

Mr. Chairman: These cut motions are also before the House.

BUSINESS ADVISORY COMMITTEE
NINTH REPORT

Shri Rane: Sir, I beg to present the Ninth Report of the Business Advisory Committee.

17.08 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the November 20, 1962/Kartika 29, 1884 (Saka).