

Dated.....20/11/2014.....

THE  
PARLIAMENTARY DEBATES  
(Part II—Proceedings other than Questions and Answers)  
OFFICIAL REPORT

1075

HOUSE OF THE PEOPLE

Wednesday, 4th June, 1952

The House met at a Quarter Past  
Eight of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

9-15 A.M.

PAPERS LAID ON THE TABLE

- (i) ANNUAL REPORT OF DAMODAR VALLEY CORPORATION; AND (ii) BUDGET ESTIMATES OF DAMODAR VALLEY CORPORATION

**The Minister of Planning and River Valley Schemes (Shri Nanda):** I beg to lay on the Table a copy of each of the following papers, under Sections 45(5) and 44(3) of the Damodar Valley Corporation Act, 1948:—

- (i) Annual Report of the Damodar Valley Corporation, Part I, for 1950-51. [Placed in Library. See No. IV M. 4 (8)] and  
(ii) Budget Estimates of the Damodar Valley Corporation for 1952-53. [Placed in Library. See No. IV M. 4 (9)].

GENERAL BUDGET—GENERAL DISCUSSION—concl'd.

**Mr. Speaker:** We will now proceed with the general discussion of the Budget. Today is the fourth and the last day and the time will be more limited today, because I propose to call on the Finance Minister at 12 NOON. I think one hour is quite sufficient for him.

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**The Minister of Finance (Shri C. D. Deshmukh):** Yes, Sir.

**Mr. Speaker:** So, the time available to hon. Members is up to 12 NOON. Mr. More.

**Shri Sarangadhar Das (Dhenkanal—West Cuttack):** May I request you to give a little more time to the opposition benches? The time allotted to the different groups and parties has not yet been fully utilised by the Members who had given their names and many have not been called.

**Mr. Speaker:** I might inform the hon. Members that the account of the time is kept and it will be found to have been very nearly made up, as suggested I repeat "very nearly". There have been a number of difficulties for which the parties also are partly responsible, inasmuch as both the lists of Members of the parties as also the speakers are changing from time to time and some names are coming in at the last minute. The other difficulty which I experienced was that people whose names are included in the lists are not in their seats when their turn comes. This was to some extent inevitable in such a large House as this and I think that as we proceed further, matters will be regularised.

One of the other reasons which I may mention is that some Members of the Opposition and also some Members of the Congress Party took a much longer time in finishing their speeches than the fifteen minutes allowed to them. Even otherwise, I have said very often that I do not guarantee and cannot guarantee that every person will necessarily be called. The lists are supplied to me for my guidance and I am always looking to the way in which the debate is proceeding. No doubt, I have to take the time into consideration, but my sole purpose is to see that every point of view gets a fair representation and different groups have their

[Mr. Speaker]

say on the Budget. But this does not mean that every Member of every party must be necessarily called.

Furthermore, the cut motions will come in for discussion continuously for seventeen days and every Member of every party will have ample opportunity to speak, provided the respective parties adjust their speakers turn by turn. It is not possible to allow the same Members to talk on different occasions and yet call upon the back-benchers of the parties also. The arrangement ought, therefore, to be that the parties should consider which speakers to put upon a particular day for a particular subject. This is only a suggestion and neither the House nor the parties are bound to accept it. But if they want a fair opportunity for every Member of their parties, then the better course would be to put up different speakers on different days for different subjects, the only common feature being the Ministers concerned.

The time-limit of fifteen minutes is there today also, as the hon. Members know.

**Shri S. S. More (Sholapur):** The Members on the treasury benches have been all along urging upon us, the Members of the Opposition, to make some constructive suggestions. As the demand is there, I propose to make the supply available by making some constructive suggestions as far as the presentation of the Budget is concerned. A regular mountain of figures has been supplied to us and many of us are lost in it. In order to enable us to have a clear and precise picture of the financial position of this country and the different proposals which the Government proposes to undertake for giving relief to the poor and other needy persons, the Budget should be presented in a more readable form so as to give us a more definite idea of things. With this end in view, I propose to make the following suggestions to the Finance Minister if he can accept them. My first suggestion is that in every Budget the proportion of the tax revenue to the total revenue should be given in a definite form. My second suggestion is that the proportion of direct and indirect taxation should also be given to us so as to provide an idea as to whether the indirect taxes are increasing or decreasing as far as the taxable capacity of the people is concerned. My third suggestion is that the proportion *per capita* of the population of the total revenue, tax revenue and expenditure should also be given.

Then the total national income and the *per capita* income should also be given if possible so as to enable us to understand the exact position. Then the ratio of expenditure for different Departments or Ministries to the total expenditure should also be given. My sixth and last suggestion is that the percentages of expenditure Ministrywise under the different heads of expenditure should also be given. If all these suggestions—and any more in the light of these suggestions—are adopted, then we shall be in a position to make our comments more fully, taking into consideration the whole picture as it emerges from the Budget presented.

The hon. Prime Minister and Leader of the House in one of his recent speeches stated that we are represented here in different hues. I do admit that there is deep-red and also some that is as black as jet,—I mean some of those who are sitting there on the opposite side. We do profess that we represent the poor and the toilers. But in this House there are also some representatives of the big business and the feudal lords. They may be moving about in spotless white, but the class colour under khadi cannot be concealed. The interests of the few exploiters are represented here. When we speak on the Budget, I can broadly understand that the Finance Minister cannot satisfy the expectations of all and sundry in this vast country of ours. Different and various interests have been prevailing and have been conflicting with one another. Therefore, if anyone expects that all these interests will be satisfactorily adjusted and reconciled, then those expectations will never be fulfilled. I do not propose to read this Budget by applying to it the socialistic touchstone, because during its long struggle the Congress never accepted socialism as its official tenet. It all along professed belief in Gandhian economics. It all along expressed its unflinching faith in what Mahatma Gandhi preached. Hence I think I shall not be deemed unreasonable or extravagant if I expect that the Congress, the party in power, will frame its Budget in consonance with the Gandhian teachings. I think I shall not be expecting the impossible if I believe that the Congress will try, in presenting this Budget and in framing its proposals for taxation to look after the interests of those whom it professes to represent. In the words of Mahatma Gandhi, Congress “at-tempted” to represent or champion the

cause of the many millions of peasants in this country. If the Budget is to represent any particular interest, if it is to safeguard any particular interest predominantly, it is the interest of the peasantry—the most neglected creature in this country. Let us apply this test to the Budget and find out whether the various claims of the Congress, whether the various professions of the Congress, whatever ideals were urged by the Congress, whether those find a faithful reflection in the present Budget. During our long struggle we were repeatedly saying that the cost of administration run by the Britisher was top-heavy, much beyond the capacity of the country to pay. Now what do we find? Is it unreasonable to expect that in this first budget presented to an elected Parliament, a representative Parliament, the Congress should try to translate into practice what they have been professing for more than sixty years? The cost of administration, they always complained, was top-heavy. Yes, even Macdonald admitted that the foreign Government had an administrative apparatus here which was top-heavy. But let us see whether the top-heavy administration has been sufficiently slashed to bring it down to the paying capacity of the people.

I shall give the House some figures I have taken these from the provision made for different Ministries. I will first refer to the Ministry of Commerce and Industry. The establishment is split up into two different groups—one refers to the officers and the other refers to the other establishments. Now, as far as this Department is concerned the highest pay comes to Rs. 48,000 per year for the Secretary. Then taking into consideration the strength of the officers' cadre, the *per capita* average comes to Rs. 12,972 per annum. The average *per capita* income of class four servants comes to Rs. 1,601 per annum; the lowest category of staff get Rs. 410 per annum. In the Communications Ministry too the highest paid officer namely, the Secretary gets Rs. 48,000 per annum; the lowest pay, that is of the man belonging to the Class IV is Rs. 1,283. Unfortunately under this Department the persons belonging to the fourth class have not been separately placed, therefore the average is rather higher. In the Ministry of Defence the average *per capita* income of officers belonging to the higher category comes to Rs. 13,993. The salary of the Secretary is Rs. 48,000. As far as the lower services are concerned the average comes to Rs. 434.

I need not, Sir, take much of your time and the time of the House by giving similar figures of the other Departments. I believe that the Finance Minister ought to have applied his knife to the fat ram. But he says in his budget: we are in search of economy. I do not know when this search is going to fructify. He says: we are making a departmental search for economy. Our experience under the British has been that when a department started in search of economy what happened was that a few clerks and a few peons were fired. Then they would say gloatingly: we have made the necessary retrenchment. Sir, this will not do. My submission is that the Congress, the party now in power, was all along complaining against the Britisher that the top heavy administration was crushing the country financially, it was ruining the country financially. This very Congress ought now to set an example and try to put into practice what they have been preaching so long.

Mahatma Gandhi was never tired of saying and also the leaders who presided over the various sessions of the Congress have all along urged that economic equality, reducing the terrible inequality which prevailed between the rich and the poor, was the immediate objective of the Congress. Even there if we analyse the budget nothing but disappointment comes to our lot. The taxation machinery can be utilised for the purpose of reducing these inequalities in income. But looking to the customs income we find that indirect taxation has been raised to the tune of about 75 per cent. of the tax revenue and the direct taxes come to about 25 per cent. of our tax revenue. It is an elementary principle of economics that when persons who are exploiters are in power they go on raising indirect taxation which naturally and automatically weighs heavily on the poor people. But here due to this indirect taxation the gulf between the rich and the poor is widened instead of being narrowed. It was the first and foremost duty of the hon. the Finance Minister to have reduced indirect taxes, but he has not done so. On the contrary, looking to his figures for the last two years, he has raised the customs duties to the disadvantage—I may say ruinous disadvantage—of the common man.

I would rather support my hon. friend Mr Gadgil when he contended that the Estate Duty should be brought into force as early as possible. It has been kept in cold storage in

[Shri S. S. More]

order to help the capitalists. I call upon the Government to fix a particular time-limit by which they should proclaim that the estate duty will come into operation. I fear, that if that sort of time-limit is fixed many of the rich people in order to avoid or evade levy of the estate duty will try to rusk to their graves! But there should be some time limit. As a matter of fact this is one of the promises which the Congress has failed to implement after their coming into power.

Another important question which has been agitating the minds of the people is the food subsidy. There have been protest meetings. As a matter of fact in Poona, Bombay and other places satyagraha has been started. It is the peasantry, the workers and the middle classes who have suffered as a result of the withdrawal of the subsidy. Recently, I had occasion to meet clerks and low paid staff working in different departments. They were complaining that during the post-war period they were robbed like anything and now there is nothing for them to fall back upon.

Then I come to the question of linguistic provinces. In 1920 the Congress amended their Constitution and accepted the principle of linguistic provinces. In 1924 Mahatma Gandhi presided over the Belgaum session where he presented a six point programme, one plank of which was the formation of linguistic provinces. In 1927 the Congress met in Madras and affirmed—I have not the time to quote from that resolution—that the time had come for the creation of linguistic provinces. They also recommended that Andhra, Karnataka, etc. should be immediately carved out on a linguistic basis.

**Mr. Speaker:** The hon. Member's time is over. I must be very strict with regard to the time-limit.

**Shri S. S. More:** My submission to this House is that Government, as represented by the Congress, have not fulfilled the promises they have given to the people. On behalf of Maharashtra I would say that Samyukta Maharashtra is not created, for the definite purpose that it suits the purpose of some exploiters. Maharashtra is being exploited ruthlessly. These exploiters fear that if it is created their exploitation will be put an end to, and that is why Samyukta Maharashtra is not being created. Many persons have raised their voice for the creation of Samyukta Maharashtra, for the creation of Karnataka, for the creation of Andhra. I support all

their demands. These are the main things I wanted to submit. In view of the fact that my time is over I shall conclude.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** In the debate that has taken place for three days certain hon. Members have questioned the validity of certain presumptions which are basic to the Budget proposals placed before the House by my hon. colleague the Finance Minister. I would refer the House to paragraphs 5—9 of the speech of my hon. colleague wherein he has referred to the trends of prices and trends in production. These assumptions have been questioned notably by the hon. Member from Cannanore, Mr. A. K. Gopalan, in his speech on the opening day of the debate. He has given certain figures which he feels conclusively show that the assumptions made, that production figures were not altogether unsatisfactory, were wrong. Mr. Gopalan attributes to my colleague the Finance Minister a statement that the present slump is a blessing in disguise to the people.

**Dr. P. S. Deshmukh (Amravati East):** Has Government brought it about, or has it come of its own accord?

**Mr. Speaker:** Order, order.

**Shri T. T. Krishnamachari:** In a period of high prices, any tendency that develops for the prices to reduce themselves is a thing which the Government will welcome. Whether my hon. friend from Madras would call it deflation or disinflation, it does not matter. We do realize that the present prices are very high, and any such tendency is a thing which we feel is certainly welcome. But then, where it is contended that the recession in prices has also resulted in a recession in production—and that is where I come in—I have to point out to the hon. Member, Mr. Gopalan, that the position as he envisages is not correct.

The hon. Member gave a number of figures, quoted apparently from some publication issued by the Commerce and Industry Ministry. I have had this position examined, and I am in a position to state that my hon. friend is not quite correct. Mr. Gopalan mentioned that there has been a fall in production in January, 1952 compared to January, 1951 in the following articles, namely, coal, cement, woollen manufactures, sugar, cigarettes, paper, leather, cloth, sulphuric acid, caustic soda, soda ash, sheet

glass, etc. And, as I said, he did quote the figures of the Commerce and Industry Ministry. I would give a few figures to the House so that it might know that the position is not quite as bad as has been envisaged by my hon. friend from Cannanore.

In regard to coal, the January-March production of this year averaged about 3.1 million tons per month as against 2.85 million tons in January-March 1951.

In regard to sugar, the first four months production figures in 1951 were 2,78,000 tons, 2,59,000 tons, 1,86,000 tons and 60,000 tons, while the 1952 figures for these months were higher, namely 3,02,000 tons, 2,31,000 tons, 2,42,000 tons and 1,62,000 tons.

In regard to cement, the first four months production figures in 1951 were 2,40,000 tons, 2,26,000 tons, 2,59,000 tons, and 2,51,000 tons, as against the present year's production of 2,85,000 tons, 2,47,000 tons, 2,88,000 tons, and 2,95,000 tons.

I do not want to infringe on the patience of the House, but I do think the House will be interested to know some more figures. In regard to paper, the comparative figures are:

January, 1951	9,700 tons
January, 1952	12,000 ..
February, 1951	9,000 ..
February, 1952	11,000 ..
March, 1951	11,000 ..
March, 1952	11,600 ..
April, 1951	10,500 ..
April, 1952	11,300 ..

Then I come to the question of one of the major producing industries in our country, namely cotton textiles. I know that there have been some difficulties in regard to the working of these textile mills and there has been fall in the offtake, both consumer and dealer offtake which has made certain mills give notices of closing down one shift. One mill has actually closed down. A few mills have closed down their third shift. But there have been difficulties in regard to water supply and power supply. In spite of all these difficulties, the figures give a different tale altogether. Cotton textile production in 1952 was as follows:

As against 338.9 million yds. in January 1951, it was 344.6 million yds. in January 1952. As against 308.3 million yds. in February 1951, it was 340.6 million yds. in February 1952. As against 325.7 million yds. in March 1951, it was 345.7 million yds. in March 1952. And, as against 337.6 million yds. in April 1951, it was 368.5 mil-

lion yds. in April 1952—which I think was the best manufacture in recent times.

I can go on multiplying these. In regard to the question of cigarettes, there has been an appreciable increase in the production in the months of January and February as also in the month of March. There has been a slight recession in April.

On the question of sulphuric acid it is true that while there has been an increase in January over the figures of 1951. In February, March, and April, owing to the shortage of supply of sulphur—for which we are not primarily responsible, but the world conditions are really responsible—there has been a slight diminution. But I can tell the House that the position so far as the next half year is concerned is slightly more helpful. We do anticipate that we would be able to get more allocation from the International Materials Conference for the second half year in respect of sulphur.

In regard to caustic soda, there has been an appreciable increase. In January it was 1,500 tons this year as compared to 1,000 tons in 1951. In April, similarly, it was 1,500 tons as against 1,000 tons in 1951. In all the other months there has been an increase.

In regard to soda ash, there has undoubtedly been a certain amount of diminution in production. In January 1951 the production was 4,300 tons and in January 1952 it was 3,900 tons. While in February we have more or less equalled the figures of February 1951, there has been a further recession in the months of March and April. But this has been due primarily to the temporary closing down of certain parts of the factories concerned for the purposes of overhauling. It is not a question which really affects the production policy of this particular industry. In the case of the woollen industry there has been a falling off of demand but that is not due to the fact that the prices have dropped and perhaps it is also due to other extraneous factors. Barring two or three industries, the general position is one which bears out the basic assumptions made by my hon. colleague in his budget speech. I cannot understand why the hon. Member should feel that the position was quite so bad.

In regard to the jute industry, there has been a certain amount of decline because of world factors. Early in the year there has been a reduction in the working hours from 48 to 42½ and

[Shri T. T. Krishnamachari]

there has been no further reduction. Reduction in price has been mentioned by certain hon. Members of this House during question time. But I am glad to tell the House that the position even in regard to jute is looking up. Our exports last month was a record for recent months and though we did not touch the 100,000 tons mark; we did go up to 80,000 tons which, I think, is a factor which makes us feel that the position is not as bad as we thought that it would be at one time. The hon. Finance Minister did mention that we are watching the position very carefully and the action taken by Government in regard to the export duty on jute, bringing it down from Rs. 1,500 to 275 shows how alive the Government is to the necessities of trade and industry and their quickness in readjusting the tax burden on the particular industry.

I now go to the next point raised by my hon. friend from Travancore, Mr. Chacko and also, I think by Mr. Matthen and also other Members in the Opposition, i.e., in regard to the prices of plantation products in Travancore-Cochin. I quite agree that the commodities which are being exported from Travancore-Cochin form a very important part of the total composition of our export trade. At the same time, I must tell my hon. friend—he is not here—that while Travancore-Cochin certainly produces Tea, the major production comes from North-east India rather than from the South. There are three main questions in regard to exports from Travancore which I know perturbs my hon. friends in this House, the question of coir and coir manufactures, the question of pepper and generally the prices of copra. These questions were raised by hon. Members at the time when there was a debate on the President's Address and have been the subject matter of questions in this House. It is not that the Government is not alive to the seriousness of the situation. As I said we do depend on exports to a very large extent in framing our importing budget and our importing budget is an essential part of our economic programme, because we have to get our food primarily and also heavy machinery for industrial development. It is not a matter which the Government could afford to ignore. At the same time, there are certain circumstances which are a little beyond the control of Government. Certain articles like pepper, and coir manufactures which are exported from Travancore-Cochin have an unstable demand. In the case of pepper hon. Members know that the position of pepper market in Tra-

vancore was the result of the Indonesian market being closed down on account of the war. That is the reason why the pepper exports mounted so abruptly and the Indonesian market has not yet caught up to the old pre-war level. Prices went up, both of coir and coir manufactures and pepper and practically every other commodity rose sharply after the Korean War. Subsequently a reference has been made here by the hon. Mr. Chacko to the export promotion committee's report. The export promotion committee's report is still a matter which is being considered by the Commerce and Industry Ministry very carefully but the emphasis on certain aspects of exports made by the export promotion committee in its report has been slightly changed when devaluation came in and the matter was not quite so insistent of solution as it was prior to devaluation. To come back to pepper, the present prices too are fairly high; they are not anything compared to what they were in 1939. Hon. Members will concede it but the instability of demand is one against which the Government can do precious little. It is more pronounced in the coir and coir manufacture. We reached peak prices sometime last year but in the beginning of 1952 the demand slackened and the prices obviously could not be maintained and when the demand slackened, we were faced with a situation all of a sudden when an industry on which the people of that particular area depended suddenly went into oblivion. We are alive to the seriousness of the situation. It is a thing which has a positive contribution to make towards the maintenance of exports. The Government could do very little. A question was raised by some other hon. Member.....  
**Shri N. S. Nair** (Quilon *cum* Mavelikkara): May I know if the Government has done anything to find out if there are any markets in other parts of the world?

**Mr. Speaker:** I wanted to invite the attention of the Members of the House and also the hon. Minister on his legs to the fact that there is much pressure on time. I do not want to come in the way of the hon. Minister giving information, which is very necessary to the House. But I would be thankful, if he could curtail his remarks to the minimum possible. He has already taken about 17 minutes. There is no time limit. I can assure him of that, and I also want the House to have full facts placed before it by the Minister. But then the only result will be that either the speakers would have to be

dropped or the time curtailed, because it is definite that, at 12 o'clock, the discussion will end.

**Shri T. T. Krishnamachari:** I think I shall finish in less than 8 minutes. On this question of coir I can tell hon. Members that the offtake has perceptibly fallen and there have been certain complaints regarding quality. But that is not the main factor. It is a question of finding markets in which we are primarily interested and we can assure the hon. Member that our interest is no less than the hon. Members interested in this matter. As my hon. friend and colleague mentioned to the House a few minutes back, we have sent down an officer to Travancore-Cochin and as some of the hon. Members know, we wanted to study the question on the spot and find out what could be done and in regard to one aspect, namely the question of the people engaged in industry, what we could do is to transmit the eagerness of hon. Members of this House to the respective State Governments and any initiative will largely have to come from them in this matter. We are interested in the people themselves as being the component parts of an industry which is a vital part of our export programme. I have no desire to dilate on this subject any longer. But there are certain other misconceptions. I think hon. Mr. Jatav-vir said something about hides and skins and he said that we are allowing the export of hides and therefore, the shoemakers do not get the requisite quantity of leather. It is not a fact and we are not allowing export of raw hides, being ourselves dependent on the import of raw hides for our tanning industry.

**Shri Nambiar (Mayuram):** What about the crisis inside the tanning industry? Is there any possible solution for it?

**Shri T. T. Krishnamachari:** I might mention that towards the end there will be another opportunity for hon. Members to raise questions when the subject of the demand for a particular Ministry, which I have the honour to represent in this House comes up. That will be on the 16th of June.

An hon. Member from Bengal referred to the tea industry and he gave very interesting figures. It is again a case of conflict of certain interests. It is also true that the off-take of tea from India has fallen. But, at the moment it seems that the position is not so bleak as it was two or three weeks back and there is a possibility of U.K. lifting the present partial control on tea. Even at the moment, they have raised the rations. Therefore we

think that the position of tea might improve. The question of the estates which are sub-marginal in their efficiency was dealt with by the hon. Member from Bengal. The House is already aware that a departmental enquiry into cost of production is being made. Whatever could be done would be done. So far as the question of estates with a sub-marginal efficiency are concerned, we cannot lay down any policy at the moment.

There are other matters referred to, like import control, foreign investments, etc., which I would rather reserve for discussion at the time when the Demand for my Ministry is taken up. There is only one matter to which I would like to refer now, that is, the small scale industries. There have been complaints in regard to the neglect of handloom industry, the cottage industries and small scale industries. The question of the handloom industry is a big one. It is a thing which is engaging the attention of the Government at the moment. We feel that the manner in which the Government have dealt with the cloth stocks will have its repercussions ultimately on the position of stocks of handloom cloth. It may be that the position might improve. Any way, it is being watched. On the question of cottage and small scale industries, I must say that we have not altogether lost sight of it. The question of small scale industries, and how they are to be integrated in the whole scheme of industrialisation is a matter with which my colleague the hon. Minister for Planning is vitally interested. Certain proposals are being considered by them, and a decision will certainly be taken. It is not a question which can be decided in a day or two. It is not a question of my laying down a policy here which will affect either the encouragement of small scale industries or the reverse of it. It is a matter of time. Hon. Members will realise that the question of integration of the small scale industries with large scale industries on the one hand, and cottage industries with handicrafts on the other is a very difficult one. The matter is undoubtedly engaging the attention of the Government. If any further reference is made to this subject on the 16th June when the Demand for my Ministry is taken up, I may perhaps be able to enlighten the House. That is all I have to say.

**Shri Joachim Alva (Kanara):** On a point of information, Sir. About a vital mineral sulphur, the hon. Minister said that in regard to sulphur, we are at the tender mercies of foreigners. I want to know whether

[Shri Joachim Alva]

sulphur has been found in Karwar and what steps....

**Mr. Speaker:** Order, order. The hon. Member will have another opportunity to discuss these matters.

**Shri H. N. Mukerjee** (Calcutta North-East): I think it is superfluous for me to say that I cannot congratulate the Finance Minister on the Budget which he has presented to the House. I cannot congratulate him, not only because of the purely technical budgetary deficiencies about which the Public Accounts Committee have made so many pungent comments. I cannot welcome his Budget not merely for the fact that it is pursuing the *status quo*, that it is a wooden, unimaginative document. But, I take a further stand that on behalf of the common man in this country, we can say that this Budget is an unacceptable document because it is a menace to their future, it is a present attack on their living standards and it is a blasting of the hopes which have been engendered in their minds by the achievement of this country's Independence.

10 A.M.

From that point of view, I should say that, in spite of being considered as repeating a conventional item of attack on the Budget, the defence expenditure which has been budgeted in this document is so far out of harmony with the needs of the country that we cannot accept the proposition made by the Finance Minister. I do not for a moment suggest that the defence potential of our country should be reduced. On the contrary, I would like to have a corps of really trained efficient military personnel ready to meet all eventualities. But, I say that in this Budget, not only is a most uneconomic policy being pursued in so far as nearly 50 per cent. of the total allocation goes towards military expenditure, but in the military expenditure itself, out of the 200 and odd crores which are allotted, some 77 crores go towards payment of salaries and out of that nearly 11 crores go towards the pay of officers. I know that even now there are British officers attached to the Indian Army. I know that even now a salary scale is implemented in regard to higher categories of officers, which is absolutely out of keeping with the spirit of the times. If we could do something about the co-ordinating of our defence personnel with the personnel which we

require today for our nation-building services, for our River valley and multi-purpose schemes, for our irrigation works, for our food production and all that sort of thing, I am sure we can absorb all the common working people who are in our fighting services. They could feel all the time that they are not merely a sort of a specially treated minority of people, stowed away from the life of the common people, but they would feel that they are in the current of things. They will work for the common people and they will work for the day to day needs of the common people. In that case, we can make a co-ordinated adjustment in the budgetary figures. We can reduce much of the expenditure which we today allot for purely military purposes and show that under the head of nation-building items against which we can take no objection. We spend 200 crores on defence; but we forget that if our country is in danger, we shall have to depend not on the professional army—a professional army has its own merits—but we shall have to depend upon the mobilised spirit of the common people of this country. That is the only safeguard against aggression. If you do not do that, if you let them have a feeling that the Government are indifferent to the sight of people dying because of famine conditions, already afoot in the country, I am sure, you are not going to defend our country against foreign or any other kind of aggression. I should say that my first count against the Finance Minister would be that he is following the old wooden, unimaginative policy of allocating a disproportionate proportion of our revenue for our defence services. I shall say nothing against the defence services as such. But, we want that our defence personnel should adjust themselves to the new conditions and take a leaf out of the book of China where the peoples' army have joined hands with the common people, have assisted the people in production, have produced their own food and are taking part in all sorts of technological reconstructional activities. If you do that I am sure we shall be having a really coordinated Budget; we shall be growing more food; we shall be doing first things first and we shall be trying to really reconstruct our country.

[**MR. DEPUTY-SPEAKER** in the Chair]

I shall next turn to the question of food, a question which has been agitated over and over again because it is nearest to everybody's heart. You



cannot deny that our people are dying for food. There is no getting away from that. What are you going to do about that? You say, we cannot do anything about it. The Finance Minister goes on to say that the cost of living index of the working people shows substantial improvement, and that it shows a possibility of assistance and relief to the common people. I shall quote from the Five Year Plan. It is an absolutely official document to which none of our hon. Ministers can take objection. The Report says that today we have 10 million acres of fallow land, a large proportion of which is in Hyderabad, because, land had been taken possession of by the peasants and the peasants have mostly been evicted and expropriated and that land remains fallow. These 10 million acres of land should be reclaimed here and now, without making any special financial bones about it. We also forget that there has been a 42 per cent. decrease in agricultural yield. On page 76, the report says:

"While the area under cereals during the three years ending 1949-50 compared to the period immediately preceding the war has not changed appreciably and had remained in the neighbourhood of 167 million acres, the production has declined from 46.16 million tons to 42.1 million tons. In terms of yield per acre, this suggests a decrease from 619 lbs. to 565 lbs."

That is not the whole story. If you take the average yield of rice, for example, then you find that the average of 1914/15 to 1918/19 was 928 lbs. per acre. The average of 1926/27 to 1930/31 was 851 lbs. The average of 1931/32 to 1935/36 was 829 lbs. For 1938/39 it was 728 lbs. If you take the average yield per acre in 1949/50 and compare it with the average yield in the period 1914/15 to 1918/19, then the decreased amounts to 42%. So, in less than four decades, the average fertility of the land has been almost halved. What are you going to do about it? The Government has got to launch fundamental agrarian reforms in order to bring about a real change for the better.

Now, the Planning Commission does not comprise ignoramuses. They knew all about it, and they made their views very well known. They said—I am reading from pages 99-100 of the First Five Year Plan of the Planning Commission—

"The proposal to limit existing holdings raises important problems

of finance, administration and management. Whether the State gives compensation, or under another name, rehabilitation grants, the task is likely to be far beyond its resources. The available administrative machinery is in no position to cope in any systematic manner with the problems of acquisition of the land acquired from individual owners among various classes of claimants—small owners, tenants and landless labourers—will present numerous practical problems involving basic social conflicts. It is possible that any large-scale and sudden attempt to break up existing holdings may give rise to such organised forces of disruption as may make it extremely difficult to bring about the very transformation in the organisation of agriculture which is needed."

That is the crux of it, Sir. You are not going to bring about that transformation of agriculture which alone can infuse enthusiasm into the people of our country, which alone is going to raise our production, which alone is going to mobilise public opinion, unless you can infuse faith in the minds of the people, unless you make the people feel that they are marching together, that we can make our country self-sufficient industrially and otherwise. Then, how is it that we are pursuing this kind of policy? You are not going into the fundamental reconstruction tasks because you think that fundamental reconstruction is something dangerous. It will be dangerous only if the Government allied itself, as it has done, with reactions at home and abroad. That is exactly the position today, and that is to be found in the many gyrations of the Five Year Plan which it is almost impossible to understand.

Only the other day, our hon. friend, the Minister for Commerce and Industry, when he was asked: "What is the proportion of spare parts of automobiles which we shall be in a position to manufacture by 1956?", said, "subject to the usual disappointments"—these are his words, not mine—"subject to the usual disappointments, we might produce 75% of the component parts necessary for the production of an automobile". Why are we in this sort of planned backwardness? We are so because you look to your godfathers, the rulers of the U.S.A.

Dr. S. N. Sinha (Saran East): On a point of information, Sir. Is the hon. Member making a speech on the lines as chalked out by one Mr. Lemin in the "Friends of Imperialist Domination",

[Dr. S. N. Sinha]

which was published in February, 1952; of course, in Moscow, because all his words. (*Interruption*)

**Mr. Deputy-Speaker:** Order, order. I am taking charge of the situation. The hon. Member ought not to impose another speech on the House. He will have his opportunity. It is not a point for information, because he is trying to give information to the House.

**Shri H. N. Mukerjee:** I am quoting from unimpeachable sources, Sir, the Five Year Plan and the Commerce and Industries Minister. So far, these are the only quotations I have given.

Now, Sir, there is no getting away from it that we are dependent entirely on what we are going to get from the U.S.A. My hon. friend the Finance Minister said in his Budget speech—I like him because of his straightforwardness; he never hides anything—he says in the last sentence: "The realisation that the people of this country are doing the utmost in their power to help themselves will widen the flow of assistance from our friends outside." The flow of assistance from our friends outside is what we are dependent upon. And what is the character, the quality, the quantity, the content of that flow of assistance from our friends outside? What are we envisaging? We are envisaging that in six years time we shall be still floundering about for lack of food, and we shall be nowhere as far as the mechanical and industrial reconstruction of this country is concerned. We are going to have for 30 long years the load of this American loan of 190 million dollars weighing over our heads and we are going to add to that monies which we are receiving from the United States.

Under the terms of the Mutual Security Act which the U. S. Congress has passed, there is provision for payment to backward countries. There is a specific objective, they made the reason why very clear at the time of the passing of the Mutual Security Act. I will quote from the *American Reporter* dated the 30th May, 1951, which I am sure my hon. and gallant friend from Bihar reads carefully and assiduously:

"to enable the under-developed areas (Asia, South America and Africa) to expand their production of strategic materials; they must be assured of being able to obtain the essential supplies and equipment they need from our country."

So, that is why they want to do it, I suppose. I shall add what Mr. Truman had said on 3rd October that the object in asking Congress to pass the Mutual Security Act was "to maintain the security and promote the foreign policy of the U.S.A. by authorising the military, economic and technical assistance to friendly countries." If we are going to tie ourselves to the apron-strings of the U.S.A. and if the results are as what the National Planning Commission has reported they are going to be, what exactly is the position? How is it possible for a devitalised people to stand up on its feet when we are doing this sort of thing.

Our National Planning Commission has done valuable work. There are many things in this connection to which I have not the time to refer. You, Sir, who are, I should say with all respect, a specialist in sedate statements, would not like me to be carried away by emotional reactions, but you, in your Estimates Committee Report, have said harsh things which I have no time to quote, about these multi-purpose projects and the way in which they are carried on, the way in which immense monies are being wasted. We are not going to throw away our resources in the name, in the euphemistic designation, of acquiring "assistance" from "friendly" foreign countries. That is the position. And if that is the position, then, I am sure, we can get nowhere.

The National Planning Committee which was first constituted in 1938 with Pandit Jawaharlal Nehru as its Chairman, promised that it would raise the standard of our people to three times what it was at the time. Then the Bombay Plan—the Tata-Birla Plan—envisaged a double increase of our standard of life. The Advisory Committee appointed in 1947 when you, Sir, were a distinguished and active Member of the House which preceded this Parliament, also recommended certain increases in production and set up certain targets. That target even has never been reached, that target is not going to be reached even if the first Five Year Plan is fulfilled according to expectations. That is the position, because of our subservience to the imperialists. And so we hear even in this House sometimes the voice of America. That is why we have heard allegations against us; we have heard statements that we are functioning

here as an agency of the Cominform. We have heard in this House all kinds of slanders which are not something to which we were not accustomed, because for the last one hundred years, since the spectre of communism has been haunting those who are the bloated money-bags of this world and fatten on the sufferings and woes of the common people, since 1848 at any rate, these slanders on communism have been circulated. In spite of the utterest inexactitudes which were spoken by the hon. and gallant Member from Bihar regarding the Telengana people having wireless communication with somewhere in Central Europe, in spite of all sorts of inexactitudes being uttered with impunity in this House, I say that communism has marched from victory to victory, and to-day one half of the world's population have accepted communism, and today the communists are the vanguard of the world's people in their march towards freedom. That is why to-day on behalf of the Communist Party, while discussing the Budget of my country, I say "Let us have a peace Budget, let us prepare a Budget for peace." Let my country's Government take the initiative in asking the great powers, —let them if they wish to, extend the invitation to all the powers of the world—to come to Delhi and discuss the signing of a peace pact, so that in peace and without worry from those people who are threatening the world with atom bombs and hydrogen bombs and bacteriological and chemical warfare, we can go ahead with our plans for economic reconstruction. If we cannot do so, we cannot solve our food problem; if we cannot solve our food problem then we shall be nowhere, and our people would be completely devitalised. And with that sort of people, you shall never be able to achieve those objectives for which so many have given their lives, and for which so many today are even ready to pay the price of martyrdom, so that we in this country may have a kind of state, a kind of society which is really and truly the heart's desire of the common man.

**Shrimati Sushama Sen** (Bhagalpur South): I am thankful to you for giving me this opportunity to express my humble opinion on the Budget. I support the hon. the Finance Minister's Budget; it is a cautious and well thought-out Budget. A Government's Budget has a profound effect on the economic life of the country, and the importance of a sound fiscal policy cannot be over-emphasized, consider-

ing the economic situation in the country and the world at large, the Finance Minister is treading on the path "Discretion is the better part of valour" and his motto is "Wait and see." The budget has been criticised that it has given no relief to the common man. The heavy taxes are retained and there is the contraction of food subsidies. The Finance Minister's reply to these criticisms in this "After giving the most careful consideration to these criticisms, the Government feel that the policy adopted by them is inescapable and will prove to be beneficial in the long term interests of the Country." He also reiterates the President's solicitude for the distress of the people. "At the same time, it is anxious that no distress should be caused and Government will do all in its power to prevent these things from happening." No further evidence is needed to show that the Government have the interests of the masses at heart and that they will do their best for the country. Statement coming from such high quarters should make us feel confident, that good will be done to the country. After all, after 200 years of foreign rule, we have to have some time to put the house in order and it cannot be done overnight. To the credit of our infant Government they have averted any such major calamity like the famine in West Bengal in 1943. Whenever there has been distress and deficit in food, the people have been given relief by the Government, and for this purpose, the Government have procured food from all parts of the world. So it is not right to say that Government have not been able to face the problems before them. West Bengal, for the last few weeks, has been passing through critical times but we are told that the position is now under control, and with further relief from the Centre, it is hoped that normal conditions will soon prevail, as much as possible.

Regarding the contraction of food subsidies from abroad and diverting the money to development of multi-purpose projects, much criticism has been levelled against it. But in the long run, it will be beneficial to the country. It is indeed a bold and wise step. The import of foodgrains means so much loss to the country's exchequer. As much as Rs. 90 crores are being spent on the food subsidy annually. The cost of imported foodgrains between August 1947 and the end of 1951 is Rs. 543 crores. As against this, all the 135 projects at present under construction are ex-

[Shrimati Sushama Sen]

pected to cost Rs. 590 crores. It is to be hoped in a small way the fruits of these schemes will be available during this year and within the next five years, the results are expected to be substantial, Sir. The additional food production is likely to be 14 million tons, and this will eventually not only make deficits in foodgrains a nightmare of the past, but also raise the standard of nutrition in our country. So the Government have accorded the highest priority of expenditure to the execution of the multipurpose projects next to Defence. To carry out such huge schemes entailing large sums of money, a strict watch has to be kept, that the projects are to be efficiently and successfully executed and that there is no loss or wastage of money. The benefits of the above scheme will take some time to materialise. In the meantime, some device should be found to give immediate relief to the masses. One suggestion is that if the country is divided into certain food zones, so that neighbouring surplus and deficit areas are logged on with one another, then the price of food will automatically come down, the ban on the movement of foodgrains between these areas has to be discontinued, and if this scheme succeeds, it will give great relief, the recent rise in prices should be checked in time, otherwise we have to resort to food subsidies for some time more till we are self-sufficient in food.

May I make one suggestion, instead of spending such large sums of money on food subsidies like milo from abroad, why is it not possible that with much less expense we can improve our co-operative farms and 'grow more good' schemes, so that we can produce enough of foodgrains within our own country, and a supply of subsidies—such as fresh eggs, milk, butter, vegetables etc. These would be much better subsidies than the milo which food is really meant for cattle, and on which we are spending so much every year. Besides, I would like to suggest, that if more women were put in charge of distribution of foodstuffs, perhaps it would be better managed than now. Food and Kitchen is the province of women it is because the men have tread in the way of the women the result is that there is so much of mal-distribution. Much of the shortage of food and the distress of people is the result of this Control system. It has led to corruption, blackmarketing and bribery by unscrupulous people. These evils have to be put down firmly and stern-

ly otherwise there is no hope of relief.

Regarding this distribution of food-stuffs, I would say, that there are many honest and reliable women who could take up this work and it should be entrusted to them, for women are adept in the correct measurement and requirement. My friend, Mrs. Sucheta Kripalani, said the other day that in England they raised an army of women during the world war, but at the same time she went on to say it is not possible here owing to poverty and owing to hungry stomachs etc. But still there are some women who are not poverty-stricken, and who can afford to give some time to do some of this constructive work. I would suggest that the Government should sponsor such a scheme and put more women in charge of distributing food stuffs and other necessaries of life.

Now there are many things I would like to say, but as there is no time I would just like to say briefly about health measures and education. I am sorry my hon. friend, the Health Minister, is not here, but I would like to point out that in Bihar alone there are about 80 deaths of mothers daily from child birth and annually about 30,000 mothers die in the prime of their youth, as there are no proper facilities for maternity benefits. We need many more trained maternity nurses, *dais* and midwives and the Centre has to provide funds to the States as the States say they have no money to do this. So I would request the Health Minister that this matter should be taken up.

Regarding education of women, as is known, Bihar is very backward. We have only about 2 per cent. literate women and during the last ten years it was raised to 4 per cent. Education is badly neglected and we want more funds for this purpose. The child of today is the future custodian of tomorrow, so this should be given more attention.

Just a word about defence. I quite agree with my friend, Mr. Shiva Rao, when he says that we cannot afford to cut down expenditure on defence. It has been said that since we are friendly with all nations and we have no enemies, why should we spend so much of money on defence. But I submit that as long as we were a subject nation, we looked to the British for protection, but now that we are a free nation we have to look to ourselves for protection and the army, the air force and the navy should be fully equipped and there should be no curtailment there.

**Pandit S. C. Mishra** (Monghyr North-East): For three days we have been continuing this debate here without having a glimpse of the Finance Minister.

**Shri M. P. Mishra** (Monghyr North-West): He is here now.

**Pandit S. C. Mishra**: I am sure we will have the honour of his presence here in this House at least this day, Sir. Though this be my first speech in this great House or in any House of Parliament for the matter of that, as an hon. friend on this side has remarked, I am too old and too rough to play the maid even for a short time and if my speech develop into something opposite, I still crave the indulgence of this great House and particularly of you, Sir.

I have found that a tendency is developing in this House especially on the Treasury Benches to name the Communists every time. It is the old practice of giving the dog a bad name before shooting it. We ourselves are as much opposed to the Communists as anybody in this House, but I wish to remind you at the same time that the way of keeping out Communism or for the matter of that Cominformism from India is not the way that is being pursued by the Treasury Benches. We maintain that the only way of keeping Communism out is to concede on the economic plan everything that Communism demands or everything that Communism promises to give. Without that nobody can keep Communism or Cominformism out of any country in the world.

My hon. friends on the opposite side have always dangled the gallows before the eyes of the Opposition here, Sir. I wish to remind this House and the Treasury Benches especially that the method of the gallows the guillotine has been tried all the world over and it has failed, miserably failed. The method of the gallows, the guillotine, had been tried in France; it was tried in Russia; it has been tried in China, Sir.

**Shri M. P. Mishra**: It is still being tried in China.

**Pandit S. C. Mishra**: As my friend says, it is still being tried in China. That revolution and counter-revolution have always been tried. Now I say let us not invite that method here. The tragedy of the method of the guillotine is that it always drags in its wake the very persons who

raise the guillotine. And may God forbid, that method should be tried by the followers of Mahatma Gandhi in this land of ours, Sir.

Turning to the budget it has often been remarked by friends on the opposite side that they are bewildered by the galaxy of opinions, by so many ideas and thoughts that are represented by the friends on the Opposite Benches. But I wish to remind them that they do not concede even one point on which the whole Opposition is united. Are they ready to do it, Sir? We have been seeing—you have seen all these three days,—that at least on certain fundamental points, the whole Opposition is united, definitely united. But whether the Opposition is united or divided, it is the same thing for the Treasury Benches. They cannot take anything from the Opposition Benches. Why? well, they are sure that they have got 750 arms to back anything, sensible or nonsense, that they do.

Well the Leader of this great House—I am referring to him in his absence—said that they have been returned by 47 per cent. votes. I am sorry that a great man of his calibre should have been given wrong figures. Certainly it is 45 per cent. only and not more. Well, you may say 'There is very little difference between 45 and 47'. But when you remember the context—he was going to say that his party is not far removed from the absolute majority of 51—I say then 45 and 47 make a great difference. Within the short period of five years, the Congress majority has fallen from 95-99 per cent. to 45-47 per cent. What more do you want? Take a lesson from history, friends. According to your statement, people on this side have been elected because of communalism and this and that. I say, if because of that you think India is going down, India is burning, then I say friends on the Treasury Benches are fiddling while India is burning, according to their own statement.

Now, I will only say this to them that unless you chalk out some other ways, unless you give up this method of the guillotine, unless you give up this method of riding roughshod over everything that is said by the Opposition, you will not only invite your own doom; you will invite for sometime at least the doom of our people as well.

Now, I will turn to the Budget. It has been described by certain friends as a gracious Budget and by some as an honest Budget. I find so many

[Pandit S. C. Mishra]

good names have been given to our Budget. I accept that it is a masterly array of statistics. I accept that, Sir. But it is a very clever array of statistics. The whole purpose underlying this Budget is to conceal facts from the masters, the real masters who are the masses of India and their representatives here. The average man of India is your master and our master. But what is this piece of Budget that you have presented before the average man of India? This Budget has been divided into six parts that we have got from the hon. the Finance Minister. He has given a summary. If you go into the summary you will find that whereas there be figures which have come down to as little as lakhs, omitted are certain figures that have gone into millions and crores and even more. The hon. Minister has given the figure for irrigation expenses as 18 lakhs. You will find in this summary that there is no mention of the figure which goes into 4 crores and 50 lakhs. That is the privy purse being presented to the Rajas and Maharajas of India. I say it is a very clever ruse to conceal certain facts and at the same time to pose certain facts. In the Budget we find, that the figure for opium has been given at 2 crores and 20 lakhs. This is the amount shown to have been presented to the exchequer as revenue. But very cleverly it has been taken away from the summary, there it has not been said, that 2 crores and 62 lakhs are being spent on that opium trade. Now, what is the meaning of giving a summary like this? On the income side he has mentioned 2 crores and 20 lakhs. He has concealed it at least in the summary and it will take you a long time to find out that the figure of opium trade is 2 crores 62 lakhs out of our funds. They have divided the whole Budget into six sections. The first is the summary. Then next is the statement which they have called the General Statement. Then the third is the Statement again. Then there is the Explanatory Memorandum and after that comes a heap of statistics and figures. Now, here we find that our benign Government is not sleeping over things that are contemplated to create a nation. They are spending on irrigation 18 lakhs only. At least in these 6 documents you will not find anything substantial that has been done.

I would like to know from the framers of this honest Budget as to

what were the assets that this régime inherited from the Britishers. The Finance Minister has not given any indication as to what was the asset that he inherited from the Britishers, and how much is left in our sterling balance. There is no clear indication on these points.

We have seen he has said he has borrowed somewhere 60 crores, somewhere 190 millions and somewhere 90 crores and it has been indicated that these amounts will be paid in 60 instalments—tri-annual instalments. But nobody has been apprised of the fact that we are paying 22½ crores in interest, for what I do not know.

And what have you got for that? Milo, milo. I would request the Leader of the House to constitute an enquiry into this matter. There have been many scandals. This milo is not the food to be consumed by human beings. How is that milo being sold everywhere? The hon. Minister said he has given a reduction of 10 rupees per maund on milo. Had this fact been known earlier the majority would have dwindled from 45 per cent. How has milo been sold in Bihar? Every buyer was compelled to take this milo. He was told "If you want to buy one seer of wheat, you will have to take two seers of milo along with it." Sir, I heard that the Finance Minister said that he can do nothing about the food subsidy but he will reduce the price of milo. I think there is some black deal in that milo business. It is not a food for human beings. But it has been thrust upon them. It will be shown and proved that milo has not been swallowed by the people of India. Really the whole money that has been spent on milo has been wasted and no Province is willing to have milo. I have made enquiries from the South Indians and from the North Indians and I am sure that nobody anywhere wants milo. But it has simply been thrust upon them by force by these Ministers of ours.

I can only say that the whole Budget is an attempt to confuse the people—at least to confuse the representatives of the people. You will not be able to find any head or tail out of these figures. If you go to the Explanatory Budget you will find that the numbers that are there do not at all tally with the numbers that are given here. How we are therefore to find out anything, only God knows. I may be excused if I say that the Budget has been

prepared in a most careless manner. He is very clever and courageous also because he has got a thumping majority on his side.

Many things have been said about red caps and I am sorry the hon. the Leader of the House is not here. It has been said that these benches present a fantastic site but I will tell them that theirs also presents as fantastic a site as anything on this side. What is the white colour (*Interruption*).

**Mr. Deputy-Speaker:** Order, order. Will the hon. Member kindly resume his seat? Should we descend in this Budget speech to white cap and white coat and red cap and red coat? I think there is enough of material for hon. Members to address themselves to. I am afraid it is becoming more and more personal.

**Pandit S. C. Mishra:** Because the guillotine has come in.....

**Mr. Deputy-Speaker:** Guillotine does not mean that hon. Members must go into irrelevant matters.

**Pandit S. C. Mishra:** I was only pointing out that at least on certain points the whole of the Opposition is fundamentally one, and if the Government wants to govern India in the parliamentary way, it should at least concede those points where it finds the whole of the Opposition united. Otherwise you can separate the dogs, give each of them a bad name, and shoot them, and then you can proceed merrily as you like.

**श्री नन्द लाल शर्मा :** नमोऽस्तु रामाय  
सलक्ष्मणाय देव्यै च तस्यै जनकात्मजायै ।  
नमोऽस्तु रुद्रेन्द्रयमानिलेभ्यो, नमोऽस्तु चन्द्रार्क-  
मरुदणेश्वर्यै ॥

माननीय अध्यक्ष महोदय, मैं जानता हूँ कि यहाँ कुछ लोग अवश्य इस धर्म के तत्व पर हँसेंगे। आप के सिंहासन पर धर्म चक्र प्रवर्तन की प्रतिज्ञा है और मेरा विश्वास है कि आप इस को केवल अशोक के काल तक ही सीमित नहीं रखेंगे परन्तु अशोक से पूर्व भी जो धर्म चक्र भारतवर्ष में प्रवर्तित था आप के सिंहासन में उस धर्म को स्थापन्न करने की भी विधि है। मुझे खेद है कि धर्म के नाम से माननीय सदस्यों को इतना कष्ट होता

है। यह तो भारत की ब्रह्मसंस्कृति है और इसे तो धर्म की प्रतिमूर्ति होना चाहिये।

आज हम वित्त मंत्री के दिये गये बजट के संबंध में बातचीत करने के लिये खड़े हुए हैं। मुझे यह देख कर बड़ा कष्ट हो रहा है। इस बात का मुझे बड़ा खेद है, और सुनने वालों को भी सम्भवतः खेद होगा, जिन माननीय बन्धुओं को मुझ से ज़रा भी मतभेद हो वह मुझे क्षमा करेंगे, कि रिबा गाली गलौज के कहीं भी बीमारी की चिकित्सा का कोई प्रयत्न नहीं हो रहा है। उधर से रूस को गाली दी जाती है अथवा रूस के पीछे चलने वालों के संबंध में कहा जाता है, इधर से इंग्लैंड और अमरीका को गालियाँ दी जाती हैं। वह अमरीका और इंग्लैंड को सर्वथा आदर्श मान रहे हैं और यह रूस को आदर्श मान रहे हैं। मेरी समझ में नहीं आता कि दुःखी भारतीय कहां जायें। उस दिन कुमारी मेस्करिन हमारे सामने एक पुड़िया में चावल लाई थीं। मेरे भी मन में आया कि मैं भी एक दुखी भारतीय को अपनी जेब में डाल कर ले आऊँ लेकिन दुःख है कि उस को छुपा कर रख नहीं सकता था, न वह अधिक समय तक मेरे थैले में रह सकता था और यहाँ गवर्नमेंट के लोग उस को घुसने भी न देते।

**पंडित ए० आर० शास्त्री :** आप स्वयं भी तो दुःखी हैं।

**श्री नन्द लाल शर्मा :** मैं अवश्य दुःखी हूँ। मेरे कहने का केवल यही तात्पर्य है कि बजट के बारे में यह कहना कि यह तो बिल्कुल खराब है, सर्वथा अनुपयुक्त है, इत्यादि, इत्यादि कोई कठिन बात नहीं है। पुराने समय में एक कुशल चित्रकार ने एक बहुत बढ़िया चित्र बनाकर बाजार में ला दिया और कहा कि इस में जो भी दोष निकाल सकता है वह निकाले हज़ारों लाखों ने उस में दोष दिखा दिये, किंतु दूसरे दिन जब यह कहा गया कि जो भी इन दोषों को ठीक कर सकता हो वह इन को ठीक

[ श्री नन्द लाल शर्मा ]

कर दे तो कोई नहीं कर सका। तो ठीक करना बड़ा कठिन है। जब तक रोग का ठीक निदान न हो तब तक बीमारी का इलाज कैसे होगा। मुझे एक ही भय है और वह यह है कि हमारे बजट बनाने वालों में और चाहे जितने गुण हों धर्म की भावना उन में से माइनस (minus) है। धर्म से मेरा मतलब केवल मेरा ही धर्म नहीं है। मेरा धर्म से मतलब इस से है कि चाहे हिंदू हो या मुसलमान हो या ईसाई हो जो भी ईश्वर से डरता है और जो भी मरने के बाद से डरता है वह धर्म को मानता है।

न साम्प्रदायः प्रतिभाति बालं प्रमाद्यन्तं  
वित्तमोहेन मूढम्। अयं लोको नास्ति परः  
इति मानी पुनः पुनर्बंशमापद्यते मे।

मूर्ख पुरुष को परलोक नहीं दीखता है, मूर्ख पुरुष को मौत नहीं दीखती है और मौत न दीखने से जो भी कार्य वह करता है वह उसका कार्य नष्ट हो जाता है, कभी सफल नहीं होता। हमारे सफल न होने का यही कारण है। हमारे फाइनेंस मिनिस्टर साहब चाहे जितनी बुद्धिमानी से बजट बनाकर हमारे सामने रखें परन्तु उस के चलाने वालों में यदि धर्म की भावना न होगी तो वह सरकारी अधिकारी कर्मचारी भ्रष्टाचार में, धूसखोरी में, उस धन को लगा देंगे और उस को अपनी ही जेब में रख लेंगे और जनता तक पहुंचते पहुंचते वह बहुत कम रह जायगा। और जनता वैसी की वैसी ही रह जायगी।

हम जानते हैं कि हमारी गवर्नमेंट सिक्यूलर (secular) है। उस को धर्म के नाम से भी चिढ़ लगती है और धर्म के संबंध में कुछ कहने से भी चिढ़ लगती है। परन्तु मैं सिक्यूलरिज्म (secularism) का अर्थ यही लगाता हूँ कि मेरे धर्म का पक्षपात कर के उस के द्वारा सरकार न चलाई जाय, या इस्लाम के धर्म का पक्षपात कर के उस के नियमों के अनुसार सरकार न

चलाई जाय, ईसाई मत का पक्षपात कर के ईसाईयों के नियमों से सरकार चला कर दूसरे मत वालों को काट न दिया जाय, यह तो हमारी समझ में आ सकता है, किन्तु यह कहना कि धर्म के संबंध में कोई बात ही न कही जाय यह मेरी समझ में नहीं आता। यह कहना कि धार्मिक शिक्षा ही न दी जाय यह मेरी समझ में नहीं आता। इस विषय पर मैं पीछे आऊंगा। इस का फल यह होता है कि "न स सिद्धिमवाप्नोति न सुखं न परांगतिम्"। (गीता) ऐसे व्यक्ति को न कार्य में सफलता मिलती है, न सुख और नहीं परम कल्याण ही। अगर लीडर आफ द हाउस (Leader of the House) या कोई दूसरा व्यक्ति एक बार यह कह देता कि स्कूलों और कालिजों में धर्म की शिक्षा न दी जाय तो हम गवर्नमेंट के कर्मचारियों को न कभी ईश्वर का डर दिखा सकते हैं और न मरने का डर दिखा सकते हैं। मेरा निवेदन है कि आप कर्प्शन (corruption) को कभी रूट आउट (root out) नहीं कर सकते, तीन काल में भी नहीं दूर कर सकते, चाहे जितनी एन्फोर्समेंट पुलिस (enforcement police) है उस से हज़ार गुनी बढ़ा दें। वह पुलिस कर्मचारी भी तो मनुष्य है और उनकी जेब में भी पेंसा बैसा ही जाता है। जब तक मनुष्य के अन्दर धर्म की भावना नहीं आवेगी तब तक वह ऐसा करने से नहीं रुक सकता और यह शिक्षा संस्थाओं के द्वारा ही हो सकता है। किन्तु इस समय मुझे शिक्षा संस्थाओं के संबंध में नहीं कहना है।

कहा जाता है कि लगभग तीन करोड़ का सरप्लस (surplus) बजट है। पर मुझे तो यह सरप्लस नहीं दिखाई देता क्योंकि इस में कितना तो हमारे सिर पर विदेशी ऋण पड़ा है। जब हम निरन्तर विदेशों से कर्जा ले रहे हैं जिस को कि हम बीस, पच्चीस या तीस वर्ष में भी नहीं चुका सकेंगे तो हम कैसे कह सकते



हैं कि हमारा बजट सरप्लस (surplus) का है। मान्य फाइनेंस मिनिस्टर साहब मुझे क्षमा करेंगे यदि मैं उन से कहूँ कि चाहे वह तीन करोड़ सरप्लस (surplus) के बदले तीन करोड़ का दिवाला भले ही दिखा देते परन्तु प्रजा को कुछ सुख और शांति मिलती तो हम को कभी भी कोई कष्ट नहीं होता। प्रजा का सुख ही मुख्य ध्येय होना चाहिये। इसीलिये मैं राम राज्य के संबंध में कहता हूँ। यद्यपि मेरे कम्युनिस्ट बन्धुओं को यह पसन्द नहीं है विरोधी दल में उन की संख्या अधिक है। आते तो वह भारत के केवल एक ही कोने से हैं। मेरे कम्युनिस्ट भाई केवल मद्रास, त्रावनकोर कोचीन और हैदराबाद से आते हैं और यद्यपि उन की संख्या बहुत ज्यादा नहीं है फिर भी उन्हीं की आवाज सुनने में आती है। पर वह भी प्रजा के सुख को ही आधार मानते हैं। मेरा विश्वास है कि कांग्रेस बेंच (congress benches) पर जो मजोरिटी (majority) में है वह भी भारत में राम राज्य की स्थापना चाहते हैं। इधर कम्युनिस्ट बन्धुओं से मेरा यह निवेदन है कि साम्यवाद द्वारा आप किस को समता दिलाते हैं। क्योंकि यहां किसी का शरीर बराबर नहीं है, न बुद्धि ही बराबर है, न रंग ही बराबर है। कौन सी चीज बराबर है। अगर आप एक ईश्वर को बीच में से निकाल देते हैं कि जिस की सारे प्राणीमात्र संतान हैं जिसे शास्त्रों ने "अमृतस्य पुत्रा" कह कर पुकारा है। तो फिर कहां पर समानता रह जाती है। यदि आप इस चीज को हटा दें तो फिर सर्वत्र मनुष्य में बुद्धि भेद से योग्यता का भेद होता है और योग्यता भेद होने से समता नहीं रहेगी। अगर आप सब को बिल्कुल समान करने की चेष्टा करेंगे तो सारा काम चौपट हो जायगा। किसी का सर काटना पड़ेगा, किसी के पैर काट कर मैफिस्यफिलीज के बिस्तर के बराबर करवा होगा। ऐसी समानता तो मृत्यु और

बिनाश की समानता है, जीवन में ऐसी समानता कभी नहीं हो सकती।

मैं साम्यवाद का खंडन करता हूँ ऐसा भी नहीं समझा जाना चाहिये। मैं साम्यवाद का खंडन इसलिये नहीं करता क्योंकि शास्त्र हमारे इस तत्व को मानता है। उस में लिखा है :

यावद्भियेत उदरं तावत्स्वत्वं हि देहिनाम्  
अधिकं योजिमन्येत स स्तेनो दण्डमर्हति।

श्रीमद्भागवत बतलाती है कि जितने के अन्दर मनुष्य का पेट भरता है उस के ऊपर मनुष्य का नेचुरल राइट (natural right) है, स्वाभाविक अधिकार है उससे ज्यादा के ऊपर जो अपना अधिकार जमाना चाहता है वह चोर है और राज्य के द्वारा दंड का भागी बनता है इसलिये मेरे कहने का अभिप्राय यह है कि हम इस साम्यवाद को स्वीकार करते हैं, समता को स्वीकार करते हैं परन्तु हम रूस की समता को नहीं स्वीकार करते। मैं जरा उस बजट के संबंध में आ जाता हूँ आप जरा एग्नी-कल्चर बजट की तरफ देखें। एग्नीकल्चर वज्र के संबंध में हम देखते हैं कि ट्रैक्टरों की मात्रा हमारे देश में बढ़ती चली जा रही है। फर्टि-लाइजर्स (Fertilizers) बढ़ते चले जा रहे हैं। मैं सरदार सुरजीत सिंह मजीठिया को धन्यवाद देता हूँ कि उन्होंने कम से कम गोबर का नाम तो लिया और यह कहा कि उस की खाद भी जरूरी है मैं कहता हूँ कि आप के घर के अन्दर जो फर्टिलाइजर पड़ा हुआ है उस का आप प्रयोग नहीं करते। आप के घरों में, एक एक गरीब आदमी के घर में ट्रैक्टर पैदा हो सकता है। यह poor man's tractor "बैल" है। उस की रक्षा न कर के अरबों और खरबों रुपये हम विदेशों को देते हैं और अन्त में हम कहते हैं कि हम गरीब हैं और दूसरों के ऋणी हैं। कारण यह है कि हमारी दृष्टि भारत के अन्दर नहीं है, किसी की दृष्टि रूस में है,

[ श्री नन्द लाल शर्मा ]

किसी की दृष्टि अमेरिका में है, किसी की दृष्टि इंग्लैंड में है मैं केवल दृष्टिकोण का परिवर्तन चाहता हूँ। यदि हम आज स्वर्गीय महात्मा गांधी जी के राम राज्य में विश्वास करने वाले हैं, या उस से पूर्व महर्षि वाल्मीकी के राम राज्य में विश्वास करने वाले हैं तो हम को थामस होब्स अरिस्टोटिल और प्लेटो को छोड़ना होगा। जिस को प्लेटो स्वर्णिल जगत समझता है प्लेटो कहता था *An ideal kingdom will be where kings will be philosophers* हम उस को भारत में प्रत्यक्ष रूप से देखते हैं। यही तो महा भारत के युद्ध में खड़े होकर भी अर्जुन गीता का उपदेश सुनते हैं, जिस के मुकाबिले में आज कोई फिलासिफी (philosophy) और तत्व नहीं है। मैं इसलिये कहता हूँ कि इस तत्व को हमें समझ लेना चाहिये यहाँ हाउस के अन्दर बैठे हुये, संसद के अन्दर कितने व्यक्ति हैं जिन के अन्दर त्याग की भावना है। मैं जानता हूँ कि हमारे माननीय श्री श्यामा प्रसाद मुखर्जी ने भी उस दिन कहा था कि दस दस रुपये का एलाउंस (allowance) हम त्यागने को तैयार हैं, हमारे कम्युनिस्ट बच्चों से भी यही आवाज आई थी कि हम लोग भी त्यागने को तैयार हैं मैं कहता हूँ, आप मुझे क्षमा करें, मैं कभी पार्टीज़ में नहीं जाता। इस लिये कि हम जानते हैं कि एक एक हज़ार मनुष्यों की पार्टी जो संसद के मिनिस्टर्स द्वारा अथवा प्रेसीडेंट के द्वारा अथवा किसी के द्वारा दी जाती है उस के अन्दर कितने गरीब आदमियों की रोटी चल सकती है। सरकारी फन्क्शन (function) आप भले ही करें परन्तु परसों ही अभी प्रेसीडेंट को स्वागत देने में, हमारे राष्ट्रपति का स्वागत करने में, २० हज़ार से ऊपर खर्च किया गया। अगर उस के बदले दस हज़ार गरीब आदमियों के लिये यहाँ रोटी का प्रबन्ध कर दिया जाता, एक

वक्त का भी, तो मैं समझता हूँ कि संसार आप का गुण गाता, अमेरिका और इंग्लैंड भी आप का गुण गाता परन्तु आप लोगों की उस तरफ दृष्टि ही नहीं जाती।

**उपाध्यक्ष महोदय :** आप का १५ मिनट खत्म हो गया।

**श्री नन्द लाल शर्मा :** इसलिये मैं केवल इतने शब्द कह देना चाहता हूँ। मुझ को बजट के लिये कुछ शब्द कहने थे। शिक्षा, रक्षा आदि विषयों में मैं फिर प्रयत्न करूँगा, कट मोशन (cut motion) के द्वारा और अवसर मिलने पर बजट के संबंध में कहूँगा। मैं केवल यह चाहता हूँ कि हमारे विरोधी दल के सज्जन और सरकारी दल के सज्जन दोनों अपने दृष्टिकोण को बदल दें अगर यही दृष्टिकोण रखा तो जो "धर्मचक्रप्रवर्तनाय" का वाक्य आप के शीर्षक के रूप में ऊपर है वह किस जगह काम आयेगा। नहीं तो जैसे वह "धर्मचक्रप्रवर्तनाय" मक पड़ा हुआ है वैसे आप भी मूक रह जायेंगे और हम लोग चिल्लाते चिल्लाते भी बीमार की कुछ सेवा न कर सकेंगे। मर्ज बढ़ता गया, ज्यों ज्यों दवा को। जैसे जैसे हम डाक्टर बन कर बीमार को ढूँढ़ेंगे, बीमार मरता चला जायगा और किसी का भला नहीं होगा। इसलिये मेरा विश्वास है कि सारा का सारा हाउस मेरी इस बात का ध्यान रखेगा और दृष्टिकोण को बदलने का प्रयत्न करेगा।

11 A.M.

(English translation of the above speech)

**Shri N. L. Sharma (Sikar):**

"My homage is due to Ram and Lakshman and also to Sitā, the daughter of Janaka. I offer my homage to Rudra, Indra, Yama, Anil, Chandra, Arka and Marud-ganāḥ."

I knew, Sir, that some persons would laugh at this. The words inscribed on your seat pledge continued rotation of the "dharma chakra". I believe, Sir, that your seat is the symbol of not only the "dharma chakra" of Ashoka's age but of that which operated in this country even before Ashoka's time. I am simply sorry to see that the very name of religion embarrasses the hon. Members. India's Parliament should rather be a paragon of dharma.

To-day we are discussing the Budget presented by the hon. Minister of Finance. I am, however, concerned—and I think others also must be equally perturbed—to see that we are merely abusing one another and that no real remedy is being found to get rid of the existing difficulties. I beg to be excused if any hon. Member has not liked my having said so. We see that Members belonging to one Party have been criticising Russia or its satellites and those of the other have been abusing England and America. While one group considers Russia to be the ideal state, the other thinks America and England alone to be the symbols of prosperity. Under such a state of affairs, I fail to understand, what fate shall we the unfortunate Indians meet. Only the other day, Kumari Annie Mascarene produced a packet of rice before the House. I wish I could also bring one of my poor brethren in my pocket and produce him here in the like manner so that his plight could be understood. But this is not possible. Neither he could possibly remain in my bag for such a long time nor would the Government allow me to do so.

**Pandit A. R. Shastri** (Azamgarh Distt.—East cum Ballia D.stt.—West): You yourself are afflicted too!

**Shri N. L. Sharma:** Yes, that I am. My only point is that it is easy to criticise the Budget and say that it is ill-considered or ill-balanced. A story goes that in the days gone by a renowned painter exhibited one of his finest paintings in the market place with a view to inviting comments thereon. Tens of thousands of persons came forward pointing one defect or the other but none of them could remove it when asked. What I mean therefore is that pointing out anyone's defects is very easy; real difficulty arises when it comes to removing them. No disease can be cured unless it is properly diagnosed. To my mind, our Budget makers badly lack the sense of dharma although they may have many other virtues.

When I talk of dharma I do not for a moment mean my own or anyone else's religion in particular. It may be any religion—Hinduism, Islam or Christianity. The point is that one must believe in one's own religion and must always fear God and death.

"The migration from this world to another is not understood by a man, childish and foolish and proud of his wealth. One who has faith neither in this world nor in the other falls now and again into the clutches of death."

A fool does not believe in God, nor does he fear death. This leads to every work resulting in failure. Such a person never succeeds in his mission. The real cause of our failures lies in this very important factor. Howsoever wisely may have the hon. Minister of Finance prepared the Budget, it would not do any real good to the people unless those responsible for implementing the provisions laid therein are duly conscious of their dharma. If they have no sense of dharma they are likely to indulge in acts of corruption and bribery, thereby obviating the possibility, if any, of some good being done.

We are aware that ours is a secular Government. They cannot tolerate even a single word with respect to religion. I, however, understand that secularism does not mean that favour should be shown by the Government to a particular religion at the expense of the other. Let not the Government show favour to any particular religion—be it my own religion or Islam or Christianity. If by secularism is meant this, I can understand it. But it would be beyond my power to understand if you say that secularism also implies that even religious education should not be imparted. In this connection I would quote the following Sloka from Gita:

"Such a person neither succeeds in life nor does he achieve any happiness after death."

If the Leader of the House or any other person declares once that our schools and colleges should not impart religious education, what does it amount to? Its natural consequence would be that we will not be able to make the public servants fear God or death. My humble submission is that you will never be able to root out corruption from public life merely by expanding the enforcement police even a thousand times. After all

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policemen are also human beings. I ask who does not like easy money. Unless one is imbued with religious feelings—and which can only be done if our educational institutions imparted religious education—this vice cannot be checked. Just at present, however, I shall not deal with educational institutions.

The present Budget is reported to be showing a surplus of some three crores. I, however, refuse to accept it in view of the fact that we are deep in foreign debt. How can we claim to have a surplus Budget when we have been taking loans from foreign countries to the extent that they cannot possibly be repaid even in twenty to thirty years? The hon. Minister of Finance will kindly forgive me for saying that had ample provisions been made in the Budget for providing relief and amenities to the tax-payers it would have been definitely a better Budget in all respects— even if the same did not show a surplus of three crores and instead indicated a huge deficit amounting to an identical figure. The first and foremost consideration should have been given to the well-being of the people. It is because of this that I plead for *Ram Rajya* in the country. Perhaps my Communist friends do not like this idea. They, of course, form a substantial part of the opposition. They have mostly come from only one part of the country—Madras, Travancore-Cochin and Hyderabad. Though fewer in number they are able to make themselves heard. A welfare state is also their goal. If I mistake not, the Congress, which commands majority in the House, also aims at the establishment of *Ram Rajya* in India. May I ask my Communist friends how can they bring about equality between man and man merely by preaching Communism. There is no similarity as such between any two persons, there being marked difference between them in size, complexion and intelligence. If you lose sight of the Almighty, the Creator of all beings— beings that have been called "*amritanya putrah*" by the Shastras—you will find that there is no longer any equality. Human beings' abilities vary in accordance with their intelligence. And when ability varies no equality is left. Your efforts to bring equality in all respects will, therefore, make confusion worse confounded. This would be like chopping off one's head or cutting one's legs so as to adjust one's size with that of Mephistopheles' bed.

Let me not be understood as criticising Communism. I do not criticise Communism for the simple reason that our Shastras have also recognised the principles similar to those of Communism.

"A man has got every right to as much property as may help him in filling his belly; but one who stands to attain more than that is a thief and deserves all punishment."

I, therefore, wish to say that although we believe in Communism, we refuse to accept the kind of equality envisaged by Russia. Now I would come to the Budget itself. Take the agricultural side of the Budget. We find that we are having more tractors and more fertiliser in our country. I take this opportunity to extend congratulations to Sardar Surjit Singh Majithia for he at least paid attention to the question of manure being prepared from cow-dung. There is plenty of fertiliser lying in your country. The question is how you can utilise it. Even a poor man can have a tractor. Are not bullocks the tractor of a poor man? We do not care to develop the breed of our bullocks and, on the contrary, send millions of rupees to the foreign countries by way of tractors' price. What is more, we call ourselves poor and debtors. The main cause of this is that for our advancement and progress we do not look to our own country but to America, Russia or England. I only want a change in your approach. If we are to follow Gandhiji's *Ram Rajya* or even Maharishi Balmiki's *Ram Rajya* we will have to stop looking to Thomas Hobbs or Aristotle for guidance. Plato once said: "An ideal kingdom will be where kings will be philosophers." What Plato used to dream of we see here in actual life. It was here in India that Arjun listened to Gita in the battle of *Mahabharat*. There is no other philosophy today which could compete with our *Gita*. I, therefore, submit that we should appreciate our own philosophy. May I ask how many persons sitting in this House can make some sacrifices? The other day Shri Svama Prasad Mookerjee expressed his willingness to have his allowances reduced by ten rupees. The Communist Members also expressed similar views. But—I may be excused for referring to it—there are other expenditures which I think are complete waste. Take for instance the case of parties. I never attend any parties.

Why? Because I know that the amount spent on any party given by Ministers or by the President which is attended by say one thousand persons can well be utilised in helping the poor. Only the other day a grand reception was given to our President which involved an expenditure of over twenty thousand rupees. Had this amount been spent in providing even a single meal to some ten thousand persons—if not more—it would certainly have been spent more usefully. This fine gesture of yours would have drawn wide-spread praise—even from America and England.

**Mr. Deputy-Speaker:** Your fifteen minutes' time is over.

**Shri N. L. Sharma:** That is all I want to say. I had only to say a few words about the Budget. As regards subjects like education, defence, etc., I would try to speak later by moving cut motions. My only suggestion is that the members belonging to both majority and opposition parties should change their outlook. Unless their outlook changes, the words "*dharmachakra pravartnai*" inscribed on the top of your chair Sir, will become meaningless and like these words you will also assume silence. In that case we will not be able to nurse the patient or relieve him of his disease. It would be a case of "malady growing worse with subsequent doses of medicine". The more we will try to cure the disease, the more acute will it become. I, therefore, hope that the House will give due consideration to my humble suggestions and will bring about the necessary change in the outlook.

**The Minister of Defence (Shri Gopalaswami):** I do not propose to take much of the time of the House in replying to such criticism as has been offered on the portion of the Budget relating to Defence. There are a few points, however, of a broad nature which have been mentioned in the course of this debate to which I think it is advisable that I should draw attention. The first thing that has fastened itself on the attention of hon. Members of this House is the fact that the Defence Budget amounts to as much as Rs. 197 odd crores, which means very nearly 50 per cent. of the total revenues of the Centre. Naturally this is looked upon as something excessive. On purely arithmetical considerations it does look excessive but when hon. Members have to judge the excessive or other character of this provision they have got to remember one basic fact that

the Budget we are dealing with is the Budget of the Centre of a Federal State. In a federal state where practically the entire burden of defence falls upon the Centre, the bulk of the expenditure on welfare activities falls upon the constituent unit states. If we want to make a comparison between the provision made for Defence and for welfare activities in the Budget of our country, we have got to remember this basic fact. And if we take into account the expenditure that States incur on welfare activities and compare that with the provision made in the Central Budget for Defence and relate both these provisions to the total revenues of the country we shall probably find that the provision for Defence is hardly 20 per cent. of the total Central and State revenues of the country while the provision made for welfare activities is nearly 30 per cent. That is a thing which I want hon. Members to remember. There is also another factor which we must take into consideration. Since 1947 we are an Independent country; we have got to be responsible, ourselves entirely, for Defence in this country. There is nobody on whose assistance, so far as looking after certain Defence activities are concerned, we can lean on at the present moment. Therefore, we have got to make much fuller provision for defence activities than perhaps we were called upon to do when we were merely a Dominion of the British Commonwealth. That is another fact which I want hon. Members to take note of. If we remember these two facts, we shall probably find that the provision we have made is by no means excessive. I believe the general sense of the House is that this provision is not susceptible of any reduction. On the other hand, opinions have been expressed on the floor of this House that perhaps in order to make the defence provision more effective hon. Members will be prepared even to sanction an increase in the provision made for the future. But I am not at present called upon to say whether there should or should not be an increase. As I said in another place, taking the expenditure as it is, my first bias is to effect as much economy as possible in the expenditure that we incur on defence, but my "greater bias", as I put it in the other place, is that no economy should be attempted which would conflict with the paramount consideration that we take no risks at all with the security of the country as a whole. Those are the twin principles that should guide us in judging the volume of defence expenditure.

[Shri Gopaldaswami]

At present, we have recently had a Committee for the purpose of exploring the possibilities of economies in defence expenditure. The first report of this Committee is in my hands now and I am from day to day sitting with my Army, Air Force and Naval Chiefs for the purpose of seeing which of the recommendations of this Committee can be given effect to. We are trying to effect as much economy as possible by expediting the orders on this Committee's report. I am not in a position, however, to lead the House to hope that the economies we shall secure immediately will be something very big, but they will I think be fairly substantial if we take only what we might call the "recurring annual expenditure" into consideration.

Now with regard to the general problem of defence, various suggestions have been made from different quarters in this House. Almost all the groups in the opposition have put forward the suggestion that we should attempt so to regulate defence expenditure as to make more money available for welfare activities. One of the leaders in the Communist group suggested that we should divide our revenue resources into three fractions and only one-third should be allotted to defence; one-third to welfare activities; and so on. It has been also suggested by another Member of the same group, but not quite in unison with the first leader to whom I have referred, that he does not object to the volume of the expenditure that has been provided for; he would not even mind its being increased, but he wants that this expenditure should be related not merely to "protective" activities, if you may so term them, of the Army in this country, but also to what he calls "participation in production" in this country. It is an attractive idea. Examples have been cited from other countries. The thing is too big a proposition for us to consider at the present moment, and whether an idea of that sort could materialise in the manner suggested by the hon. Member is more than I can say at present. That the Armed Forces generally could be utilised for production purposes in certain emergencies or contingencies, we have already given proof of; but whether we could so radically alter the role of the Armed Forces in this country as to convert them into a protective-cum-productive force at the disposal of the State for the purpose not merely of ensuring the security

of the country when needed but also for day to day acceleration of production of different kinds in the country—that, I submit, is a very big problem. It is almost a revolutionary change which we have to explore and investigate before anybody can commit himself to any practical scheme for bringing it about.

My hon. friend Shri Shiva Rao suggested, while supporting the provision made for defence expenditure, that there should be greater balance between the three different arms of the Armed Forces. I entirely agree with him. But a certain amount of "imbalance" has to be reckoned with at the present moment because our Naval and Air Forces are young Services. They are being expanded from year to year. There is no point in economising on those two Services. They have to grow and have to be fitted into the scheme of the overall Armed Forces in the country. When they develop to the target that we have placed before ourselves, he will probably find that there is a greater balance between these three different Services than now exists.

He also referred to the establishment of Naval Schools all over the country, particularly along the coastal lines. As a matter of fact, the ratings in the Navy today have to have a fairly good academic background and the ability to learn a great deal of a number of subjects before they can make themselves really useful. Our present policy is to plant these Naval Schools along the coast. We have two Schools at Jamnagar. We have our Principal Naval Establishment in Bombay. Most of our other Naval Schools are at Cochin, while at Vizagapatam we have the Boys' Training School. We are certainly trying to give effect to the idea that my hon. friend suggested.

There was some criticism that there is a lot of waste in the expenditure on the Armed Forces, particularly on the Army. One illustration was given by my hon. friend Shri Gopalan. As an example of what he considered "extravagance" he referred to the excessive strength of officers in the Military Engineering Service. There used to be, according to him, only one Commanding Royal Engineer with two Garrison Engineers and there are now one Chief Works Engineer, one Deputy to him, another Assistant and

a number of S. D. Os. etc. I find that he has obviously been incorrectly briefed in regard to this matter. To give only one illustration, in 1933-34, the total works budget for the whole of India was roughly Rs. 4 crores, or at today's prices it will be Rs. 10 crores, and the strength of the engineers was 16. Today the works project is Rs. 22 crores for which the number of engineers totals only to 15. A committee sat on this question last year and examined the strength of the establishment and effected actually a reduction of 34 officers, which is roughly 7 per cent. of the total strength of officers in this service. The question of effecting further economies is under active consideration.

✓ Something was said by the leader of the new coalition group in the opposition ranks, my hon. friend Mrs. Sucheta Kripalani. She referred to the volume of expenditure on defence—about which I have said enough already—and proceeded to refer to the report of the Public Accounts Committee in which a number of irregularities have been referred to. I want hon. Members in the House to look at these audit reports in a proper perspective. It is necessary to remember that an audit examination covers literally hundreds of thousands of transactions of various sizes and descriptions and the items which actually go into the final report that these authorities send constitute only a very small fraction of these huge transactions. If you take it in terms of money, you will probably find that these items relate to expenditure which represents possibly only less than one per cent of the total expenditure. I do not for that reason ask the House to say that the irregularities brought to light are not worth going into; but it should be remembered that after all 99 per cent. of the total expenditure passes muster with these authorities and one per cent. comes perhaps under severe criticism some times. But whenever irregularities are brought to notice the fullest possible investigations are made and responsibility is fixed upon those who have been guilty of these irregularities. Wherever possible any losses suffered are attempted to be recovered. Mrs. Sucheta Kripalani referred to a particular chapter in the latest report of the Public Accounts Committee. I can assure her that everything said there is receiving the most earnest attention of the Government and every step will be taken to see that proper explanations are obtained for those irregularities. Dis-

ciplinary action will be taken in respect of some of them and steps will be taken to see that such irregularities are not repeated in the future.

In this connection, perhaps I might refer to things which constantly recur in the course of criticisms of matters relating to defence. It is always on account of certain items which are brought to notice in audit reports—in the reports of the Public Accounts Committee. There is an allegation that there has been a considerable amount of waste in the defence transactions, particularly transactions relating to purchase of stores and so on. Two things have bulked largely during the last two years: one relates to jeeps, the other relates to anti-tank grenades. Jeeps are an older item. There were two contracts. The questions arising out of the first contract have been fairly and fully discussed in this House previously. The second contract superseded the first contract. That is under execution and the idea was that we should, as far as possible, try to recover through the second contract what we might otherwise lose on the first contract. This second contract has been partly executed. Further execution has for the time being been suspended for the reason that there has been an unanticipated increase both in costs and therefore also in prices. This matter is now engaging the attention of Government and they are taking advice of legal, financial and other authorities before coming to a final conclusion about it.

With regard to this contract various kinds of imaginative fears and suspicions are entertained by various people. There have been, perhaps, procedural irregularities. Rules are very literally interpreted. There possibly have been some loss due to non-observance of such rules. No doubt those responsible will be held to account so far as those irregularities are concerned. But what I am most disappointed with, what has really saddened me as I contemplate all that has been said about it, all that has been written about it, all that is whispered about it, is that high-placed personages connected with the Government of India, or high level officers in their employ have been gratuitously suspected of various shady things for which, so far as I have been able to see, there is absolutely no warrant. I take the full responsibility to say this because I want hon. Members not to suspect personages in such places unless they

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have *prima facie* evidence which justifies that suspicion. I am afraid I should venture upon a general observation in regard to these matters and that is this. Too easily do people both in the House and outside suspect the *bona fides* and the character of people holding responsible offices. I do not want that people who misbehave in such offices should be allowed to escape, but if you too easily suspect their honesty, when there is absolutely no ground for doing so, you disable them from giving Government the amount of efficient, expeditious and prompt service that they are capable of. On account of suspicions circulating in this fashion I find quite a large number of officers, holding responsible positions, nervous about taking responsibilities. It is not good for administration, it is not good for the proper conduct of the business of Government.

Now, I will only make a reference to the other matter which has been mentioned in this connection, namely the purchase of anti-tank grenades. In the other place I declined to disclose the details of this transaction, for obvious reasons. It involves secret weapons. It involves a comparison of one kind of weapon with another kind of weapon. It involves diplomatic relations and correspondence with independent Governments. It also has an indirect, but very great, effect on the successful prosecution of procurement operations on our part for the stores we require for our Armed Forces. For all these things.....

**Shri Nambiar (Mayuram):** Sir, on a matter of information.....

**Shri Gopaldaswami:** For all these reasons.....

**Mr. Deputy-Speaker:** The hon. Minister is not giving way. (*Inter-ruption*). Order, order.

**Shri Gopaldaswami:** For all these reasons I have declined to give the details of this transaction. But I can tell hon. Members that these details have been gone into at a high level and, so far as I can say for myself, I have so far not found anything to justify the whispering campaign that has been carried on against certain high level persons. And that is what I am interested in saying at the present moment. I can assure hon. Members that while I am unwilling to disclose to the House the size of the order we have placed or the

amount that we shall have to spend on the purchase of these grenades, the transaction is not one where anybody could cast a stone at us for having paid what you might call an excessive price. You cannot really judge the fairness of the price in transactions of this sort because we do not buy these commodities in a competitive market. We have got to buy these things from people who manufacture them, and they are in a position to dictate to us as regards the prices they will charge. We have only to satisfy ourselves, after exploring the components of the price, that we are not paying too heavy a price for the kind of material and work that are involved in the making of these weapons.

I think I have greatly exceeded my time already. I am sure some of these things, and more, will be brought up in the course of the discussion on the Demands for Grants, and any further things that I have to say I will say on that occasion.

**Shri T. Subrahmanyam (Bellary):** I congratulate the hon. the Finance Minister for the excellent budget that he has presented to us. It is inspired by an earnestness and sincerity of purpose to serve the people of this great land and to secure the well-being, happiness and prosperity of this country.

In respect of the capital budget he has made an additional provision of Rs. 10 crores for minor irrigation projects, Rs. 5 crores for industrial housing schemes, Rs. 6 crores for community development projects and Rs. 25 lakhs for investment in machinery-manufacturing Corporation. As I said, the budget is inspired with a great ideal, and he has given concrete shape to that ideal in the present budget. There is already the commitment to finance the great projects under the Five Year Plan, and they will also be put through. He has assured us that there will be no difficulty in the matter of financing those projects.

But much criticism has come from the other side. My hon. friend Mr. Gopalan was saying that there was economic crisis in the country, people were dying every day, there was famine, and there was starvation. Other friends also followed in the same strain. Another friend said that there was a political crisis in the country. Our economic difficulties



are a legacy left to us by the British Government. And with regard to the food problem, the basic factors are there: after the separation of Burma our internal supply was reduced by nearly 1.3 million tons, and after the separation of Pakistan we lost another 70 to 80 lakh tons. There is the pressure of ever-increasing population. That is also a great factor. On account of all these things the problem of food shortage is there.

I claim that the hon. the Finance Minister has tried to tackle this problem very ably and effectively and, in my opinion, successfully. My hon. friend Mr. Gopalan was saying that people are dying every day. He quoted even Mahatma Gandhi. He said that Mahatma Gandhi had said that any Government which allows the people to die has no right to exist. I claim that this Government has not allowed anybody to die of starvation. People have died of natural causes or as they did in Telengana some months back when they were killed. They never died of starvation or hunger.

As I was saying, there is provision for minor irrigation schemes. I come from Rayalaseema. Rayalaseema has come in for a lot of mention. Famines have been mentioned. We ourselves have been engaged in relief work in Rayalaseema. We are interested very much in minor irrigation schemes. I want more minor irrigation schemes in Rayalaseema. But I was amazed when I found some people on the other side trying to under-estimate the importance of the river valley projects. I say, in the long run, unless we tackle the river valley projects successfully, we will not be able to solve the problem of food supply. In my own district there is the Tungabhadra project. It is making good headway, and our engineers are doing excellent work. It is a matter of pride to see that the work is coming up well. It provides water for irrigation purposes, and it provides electricity also. Now it is the policy of the Government to supply electricity to rural areas and to villages. It makes life brighter and happier in the villages. It helps the villagers to put electricity to industrial purposes even on a cottage basis, and others also to use the electricity for big industrial concerns and use it to lift water by means of pumps. I have seen sheds and houses in villages being lit by electricity and life made brighter.

Let me say one word about the irrigation schemes. During the last famine, that is the famine which we went through in Rayalaseema, those

districts which depended entirely upon minor irrigation schemes suffered much because for four to five years consistently there was no rainfall. I am not under-estimating the importance of these minor irrigation schemes. As I said, I want more of them. There are several districts where there are no rivers and, therefore, no river valley projects. There we must give importance to these minor irrigation schemes. But, ultimately, our problem of food supply will be solved only by these river valley projects.

Our industrial production has gone up, our agricultural production has gone up. The hon. the Finance Minister in his Budget speech has given the production with regard to jute which has gone up to 46.8 lakhs of bales, cotton which has gone up to 33 lakhs of bales, and sugar which has mounted up to 13½ lakh tons. With regard to industrial production, this morning the hon. Minister for Commerce and Industry gave a vivid picture of the improvement which was being effected in that direction. With regard to the production of steel last year it reached the million mark. That is a very great achievement. My hon. friend said: Look at the production in China and he quoted some percentages. I must say that percentages are often misleading. A small political party may set up 4, 5 or 6 candidates and if 3 or 4 come out successful, then the percentage is said to be very high. If a party like the Congress Party sets up 477 candidates and they lose some candidates, the percentage may not be the same as that of the other political party. But nevertheless if you take the whole position of the House, the strength of the total will be on our side. With regard to production in China, we have not the exact figures and we would like to have them but I would like to sound a note of warning that these percentages should be taken with some caution. We have been listening to speeches here and hon. Members have stated that we must compare our position with China and Russia. I have very great admiration for these two countries. If there is anything great or good in these countries, we are prepared to assimilate them and even adopt them. It is the same case whether it is England or America.

Hon. Members on the other side of the House were saying that we should reduce military expenditure. To my mind, any such suggestion if it is followed by the present Government would surely lead to the self destruction of this great Republic. There

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cannot be a more unsound advice than this, that we should reduce the military expenditure or that we should do away with military expenditure altogether. There was a suggestion that we are keeping the army just to crush popular aspirations. I think it was Shri Harindranath Chattopadhyaya who said it. Everybody knows that in this country we have got a Constitution. There is no need to crush popular aspirations at all. Elections are being held on adult franchise and any party, however small it may be today—it may be one of the parties that are ranged on the other side of the House—may aspire to get majority votes tomorrow. It all depends on the will of the people. If the choice of the people lies with any of the parties, they can certainly get a majority. When such is the position, where is the need to use this army to crush anybody, any group, any opposition or their aspirations. It is an impossible idea. A situation may arise when some group or some individuals may try to utilize this democratic apparatus—these elections and this Constitution—for certain purposes as long as it suits them and try to bypass this Constitution for certain purposes, or a group of *goondas* or others might try by means of terrorism or violence to subvert or destroy this freedom and independence which have been established, or destroy this Republic. Of course, in such cases, I am sure that the army will be there and then it has to protect this Republic; it has to protect the freedom and the independence that have been achieved in this country. We cannot allow this Republic to be endangered either by forces within or without. Hon. Member Sri Gopalan was saying that China and Russia are peaceful. I hope they are. Probably, they are peaceful, but we cannot weaken in any way our defence on the presumption that those two great countries are not going to attack us or that the attack may not come from any other quarter. We have to be prepared for the worst. While hoping for the best, we have to prepare for the worst and see that no danger comes to this great land at any time hereafter. This great city of Delhi itself has been in the past several incidents and has had several experiences. It was once ruled by King Prithviraj and his own kinsmen invited a foreigner to invade this country and thus they brought about disaster and tragedy on this great land and on themselves. That was not the last time that such an incident happened but I am sure that this country will not allow such a thing to happen

hereafter. We are growing from strength to strength, from prosperity to prosperity, from freedom to greater freedom, as the President had stated in his address and then we are going to defend this freedom and independence at all costs.

Dr. S. P. Mookerjee (Calcutta South-East): Towards the close of the four days' general discussion on the budget, I would like to say at the very first instance that even the staunchest critics of the Finance Minister will not accuse him of having claimed to have introduced a budget which was going to be spectacular or which aimed at dealing with the fundamental economic and social problems facing the country today. He said his hands had been forced by circumstances which are not confined to the limits of India but also world circumstances and that he was deliberately following a policy of wait and see and that he is for a *status quo* budget. It might satisfy the conscience of the Finance Minister but does that attitude satisfy the aspirations of the teeming millions of the people of this country? Naturally there was an expectation that the first budget to be placed before the first elected Parliament of India will proceed to deal with the most pressing problems which are urgently awaiting solution today. The budget that is presented is practically a repeat performance. What he did in February, he has re-introduced the same thing today with certain modifications which were in the nature of inevitable changes. Time will not permit me to make a detailed survey of the various points arising out of the budget. A few salient features I might just dwell on but with the questions of detail I shall deal when the cut motions are taken up. It appears that after five years of enjoyment of freedom our cash balances have dwindled away by more than 200 crores and they have practically dropped to Rs. 40 crores. How this surplus has been spent is a matter of debate. The Finance Minister has claimed that much of it has gone towards expenditure which may give us a profitable return in due course, but he has not gone into details. We know cases of extravagance; we know cases where money has been spent, which might have been avoided. In any case, the net result today is that we have lost about Rs. 200 crores of our cash balances. Then, so far as our sterling balances are concerned, from Rs. 1,700 crores, it has dropped to about Rs. 700 crores. No doubt the Finance

Minister has claimed that much of it has been utilized for bringing into this country capital goods and also other imported articles which may give us a big return in years to come. But, even he has not ignored the fact that much of it has gone to meet but adverse balance of trade, and much of it has had also to be utilized for importing foodgrains, which really became incumbent upon the Government of India to resort to during the last few years. Our balance of trade has become adverse. The boom that we got on account of the international situation has now disappeared and we are now faced with a very difficult position. As the Finance Minister said, we have changed from a sellers' market to a buyers' market and the result is that our prices are today unable to compete with world prices, and although industrial production has gone up, we are faced with an economic crisis. The Finance Minister took pride in enunciating that industrial production has gone up considerably. I admit that. So far as figures go, they do indicate that. But, we are not able to send our goods to foreign markets nor are we able to sell many of our products in our own country. Purchasers' resistance has started. Whether the purchasing power of the common man has actually gone down or not, the Finance Minister is not prepared to admit. He would like to follow a policy of wait and see. Meanwhile the sufferings of the people mount up.

What about food? So far as food is concerned, we have gone on importing foodgrains to the tune of nearly 250 or 300 crore rupees per year. The Planning Commission said that we would not have to import more than 3 million tons. But, actually, we have been importing between 4 and 5 million tons during the last two years. At what price? The prices, today, are a secret. Even Parliament has not the right to know at what prices foodgrains are being purchased from foreign countries. Because, we know that the prices which we are paying are much higher than the prices that our own Governments are prepared to pay to the cultivators of our land. The figures, for obvious reasons, cannot be made public even through Parliament. So far as food is concerned, the situation has taken a serious turn by the withdrawal of the subsidy. Here, again, what is the policy that the Government is pursuing? I agree that a country cannot be made to depend on subsidy for all time to come. You cannot make the country depend on crutches. Undoub-

tedly, also, you have not the financial resources to pay 50 or 90 crores if, at the same rate, subsidy is to be given throughout the country. But, what is the remedy? Here again, the policy is to wait and see.

How has the Finance Minister tried to juggle with the figures and statistics which he has placed before us? He says that today the cost of living index is slowly going down. He says that the wholesale price index shows a diminution. But, if he compares the figures, he will himself see that the rate at which the cost of living index has gone down is hardly proportionate to the rates at which the prices of foodgrains have gone up on account of the withdrawal of subsidy. Then, what about retail prices? Has the reduction in the wholesale prices affected favourably the position of the consumers in the country? Hardly at all. The Finance Minister has not given any figures with regard to this matter. I have been trying to get some figures. The figures supplied by the Reserve Bank of India are a bit too ancient and they are not of much assistance to us at this stage. Let us not play with figures and statistics; let us deal with problems from the human point of view. Government admits that today the food prices have gone up. We have seen that with our own eyes. Woeful cries are coming from different parts of the country, South, North, West and East. The other day, I went and saw certain areas near Calcutta. I saw the spectre of famine. I saw before my eyes the same tragic pictures which we saw in 1943 before the famine came. The price of rice there on the date on which I was touring in that area, which was not controlled, was Rs. 50 per maund. Wheat was supposed to be available in the market; but we could get only 10 seers at prices which it was impossible for the people to pay. Whether famine has come, or whether it may come, is not a question of debate. Scarcity has started. Millions of people today are unable to purchase their foodgrains at prices at which they are available. The onus is on the Government. If Government says that subsidies are to be withdrawn, what is the constructive proposal which has to be adopted here and now? Not a policy of wait and see; not a policy of *status quo*. Some lead has to be given to the country which would make it possible for the people to believe that foodgrains would be made available to them at reasonable prices.

We are told that there is no shortage of foodgrains in the country. We are importing plenty of foodgrains from foreign countries. Yet, scarcity

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conditions have started. We will have an opportunity of discussing the food policy later on. We have some constructive suggestions to make in this direction. It is not a matter of party politics at all. From different parts of the country we are getting reports of increasing distress among a large section of the people, lower classes, lower middle class and the middle class. Unless the Government comes forward with a strong policy which will actually alleviate the sufferings of the people, these presentations of statistics and figures will hardly carry any hope to them. They cannot eat statistics; they want some food to eat. You can manipulate statistics in any way you like. The Grow More Food campaign has failed. I do not know whether the Finance Minister will admit that. In the other House, he gave some figures the other day. I have been trying to get some figures to find out what support there was to the proposition which he put forward the other day on the floor of the other House that there was an increase in the production of foodgrains to the extent of 3.5 million tons, on account of the Grow More Food campaign, although there has been an over-all diminution due to natural causes. Up till now we have spent 70 crores on this Grow More Food campaign. As I said last year while dealing with this particular question, there are two methods followed by Government for arriving at the production figures. One is the routine method. You say you have spent so much on fertilisers, therefore, there must have been so much of production of foodgrains; you have spent so much on digging wells, therefore so much of new land must have been brought under irrigation and so much of foodgrains produced; you have made such and such a grant to the State Government and therefore so much of foodgrains must have been produced. This is the routine method. That gives us figures which are totally unreliable. The other type of calculation is some sort of sample checking. Here, again, Government is not able to arrive at any logical conclusions. No documents have been circulated to us. We do not know what the increased production has been. Some say that the difference is 15 per cent over the figures which have been arrived at by the routine method. Some say it is 20 per cent; some say it is 30 per cent. The Finance Minister has therefore just to get up and say, I accept 15 per cent and India has got 3.5 million tons more of foodgrains on account of the Grow

More Food campaign. That is childish. That is not treating the problem seriously. I know the great interest that the Finance Minister personally takes in matters of statistics. It is vital that, where we have to deal with the food situation, we must know where we stand. We do not know how much we produce; we do not know how much we require. Our deficit is calculated on the basis of the rationing requirements which fall within the responsibility of the Government. We are feeding only 126 million people through some sort of rationing arrangements. We require 9 million tons for them; we are not able to procure more than 3 million tons; and therefore 6 million tons represents the deficit of the entire country. As I warned the Government last year, if we proceed on this basis, India will never be self-sufficient. We will become bankrupt, bankrupt physically, morally and financially and will not be able to solve any problem whatsoever.

Take the Development projects. I attach great importance to some of the big development schemes which have been taken on hand. No doubt, we are expecting great results from them. But, here, we have to be extremely cautious. Has the Government sufficient Rupee finances to carry out all the projects? We saw in the papers some suggestions that even the Damodar Valley project may have to be curtailed in some vital respects because money is not available. We are going to spend about 500 to 600 crores for the completion of these development projects. But, for these projects, we are more and more dependent on foreign aid. I would like to say a few words on this question of foreign aid. I do not share the view that if India accepts foreign aid, she immediately sells her birthright. I do not accept that view. We are strong enough to resist outside intervention. We are a free country. This has happened elsewhere throughout the civilised world. Even a country like Russia received foreign aid for the purpose of building up her economy years back. If we ourselves are so cowardly, if we ourselves are so weak, if we do not know how to protect the freedom that we have got, then, we shall have to be nervous about receiving foreign aid. So long as foreign aid comes unfettered, unconditioned, there is no harm in accepting it. But we must be able to draw a line somewhere. I would ask the House to examine impartially and dispassionately the extent of foreign aid and foreign help that

India has received during the last few years and to what extent we are becoming more and more indebted to foreign countries today. No doubt, the Finance Minister will reply these are progressive schemes and once they are completed, they will be able to give sufficient return by which India will be able to repay the loan, as also increase the potential wealth of the country. I know that argument. But is that being pursued in a logical, in a scientific manner?

What about food? Today, we are depending upon foreign countries for our food. We have become practically a beggar standing with a bowl before the whole world. India, with all her many resources, agricultural and otherwise, is today begging for food. A country which goes on practically mortgaging herself in this manner, unconsciously becomes a subordinate country. A beggar country cannot have an independent foreign policy. If a time ever comes when the screw can be set tight by somebody or other, then it may be difficult for India to get on.

What is the remedy? What is the proposal of Government? Government has provided a few crores for minor irrigation and a few lakhs of rupees for the development of small industries. It should be possible for Government to carry conviction to the common people that we still care for our villages. We will have to build up our village economy. The river valley schemes are good, let them be established in different parts of India on a regional basis, but where is the plan, where is the call to the people in this budget so that they may feel that by getting sufficient help from the Government, Central or Provincial, they will be able to pool their resources together and build up an economy which will not be shattered to pieces if ever a conflict comes in the world, or if any red eyes are shown by the big powers who are helping us today, however laudable their intentions may be. This is a point of view which we have to keep before us. We have to draw a line at some place. Look at our defence budget. The Defence Minister said the defence budget has gone up and has got to be kept at that level for obvious reasons. I do hold the view that we cannot take any risk whatsoever, and we cannot allow our defences to weaken for any reason whatsoever. There is no doubt about that. At the same time, economy is possible and economy has to be practised. The possibility of utilising the Army for nation-building work, spe-

cially food, must be explored. The Defence Minister today referred to the objections taken on the Audit Report and other disclosures of so-called scandals. He said he cannot give the figures and facts, that he was satisfied nothing has happened for which any Government Officer or any Government Department should be ashamed of. That attitude will not do. You must take the House into your confidence. If that cannot be done, take a Committee of the House into confidence. If you feel you have enough material to show that there has certainly been no extravagance, no abuse of power, no malpractices, surely these facts can be put before the Committee, and the Committee will be able to stand by the Government and say to the House and the public that nothing has been done about which any Government Officer or any Government Department need be ashamed of. But for a Minister to get up and say "I cannot take anybody into confidence, I am satisfied" might have been done when the bureaucracy in power with a foreigner sitting there as a Defence Minister, but this will not do when there is a popular Defence Minister responsible to the House, and Parliament is responsible for proper expenditure.

12 NOON

We have taken money from foreign countries. My one regret is that the money which has come we have not been able to utilise always for purposes which might accrue to the benefit of the people at large. I will refer to one example affecting my hon. friend the Minister for Health. New Zealand has given us about Rs. 1,36,000 as medical aid. Now that is going to be spent along with the money which the Government of India will contribute for the establishment of a grand Medical College in the imperial city of Delhi. I am not against a new Medical College. Let there be more medical colleges. But if the grant is given to us as medical aid, the first consideration should have been the improvement of the condition of hospitals. Look at your hospitals in the country today. The patients go and they do not have accommodation even to remain in the verandahs. They do not get their medicines. If you had spent Rs. 3 crores for the development of hospitals, then the ordinary people in the country would have known that things were moving in a way where their interests were primarily, kept in view. But the money is now going to be utilised for founding a big college where foreign professors are being brought at fan-

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tastic salaries, three, four and five thousand rupees per month. May be some part of the money is coming from the Colombo Plan or some other plan. But actually, you are creating conditions in the country which make it impossible for the people to believe that you are today anxious for their common welfare, and not for having some grand schemes which will throw some international credit on you but will bring no immediate good to the people of this country.

The Prime Minister said the other day that today foreigners are coming and praising Government a lot for what it has done. Undoubtedly there are some achievements to the credit of Government. But let us not only think of what Mrs. Eleanor Roosevelt has said about us, what Bertrand Russel has said about us, or some other gracious lady has said about us. Let us find out what our own people are saying about us. If you are not able to supply food to the people at some reasonable price, if disease and poverty stalk in the land, then the foundation for your existence as a Government disappears. This is not being said as a measure of threat. This is a matter which must be taken above party politics. Unless we are able to solve the food problem and to give some measure of economic stability to the common man, whatever big schemes we may talk of, all will disappear into the limbo of oblivion. You will not be able to ensure sufficient public support for the purpose of making your planning schemes a success. I, therefore, say that so far as the present budget is concerned, it is a cheerless budget, a colourless budget, a budget that might satisfy the capacity and efficiency which undoubtedly the Finance Minister possesses to manipulate dry facts and figures in a manner which he thinks would satisfy the conscience of a Chief Accountant, but if you think of a budget which carries a message of hope and of good cheer, indicating sharing of sacrifice in a common measure with all classes of people, leading to removal of basic wants and privations, then the budget fails, and fails miserably.

**Shri C. D. Deshmukh:** I expect I shall be suffering from the usual disadvantage that I shall not have enough time to deal with all the observations that have been made during the course of the last four days and perforce, therefore, I shall have to confine myself to the more important points. I hope that during the course

of the next few days opportunities will occur for dealing with criticisms directed against the operations of particular Ministries.

I owe an apology to the House for not being present on Monday and for part of the day yesterday. That was due to an attack of influenza which, I think, it was very injudicious of me to incur during the budget session. I believe with Samuel Butler that the punishment which is really wanted in this world, is not for losing one's temper, but for losing one's health. But there it is, and I can only say that it was not for want of will that I was absent. My apologies are particularly directed to the gentlemen who referred to this. I have been sustained, however; during my convalescence by the broken rice which the hon. lady Member was kind enough to pass on to me. Since she spoke of that rice in such broken accents, I had it analysed in a laboratory and afterwards I found that it was innocuous. It cooked well and since I am speaking today, it has agreed with me. Seriously, Sir, I looked into this matter of broken rice. I might as well deal with it here. Probably all the rice that we import is broken; we cannot help it. It varies from 30 to 40%. It is not practicable to send it all to one place, and send all good rice to another place. So, it is distributed all over the country, and may be, the hon. the lady Member from Trivandrum has been unlucky in getting all of that in the rations. She may, however, have the satisfaction of feeling that she gets it at about Rs. 17 per maund, although rice is procured in Travancore, with the expenses and all at about Rs. 19 per maund, and there are parts of India where a higher price is paid. I shall leave that matter there.

During the last four days, many weighty observations have been made, many sincerely held convictions on the Budget have been communicated, helpful suggestions have been offered and I am glad to say that generally a great deal of restraint has been shown, even in censuring the Finance Minister. So I am duly appreciative of the general tone of the debate. But my trouble in dealing with the criticisms is one of approach and ideology. Dealing with ideology first, I find that some of the hon. Members opposite do not like their own *bona fides* to be questioned, but are, it seems to me, a bit overready to question those of others. Otherwise I cannot imagine why they should refer

to imperialist powers, strings and that kind of business, in spite of repeated denials on the part of Government. It would have been easier to deal with their observations, if they had said "These are our ideas on the subject. We do not believe that the mixed economy that you have selected to work with is a very suitable instrument of progress. We think that something on the model of communism or socialism is necessary, let not any one own the instruments of production." Well, one can sit down and discuss these things out with them. One may offer in return one's own thoughts. May be, some of these ideologies may involve the sacrifices of something that we on this side regard as freedom, the working of a proper democracy, the maintenance of a full freedom of speech, and the sustenance of any effort which in the other systems is continued only, it seems to us, by a 'hit and chance' method, i.e. to say, the kind of democracy that we conceive of had in it the germs of its own continuance. Well, we may agree or we may not agree. But on those lines, it would be possible to discuss things easier with them.

Then the other difficulty is about facts and figures. The hon. Members on the opposite quote facts and figures when it suits them, but when facts and figures are quoted against them, then they say 'this is only juggling with figures'. I cannot see any way out of facts and figures, in dealing with the annual statement of revenue and expenditure. So that is the other general difficulty. Now in regard to facts and figures, I shall not go into the matter at length. But Shri Gopalan has not yet produced the absolute figures which he promised to bring me in a couple of days. I think memory serves me right when I say that he said "Give me a couple of days, and I will bring those figures." My own information is that the country of origin does not publish all this absolute information, and therefore I would make the point that it is very erroneous to go on percentages. We can quote percentages, and say that caustic soda has gone up by 50%, from 1000 tons to 1500 tons; we do not take the credit for that. Then again it might be said that the number of diesel engines has gone up, I do not know, by how many thousand per cent. and so on. Therefore, I think that one should have a sense of perspective. This is particularly important when one deals with countries against which we have no animosity, and indeed for which we have a friendly feeling as

for others, namely, Russia and China. And when hon. Members say "Look at what is being done there in Russia, look at what is being achieved in China," it is very difficult for us to bring out in the open any evidence that we may have, which seems to go counter to some of the conclusions that they have drawn.

**Shri A. K. Gopalan:** On a point of information, Sir.....

**Shri C. D. Deshmukh:** I do not wish to continue this argument, but I do genuinely feel that it is a difficult thing. Perhaps I shall refer to this fact that when we are comparing ourselves with the U.S.A. we must remember that her progress has been achieved after many years of toil and turmoil, while our progress has just begun after we have broken the back of some of the stupendous difficulties with which we were faced after partition and independence, which synchronized. If one were to study the results of the first experiments in planning in other countries, one would probably find examples of failures which are at least as glaring as they are alleged to be by hon. Members in our own case.

In regard to the planning policy, what we have really claimed is that we are planning for a plan. We can not say that immediately we will accomplish wonders, and make a Heaven out of this earth. It is only as a preparatory step that we are entering upon this plan. Much has been made of the slow snail's pace, with which this plan promises to raise the standard of living in this country. We feel it more keenly than almost any other Member on the other side, but the difficulty is that you cannot have progress unless you have investment, and if we enter on investment on the top of inflation, which was not of our making, we would feel the responsibility for the possible results.

The Finance Minister has to consider the possible effect on the lives of 356,829,485 people in this country and he has to make sure that if we start on a volume of investment which we cannot keep up or a volume of investment which does not bring in its fruit quickly enough, then we shall be doing injury to the very people whom we are trying to serve. And it is this state of uncertainty which makes budgets all over the world today cautious, excepting where there is an overriding essentiality like rearmament, whatever it may be but otherwise caution is required particularly at this stage. And that was the point that I tried to bring

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out when I made my speech in presenting the budget.

Then, Sir, as regards the approach to the budget—and that is connected with the point that I made just now—I greatly appreciate the contribution which was made by Dr. Krishnaswami, but I do think his appraisal of the present facts is incorrect. I do not think we are suffering from the kind of cost inflation of which he seemed to be so afraid and on account of which he advised the abandonment of many important projects that we have undertaken. But I shall return to that point of cost inflation a little later. He made one or two other important points, one of which was the point which was previously discussed last year as to the propriety of using revenue surpluses for capital expenditure. I have thought over the matter again and for the life of me I cannot see why one should not have resorted to revenue surpluses for financing capital expenditure especially in inflationary circumstances which undoubtedly we had last year when we first resorted to that expedient. The difference between a revenue surplus and loans is of course that the revenue surplus is a kind of compulsory saving and voluntary loans are somewhat uncertain in their dispositions. In our country, at the present moment, I believe we are in a kind of socio-economic transition and the money markets are generally in a disturbed condition, and that is another practical reason why one is driven to this form of compulsory saving. But whatever that may be, it is something taken away from current consumption and that is the essence of all investment expenditure. Therefore I cannot follow Dr. Krishnaswami when he argues that financing development out of revenues creates scarcities. I should have thought that if we did not have this saving, then there would be scarcities because prices would rise unless—of course, he is quite logical in a way—one gives up all development expenditure. In that case, the problem is solved in one way.

He also made another point and that is a matter of economic approach again. He said that there is no great connection between the level of wholesale prices and the cost of living indices. Now, there again, although they do not move parallel—as every one who is at all familiar with the figures knows—it appears to me he has somewhat overdrawn this distinction. Some of the items which appear in the one do not appear in the

other and there is always a time-lag between the movement of wholesale prices and the movement of retail prices. But I think it is undeniable, that there is in due course a close relationship between the two and especially as regards wholesale prices, it reflects the prices of many of the imported articles. What Dr. Krishnaswami called the "exigent factors" affecting the cost of living, if these factors are going down, then obviously the prices must go down, the cost of living must be down. Actually the wholesale price index is based on not only the ration prices, but prices all over the country, apart from black market prices, free market prices of all kinds and that does show that the price of food has gone down which accords with the experience of anyone who moves about in northern India or for the matter of that in Madhya Pradesh or in some of the States. I mean if we have to gauge facts, let us try and gauge them as accurately as we can instead of drawing a rather over-painted picture. The prices of pulses, sugar, tea and other articles have fallen.

Now, some reference was made—it is made again and again—to these prices, the cost of living indices. When I last spoke on the subject, I tried to show how they were going to behave because I did not have the figures before me. I have seen some figures now and I apologise to Dr. Mookerjee for quoting figures again, but I cannot really rely on qualitative experience and I have not had the opportunity of moving round the country in order to find out intelligently merely from qualitative experience what is happening. But I assume that when these indices are compiled, they try to give weight to all these relevant considerations.

Here is Calcutta.—I will take only a few cities to save time—for the following months of the calendar year. In January it was 357, in February it was 343, March 340 and April 339. The highest I might say 1951 recorded was 387. Well I derive some comfort from these figures. Whether Dr. Mookerjee derives it or not, I do not know. Then there is Bombay where the January figure was 315, February was 309, March was 298 and April has gone up to 329. Now that is certainly a disturbing figure. My own guess would have been that it would be somewhere about 320—I think I mentioned it last time. Then again the highest reached during the year for June 1951—a year ago—was 321. Well obviously, therefore, in



Bombay prices have gone up absolutely. I think the increase could be regarded as of, say, 2½ per cent. or something like that. Well, then in Ahmedabad again, the January figure was 337, February was 330, March 314 and April 359, which is as against the highest of 381 in May 1951. So we have lost ground although not completely and certainly not as completely as in Bombay. Then there is Madras City where the January figure was 345, March was 340 and April is 333, which is lower, the highest being again 347. Madras prices have been fairly steady over the last 15 months. Then there is Kanpur, another important industrial city. The prices have gone down there—442 in January, 412 in March and 415 in April. Then I must quote Delhi, i.e. 142 in January, 136 in March and 145 in April, and the highest was 147. Delhi also has been fairly steady like Madras. On the whole, therefore, the claim that I made is still true that except in Bombay and Ahmedabad which obviously are special cases—may have to be treated as special cases, I don't know—the fall in the prices of other articles is more or less more than made up for the rise in the prices of rationed food. Then I continue to deal with this question of approach and cost inflation. Dr. Krishnaswami's point is that reductions in cost are very difficult now because of the rigidities of the economic system. That is a phenomenon which is well-known to economists. Normally cost reduction is a difficult process but I believe here again he has overstated the difficulty because I think that a substantial fall in the price of raw materials must bring down industrial costs. And in several industries raw materials do form a significant proportion of the total cost. But what I had in mind when I referred to economy and efficiency was something slightly different. Although we have adopted a mixed economy as the instrument of political progress to work with at the present juncture, we do not conceal from ourselves the fact that there is a great deal of room for improvement in details in the way of private industry. And it is my conviction that with the introduction of modern methods of management and production engineering, quality control and so on and so forth, it should be possible to reduce costs by 10 to 15 per cent. without taking any other action—other things remaining equal. And after all we must take a view of this kind because if you once admit that the cost structure is rigid, then we are going to reconcile ourselves permanently to a high level of prices. I am sure that will not be regarded as

consummation devoutly to be wished by anyone. Therefore, I must disagree with Dr. Krishnaswami and other critics who take this view and remain an optimist in regard to the level of prices.

With regard to the suggestion that we should now cease work on some of these projects, I would suggest that he went round and saw what has been achieved and I think he will come back with the conviction that it is completely impossible to abandon these works. I am not only referring to Bhakra-Nangal project or Damodar valley project where the electricity will be nearly ready, or to Hirakud project but he can go to the South and have a look at Tungabhadra or Lower Bhavani—whichever he chooses—and he will find that these works are well worthwhile that we have spent a very great amount on them already and that we must go on with them.

In regard to this matter of approach again, we cannot see any possible ground of agreement between ourselves and some of the Members opposite in regard to capitalism. But we claim that ours is essentially a practical approach having regard to existing circumstances and having regard to the availability of resources of various kinds, technological and others, with the States and the Union Government, and if therefore we agree to differ, then various other consequences follow. I mean to say there is the present unemployment. Well, my own diagnosis of the situation is that it is frictional unemployment which in course of time we should be able to absorb and certain hon. Members have done well to draw attention to these distress signals wherever they are. That is the purpose of every public worker and as soon as they come to our notice, I think we can claim that we take some steps to see if the situation can be put right. We have already sent a team of officers to investigate the economies of the tea industry. I believe my hon. colleague said that an officer has been sent down to the South to study the coir industry and referring to coir, I must express my appreciation of a very constructive speech made by Shri Mathen. He did not merely stop at drawing attention to the depressed state of the coir industry but went on to make suggestions. He made two suggestions as a matter of fact. One was that that area was in need of a certain amount of industrialisation as a sort of permanent solution of the problem. I believe he has hit the nail on the head there. And secondly for an immediate remedy he suggested

[Shri C. D. Deshmukh]

that a co-ordinated view be taken by the appointment of a Coir Board in order to see if markets can be opened out either outside the country or inside.

Well, Sir, as I said if we agree to differ on this question of capitalism, then we go over inevitably to the other issue and that is about taxation. It has been stated that the proportion of indirect taxes in India is unduly high. Now again in dealing with some of these figures, it is necessary to remember two factors. One is that in our net figure of income-tax we do not include the share which has been allotted to the Provinces but it is a tax all the same. Although it is used by the State, it is a direct tax. And the second is we have included export duties in the customs figures. Now, as has been explained before the export duties really could not be put on the same footing as other indirect taxes in the country. So, with these adjustments, here are the proportions in India:—

1949-50	46 per cent.
1950-51	48 per cent.

This is direct.

1951-52	... 36 per cent.
1952-53	42 per cent.

and the pre-war was 28 per cent. Last year i.e. 1951-52 was an exceptional year. But otherwise I think it would be seen that it is round—roughly round 40 per cent. Now, Sir, there are reasons why the proportionate amount of direct taxes is less in India than in other countries. The number of income-tax payers in this country is 25 per cent. of the population, i.e. one-quarter per cent. of the population as against 40 per cent. in the U. K. and 45 per cent. in the U.S.A.

Then agricultural income-tax to the extent to which it is levied in the States is not included in our figures. And thirdly—and this is an important feature—the full rates of income-tax have not yet been enforced in all the Part B States as a part of the financial integration scheme. So when account is taken of all these, I really do not see that in the circumstances as we are we compare very unfavourably with any other country.

Now, as regards progressive taxation, here are some illuminating figures. On an income of Rs. 5,000 the rate of tax is 2.3 per cent. On Rs. 30,000 it is 18.7 per cent. and on Rs. 3 lakhs it is 70.8 per cent. So

one gets used to the progression already in existence and then keeps on asking for more. Well, may be, if there is prosperity in the country and if trade is booming and also when we get our own staff reinforced and trained, then it might be possible to draw to the State a larger portion but at the present moment I have judged that it was unwise and that was in the context particularly of this particular thing. There is a clearly written paragraph on this in the report of the Planning Commission. The essence of that is that it is not out of any special partiality to capitalists that we fix these rates of tax; it is with reference to a possible effect on incentives. And a curious instance of how extremes meet was furnished by Shri Gopalan the other day when he said that we must inject a lot of purchasing power into the country as a remedy against unemployment. That is precisely what the industrialists also are wanting. But what I meant was that you cannot both put on the screw and expect—granted capitalism, of course; if you disagree with capitalism, one cannot argue—granted capitalism, you cannot go on putting the screw and yet expect that the private sector will expand and will keep up all the avenues of employment that have been available to labour. The result of such injudicious action will be that you will be forced into some other course of action for which at least in our judgment we are not yet prepared, whatever the future may bring. I am of a practical turn of mind. I do not concern myself unduly with ideologies. I am concerned with results, and I think that in present circumstances the policy that we are following is in the best interests of the country.

Then there were harsh words said about the estimates and the way of estimating and so on. Some of them, like those that fell from Shri Mishra—the hon. Member who spoke about my absence from the House—are really not deserved. I would request him to study the Explanatory Memorandum and the Demands for Grants. But if he just refers to them as "this volume of literature", and if therefore he wants us to draw the inference that as a Member of the House of the People he cannot be expected to go through all that, well, then, I have no answer. We are dealing with the budget. The Explanatory Memorandum can only give an indication of what could be found on page 50 and so of the main budget. I can assure him that there is no mystery

about these figures. One cannot get away in a budget session by hiding figures, as one cannot get away from murder.

Certain suggestions have been made by Shri More about giving additional information. Some of the things that he suggested really involve an elementary exercise in arithmetic. We do not know if any assistance is required. I suppose it would be forthcoming. And as regards analyses, these are very misleading. For Government to give analyses is to invite trouble. Education 1.4; Health 1.73, and so on. It is much better for Members to draw their own percentages and their own conclusions; that leaves us a little scope for defence afterwards.

There was also a point made about the wide difference in salaries. Now, in quoting the figures, the Hon. Member apparently ignored the dearness and compensatory allowances in the case of the subordinate staff, which are shown, not under pay of establishment, but under allowances, honoraria, etc. Then there is also the question that all these scales of pay have been fixed on the advice of the Central Pay Commission. And at the moment we rather get a mixed bag. There are officers whose terms of service are related to former rights which they enjoyed and so on. It is not always going to be so. The new scales of pay are appreciably lower than those that irritated the hon. Member so in this establishment.

Now, in regard to estimation of income, a point was made again by Dr. Krishnaswami that he did not see how there would be less income from income-tax. Now, the reason is although industry generally did quite well last year, that statement could not be applied to the jute industry or the textile industry. Also, arrear collections were very vigorous last year. So, it is not so much that income-tax is going to fall as that we are not going to have the same high collections that we had during the previous year. That is the explanation of that particular estimate. I can only assure hon. Members that I have done my best to make as accurate an estimate as possible. I do admit that we went very wrong last year; but our error in one direction was neutralised by an equally big—not good—big error on the other side. The reason, I think, is obvious. If all that money had gone to the exporter, it is possible that he might have supported the money market. But I think on the whole that although we were bad es-

timators, we were good judges, and we bagged that income much earlier than it would have come to us through devious channels like income-tax, loans in the market and so on. This year I have borne in mind our failure last year and have tried to do better. But I cannot see how that affects Parliamentary control. I did not quite get the point made by the hon. Member because I think it proceeds on the assumption that Supplementary Demands are just a form. As a matter of fact they are not a form. He is new to the House, and he will discover that hon. Members take a great deal of interest in these Demands. I am quite certain that had he studied the Supplementary Demand books for the last two or three years to which he referred he would have discovered that some of them, the bulk of them I think, were for increasing subsidies and the next category is for rehabilitation purposes. Then there was some additional expenditure for defence which it appeared in the ultimate analysis we did not require. So, those are the big figures for the last two years that he quoted. Therefore, I can assure the House that whatever happens to revenue, so far as the expenditure is concerned, their control is complete and continuous.

As regards the expenditure itself, my hon. colleague has already referred to the defence expenditure. I should like to make only one statement, because there is a great deal of misunderstanding about it, and that is about the percentage of resources India spends on defence. Now, in talking of a country like India—the Union, the States: a federal republic—one has to take into account the estimates for the whole of the country and not for the Centre alone. Therefore one has to take the percentage and compare it with, say, the percentage in Great Britain. Take it with the percentage on the total expenditure. Now, that is only 25 per cent, which is reasonably low—I shall not say very low, there are countries which have no armies, but it is reasonably low. Again I do not like to institute invidious comparisons between our country and other countries. I will make a general statement that hon. Members will not have to go very far for finding that a similar percentage is nearer 50 than 25. I like to leave that matter there.

Then a short word about subsidies. I am sorry to be harping on the same problem again but I would like the House to realise that there has been not so much a case of withdrawal as inability to find additional money.

[Shri C. D. Deshmukh]

The circumstances this year have changed. I think it was in the papers this morning that we paid about Rs. 40 crores for freight and the costs have gone against us, and it was primarily that we could not cover. So far as a comparison with previous years is concerned, ordinarily they used to run round Rs. 15 crores. Last year we had a peculiar combination of circumstances. Jute was uncontrolled, or we had to raise the export duty, and as we had a barter agreement with Argentina they charged more for their wheat. So the additional price of jute was reflected in the price of wheat, but we got the wherewithal out of that export duty to pay that subsidy—that amounted to about Rs. 12 crores. Those conditions do not exist this year. As regards the loss on the American wheat loan we are losing about Rs. 9 or 10 crores this year as last year. So, there again there is no change. Then as regards the other figure, I had put only Rs. 25 crores first and then in my first Budget speech, that is to say in February, I had said—and I had adumbrated this idea before the State Ministers and others—that it might be better to spend this money on minor works and therefore I had made a reference to it in my speech. I withdrew that Rs. 10 crores, deducted it from Rs. 25 crores and put Rs. 15 crores. That is all the change that has been made which has been variously described as contraction, withdrawal, what not, of the subsidies. So, the real problem, as Dr. Mookerjee said, is a quite different one and that problem is of Grow More Food. I am still convinced that we have to look to greater production and greater procurement as a solvent of our difficulties and not to subsidies. That does not mean that I am going back on what I had said. We are still engaged in determining what exactly is the distress caused, what exactly is the disparity in prices in various States. It takes a little time, especially when hon. Ministers have to be present here, but we are engaged on that and I hope that we shall be able to come to some equitable conclusion. But as I said, the main question is Grow More Food. There again, the detailed account of it will be given by my hon. colleague when we are dealing with Demands for his Ministry, but since Dr. Mookerjee raised this issue of statistics and since I suspect he knows something of the nature of the statistics because he used terms which are used only here, like routine method.....

**Dr. S. P. Mookerjee:** They were used last year on the floor of the House. The hon. Minister has forgotten.

**Shri C. D. Deshmukh:** .....and correction factors and so on.....

**Dr. S. P. Mookerjee:** The hon. Ministers themselves referred to them last year.

**Shri C. D. Deshmukh:** Very well, in that case I shall have the pleasure of drawing his attention to pamphlets which have been issued by the statistical experts attached to the Food Ministry. There is one special article issued on the Grow More Food campaign, by Shri J. S. Sharma, and if my hon. friend will not carry his anti-statistical phobia too far I would ask him...

**Dr. S. P. Mookerjee:** Anti-wrong-statistical.

**Shri C. D. Deshmukh:** .....I would ask him to study this. I have just referred to the main conclusions and they are these. By the so-called routine method—that is to say, really, laboratory expectations of the application of so much manure, the putting down of so much seed, the provision of so much water—we thought that during the last five years we ought to get for all our expenditure 4.8 million tons. Then, everyone knows that conditions in the field are different, as a result of various factors, from what they are in the laboratory. So, the aim of the I.C.A.R. sample survey method is to find out to what extent there is a shortfall in these expectations and their investigations led them to apply a correction factor of 15 per cent. They have the scientific material on which they base this conclusion. Then in view of certain special investigations like spot-checks for wells—they have undertaken a spot-check for wells because it was stated quite openly that the money had gone down the hole—and therefore they have now increased their correction factor to 20 per cent. and on that basis arrived at a figure of 3.8 million tons. Then we carried our caution a stage further and we recognised that some of the work schemes which were completed towards the end of a particular year do not necessarily contribute to additional production during the same year. If we took into consideration this factor in the case of schemes executed during the last, that is to say, 1951-52, of the periods under review, the deduction to be made in the above figure in estimating the actual production will be of the order of 6 lakh tons approximately. So

they have deducted from 3·8 million tons 0·6 million tons and the latest figure therefore is 3·2 million tons. Now, this material will be available to any hon. Member who wishes to study it. There is nothing that we have to hide. I have, as the hon. Member said, a certain acquaintance with statistical methods and I would not be a party to either imposing on people or on myself any wrong picture of the utilisation of the very valuable and hard-won money. That is where I would like to leave that matter, Sir.

I have time for dealing only with one more item and that is the finance for planning. We review this matter continuously and I come again and again to the conclusion that so far as the Central Government is concerned we should still be able to face up to our responsibilities. The matter of the cash balances is not of any great importance. As a matter of fact, in most countries before the war the nations concerned did not believe in keeping much balances and it was not a sound budgetary principle. Budgets are made from year to year and what one aims at is a working balance, and that, as I have indicated more than once, should be, for the volume of our transactions about Rs. 40 or 50 crores. Beyond that one should not expect to have cash balances. These cash balances represent the counterpart of our sterling balances and that was not of our making. It has been pointed out that when you draw down on cash balances you actually indulge in inflationary finance. Well, we have taken stock of that situation too and we came to the conclusion that to the extent to which there was a balance of payments deficit which was again a planned one because that was the only way in which we could have the sterling re-transferred to us, there was nothing wrong with the balance of payments. So, we thought that if our deficit was equal to our balance of payments deficit we are neutral so far as the inflationary situation was concerned. We are not putting any additional money into circulation. That, we thought, was the best thing

we could do in the circumstances. This year, on account of the abrupt fall in revenues, we have been driven a little further. We are now budgeting for a deficit of about Rs. 75 crores, but there again I do not think that in the present circumstances it is a dangerously large deficit, at least in the light of the present indications.

We have some doubts as to the capacity of the States in the changed circumstances to raise resources. If so, we should have to take a rather hard decision and that decision, of course, is to resort to deficit financing. Now, that will bring in its train the preparedness to exercise controls, but if one were to take the position that we will not resort to deficit financing but we would be free to exercise any kind of control, then I think we should be heading for trouble. Those are straits which we have not come to yet.

Finally, I would like to end on this note, that I am very pessimistic in regard to agricultural production. In the matter of the rate of production, we are at the bottom rung of the ladder, and I share the optimism of that gentleman opposite from Punjab, Sardar Lal Singh, who said that it is a challenge to us and that with efforts it is possible for us to increase our production in spite of past failures, which we are ready to confess. So instead of peddling pessimism, I would like to offer optimism to this House, and instead of being a prophet of penury I would like at least to prophesy some prophylactic plenty, if I may say so. As you know, in *Thirukkural* you have this couplet:

*Ilam enru asai irupparaik kanin nilam  
ennum nallal nakhum*

which means that mother earth laughs in scorn at those who plead poverty. Let it not be so with us.

Sir, I have finished.

*The House then adjourned till a Quarter Past Eight of the Clock on Thursday, the 5th June 1952.*