



Friday  
25th May, 1956

# PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I- Questions and Answers )

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1956

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**PARLIAMENT SECRETARIAT  
NEW DELHI**

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LOK SABHA

Friday, 25th May, 1956.

*The Lok Sabha met at Half Past Ten  
of the Clock.*

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO  
QUESTIONS

CENTRAL SECRETARIAT SERVICE

\*2491. **Shri Dabhi:** Will the Minister of **Home Affairs** be pleased to state:

(a) the number and designations of the officers of the Central Secretariat Service who received accelerated promotions to the different grades during the year 1955, on the ground that their performances had been outstanding;

(b) the number and designations of the officers who though at the time of initial constitution of the service had been graded high, had been passed over during the same period on the ground that their performances were not satisfactory; and

(c) the test laid down for regarding performances of an officer as satisfactory or unsatisfactory?

**The Minister in the Ministry of Home Affairs (Shri Datar).** (a) and (b). Promotions to the higher grades of the Central Secretariat Service are made on the basis of selection on merit and not on the basis of seniority subject to fitness. The former criterion naturally leads to some persons receiving earlier and other later promotions, than pure seniority would justify. Since merit is not always a constant factor, it also results in persons graded higher than others at one stage being superceded sometimes by the latter. Complete lists of such cases which are bound to be numerous are not readily available.

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(c) No definite test is or in fact can be laid down for this purpose. It is for the selection authorities to judge the quality of service rendered by officers on a comparative basis and decide on their relative suitability for higher posts.

**Shri Dabhi:** May we have at least some idea of the outstanding performances of those who have got accelerated promotions?

**Shri Datar:** In all cases, so far as these selections are concerned, they are made after a certain procedure has been gone through. There is a certain machinery: we have got a Departmental Promotion Committee with which a Member of the U.P.S.C. is associated; and, secondly, in the case of higher posts, we have another committee known as the Central Secretariat Service Selection Board; with that Board also a Member of the U.P.S.C. is associated, and a list is prepared and then gradually appointments are made.

**Shri Dabhi:** I wanted to know whether the hon. Minister could give us any idea about the nature of performance for which they got accelerated promotions.

**Shri Datar:** We have got confidential reports, and therein a number of items have been laid down as to whether the person's work is satisfactory, whether he is punctual, whether his relations with others are proper and whether he possesses any outstanding merit for purposes of consideration for promotion.

**Shri V. P. Nayar:** It is obvious that a very large number of officers have been given accelerated promotions. I want to know what special steps, if any, have been taken to ensure that this committee which is responsible for giving such promotions safeguards against possible cases of favouritism, nepotism and graft.

**Shri Datar:** All these things do not happen at all, I might assure the hon. Member. Let me complete my answer. Because, we have got two committees with which the U.P.S.C. is associated, and therefore there is a complete safeguard against what is called nepotism and others.

**Shri B. S. Murthy:** What is the authority to which a man who is supposed to have got no justice from the Departmental Promotion Committee can appeal and state his case?

**Shri Datar:** He can appeal to the Head of the Department, he can appeal to the Minister in charge of that particular Ministry and, lastly, he can appeal to the President.

**सरदार ए० एम० सहगल :** क्या यह सच है कि विभिन्न ग्रेडों के कर्मचारियों को प्रमोशन, पदोन्नत देने से पहले विभिन्न मंत्रालयों से उनके कार्य के बारे में जानकारी हासिल की जाती है, और यदि हासिल की जाती है तो क्या उस पर ग्रन्थ किया जाता है ?

**श्री दातार :** सब बातों पर विचार करने के बाद ही प्रमोशन दी जाती है ।

**Shri T. B. Vittal Rao:** May I know if what is entered in the confidential report is made known to the individual employee in respect of whom the entries are made?

**Shri Datar:** I may assure the hon. Member that when entries are made in the confidential report of an officer by an officer who is above this particular officer, then these entries are also placed before an officer who is still further above, and ultimately whenever there are any adverse comments they are communicated to the officer concerned and his explanation, if any, is subjoined to it.

**Shri P. C. Bose.** May I know whether Government has on record any complaints from those who have been superseded as a result of these accelerated promotions?

**Shri Datar:** Sometimes we do receive complaints; we look into them and find out whether supersession was proper.

**Shri Dabhi:** Could we not have an idea about the number in each of these categories?

**Shri Datar:** The total number of employees in the Secretariat is about five thousand and, therefore, the promotions or supersessions are likely to take place often. So it is very difficult to give the numbers.

### राष्ट्रीय पुस्तकालय (कलकत्ता)

\*२४६२. श्री विभूति मिश्र : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने कोई ऐसी योजना बनाई है, जिससे विभिन्न राज्यों के लोग राष्ट्रीय पुस्तकालय (कलकत्ता) का लाभ उठा सकें;

(ख) क्या उस पुस्तकालय की शाखाओं के विभिन्न प्रदेशों में खोले जाने का प्रश्न भी सरकार के विचाराधीन है ?

**शिक्षा उपमंत्री (डा० एम० एम० दास) :**  
(क) हां, जी । भारत के प्रत्येक प्रदेश में रहने वाली जनता के सदस्यों को पुस्तकें तथा सूचियां बिना किसी फीस या बन्दे के दी जाती हैं, परन्तु जो प्रकाशन वी० पी० पी० द्वारा भेजे जाते हैं उनके लिये डाक खर्च के सम्बन्ध कुछ नियम या उपनियम बने हुए हैं जिनका पालन किया जाता है । पुस्तकालय के साथ लगे वाचनालय उन सब व्यक्तियों के लिये खुले हैं जिनके पास वाचनालय टिकट होते हैं ।

(ख) नहीं, जी ।

**श्री विभूति मिश्र :** मैं यह जानना चाहता हूँ कि कलकत्ता चकि अब हिन्दुस्तान का सेंटर (केंद्र) नहीं रहा है और दिल्ली सेंटर हो गया है और प्रायः सभी सूबों के लोग किसी न किसी काम से यहां आते रहते हैं और यहां पर रहते भी हैं, तो क्या सरकार इस बात पर विचार कर रही है कि कलकत्ता से नेशनल लाइब्ररी को उठाकर दिल्ली ले आया जाए ताकि हिन्दुस्तान के तमाम भागों के लोगों को फायदा पहुंच सके ?

**Dr. M. M. Das:** There is no such proposal before the Government of India now.

**Shri T. S. A. Chettiar:** The hon. Minister might correct me if I am wrong. I understood him like this. In answer to part (b) he said 'no'; in answer to part (a) I think he said that some steps are being taken for the National Library to be utilised.....

**Dr. M. M. Das:** No. I said the steps are already there, they already exist.

**Shri T. S. A. Chettiar:** What are they?

**Dr. M. M. Das:** Books and catalogues are lent free of any fee or subscription to members of the public residing in any part of India, subject to Rules and Bye-laws which provide for the sending of publications to the borrower by V.P.P. for postage. The Reading Rooms attached to the Library are open to all persons holding Reading Room Tickets.

**Shri Shree Narayan Das:** May I know whether there are arrangements to accommodate scholars from different parts of India who might like to work in the Library?

**Dr. M. M. Das:** Yes, Sir, there is a special room for the research workers alone.

**Shri Kasliwal:** May I know whether Government have any figures to show as to how many people from how many States have taken advantage of the scheme which has been mentioned by the hon. Deputy Minister?

**Dr. M. M. Das:** I think we have figures to show what the hon. Member wants to know, but they are not at present at my disposal.

**Shri T. S. A. Chettiar:** May I know whether bibliographies on various subjects are prepared in the Library and supplied to scholars when they ask for it by post?

**Dr. M. M. Das:** I want notice of that question.

**Shri Damodra Menon:** May I know whether some rare and valuable books, Chinese books, purchased by our Ambassador to China are now kept in the National Library, Calcutta, and whether they are arranged?

**Dr. M. M. Das:** I have no information on that.

**श्री विभूति मिश्र :** अभी माननीय मंत्री जी ने बताया कि कुछ कायदे हैं जिन के अनुसार लोगों को किताबें दी जाती हैं। मैं जानना चाहता हूँ कि क्या इन कायदों की जानकारी लोगों को कराने के लिये इन्हें विभिन्न भाषाओं में या अंग्रेजी के अखबारों में प्रकाशित कराया गया है ताकि इन कायदों के अनुसार लोग वहाँ से किताबें मंगा कर पढ़ सकें ?

**Dr. M. M. Das:** I would like to draw the attention of the hon. Member to the Delivery of Books (Public Libraries) Act that was passed by the House in 1954. There are four Libraries which are to get books free of charge according to this Act, one of which is the National Library, Calcutta. Two others, one in Madras and one in Bombay, have also been given these facilities. These are: Connemara Library, Madras, which has been declared eligible for receiving books from 10th September, 1955; then the Public Library, Town Hall, Bombay, from 4th November, 1955. The fourth of the series is the Central Reference Library which is going to be established in Delhi.

**श्री विभूति मिश्र :** मेरा सवाल माननीय मंत्री जी समझ नहीं पाये हैं। मेरा सवाल यह था कि जो सहुलियतें सरकार ने लोगों को इन किताबों को मंगाकर पढ़ने के लिये दी हैं उन सहुलियतों की लोगों को जानकारी कराने के लिये क्या सरकार ने कोई कार्रवाई की है ताकि लोग वहाँ से किताबें मंगा कर पढ़ सकें ?

**Dr. M. M. Das:** I would like to ask for notice.

#### ANDAMAN ISLANDS

\*2494. **Shri S. C. Samanta:** Will the Minister of Home Affairs be pleased to state:

(a) whether the draft of the Andaman and Nicobar Islands (Municipal Boards) Regulation was published for circulation to the public;

(b) if so, when;

(c) whether it is a fact that the formation of a Municipal Board in the Islands has been welcomed by the public; and

(d) if so, when will the final decision in the matter be taken?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) Yes, Sir.

(b) On 20th January 1955 in the Andaman and Nicobar Islands Gazette.

(c) Yes.

(d) Shortly.

**Shri S. C. Samanta:** May I know whether, in the absence of the municipal committee or municipality in the island, there is any non-official body working there to help the Commissioner?

**Shri Datar:** The Government are co-ordinating the work with the help of an advisory body.

**Shri S. C. Samanta:** May I know whether in this advisory body, the Member of Parliament from that area is represented?

**Shri Datar:** I have no information at present.

**Shri Bhagwat Jha Azad:** May I know whether this proposed municipality will have the association of the north and the middle island or will it be only for the south island and Port Blair or whether the 3 Andamans will have separate municipalities?

**Shri Datar:** In the first instance, the jurisdiction of this municipality will be over Port Blair and a number of villages roundabout.

**Shri S. C. Samanta:** May I know the population that is proposed to be included in this municipality?

**Shri Datar:** It might be about 20,000 to 25,000.

#### EXTENSION SERVICES PROJECTS

**\*2495. Shri Ram Krishan:** Will the Minister of Education be pleased to lay a statement on the Table giving:

(a) the names of the colleges selected for implementation of Extension Services Projects during 1955-56;

(b) whether these colleges have started the work; and

(c) if so, the progress made so far?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) to (c). A statement is laid on the Table of the Lok Sabha. [See Appendix XIV, annexure No. 58].

**श्री राम कृष्ण :** अब तक इस स्कीम के तहत कितने स्टुडेंट्स (विद्यार्थियों) ने ट्रेनिंग हासिल की है ?

**डा० के० एल० श्रीमाली :** इसकी तादाद में अभी नहीं दे सकता हूँ ।

**Shri T. S. A. Chettiar :** Is it not true that in many cases the amount that has been budgeted has not been spent? May I know whether Government propose to take any measures to see that a push is given to the Extension Service Projects so that the money allotted is spent and the projects may be developed?

**Dr. K. L. Shrimali :** We do not have the figures of actual utilisation; but, we shall take every possible measure to see that the scheme is properly implemented.

**श्री भक्त बर्षान :** इस विवरण से ज्ञात होता है कि सारे देश में २४ विद्यालय इस काम के लिये छांटे गये हैं । क्या उपमन्त्री महोदय बताने की कृपा करेंगे कि उनको किस आधार पर छांटा गया है और क्या सारे देश में उनसे अच्छे विद्यालय उपलब्ध नहीं हो सकते थे ?

**डा० के० एल० श्रीमाली :** इस सम्बन्ध में सारे देश को चार जोन्स (खंडों) में बांटा गया था और उनमें जो प्रमुख विद्यालय थे, उनको ले लिया गया था । ईस्टर्न (पूर्वी) जोन में पांच, नार्दर्न (उत्तरी) जोन में सात, वेस्टर्न (पश्चिमी) जोन में पांच और सद्रन (दक्षिणी) जोन में सात विद्यालय लिये गये थे । उनके अगलावा अगले वर्ष तीस विद्यालय और लिये जा रहे हैं और उनको लेने के बाद कुछ तादाद ५४ हो जायगी और इस प्रकार बहुत से कालिज इस ट्रेनिंग स्कीम्स में आ जायेंगे ।

**श्री भागवत झा आजाद :** कितने विद्यालयों ने इस योजना के अन्तर्गत लिये जाने की इच्छा प्रकट की थी और उनमें से जिनको नहीं लिया गया, क्या उनको अब ले लिया जायेंगा ?

**डा० के० एल० श्रीमाली :** हमारे पास कुछ सीमित फंड्स (निधियों) हैं । सब कालिजिज को हम नहीं ले सकते हैं । २४ कालिजिज को पहले वर्ष लिया गया था और अगले वर्ष तीस और लिये जा रहे हैं । अगर और फंडज होंगे तो हम सारे देश के कालिजिज को ले सकेंगे ।

श्री एम० एल० द्विवेदी : इन कालिजों के चुनाव से पहले क्या राज्य सरकारों अथवा विश्वविद्यालयों से इस सम्बन्ध में सुझाव मांगे गये थे। कितने कालिजों का सुझाव आया था और इनका चुनाव किस के द्वारा हुआ ?

डा० के० एल० श्रीमाली : इस सम्बन्ध में फाइनेल (अंतिम) चुनाव मिनिस्ट्री (मंत्रालय) ने किया था। मैं समझता हूँ कि जितने प्रमुख ट्रेनिंग कालिज हैं, वे सब इस स्कीम के अन्तर्गत ले लिये गये हैं। अवश्य कुछ कालिज बाकी रह गये हैं, लेकिन जाहिर है कि सब कालिज नहीं लिये जा सकते हैं।

**Shri Keshavaikenger :** May I know if any of the colleges from Mysore have been selected for this purpose and, if so, what are those colleges ?

**Dr. K. L. Shrimali :** I will place a statement on the Table of the House of the number of institutions that have been approved for the Extension Service Project.

#### TOBACCO EXCISE CONTROL

\*2496. **Shri Shree Narayan Das:** Will the Minister of Finance be pleased to state:

(a) whether the working of the scheme for the association of village officers in the existing system of excise control over tobacco growers has been reviewed and examined;

(b) if so, with what result; and

(c) if not, the present position?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha):**

(a) Yes, Sir.

(b) The latest reports received by Government from the local Central Excise Officers on the working of the scheme for the association of village officers with the existing system of excise control over tobacco show that so far as the first part of the scheme, namely, registration and licensing of tobacco cultivators, is concerned, the results have not been encouraging. As regards the second part of the scheme, namely, verification of yield and assessment to duty, however, the results which have been hitherto obtained are not unsatisfactory.

(c) Does not arise.

**Shri Shree Narayan Das:** May I know if, after the review of the scheme, Government wants to introduce the latter part of the scheme all over the country?

**Shri A. C. Guha:** I think it may be as yet rather too early to say that this scheme may be introduced all over the country; but, I think it is being introduced gradually to some other parts. As I have stated in my original reply, the results which have been obtained hitherto are not unsatisfactory. I cannot say it is quite satisfactory, but, anyhow, it is progressing well so far.

**Shri Shree Narayan Das:** May I take it that the scheme which was introduced is not likely to be extended to other places?

**Shri A. C. Guha:** I have said that we are trying to extend it to other places also but it may take some time to introduce it extensively to other parts.

**Shrimati Tarkeshwari Sinha:** May I know whether Government is aware that a large amount of tobacco lies in the stores without any assessment being made about excise duty over that and whether Government has calculated the expected loss, due to the lack of easy disposal of the stock of tobacco, to Government of excise duty?

**Shri A. C. Guha :** I do not know whether this question will arise out of this but, anyhow, I think the hon. Member's information is not quite correct. There may be some stocks; but, we can assess duty only when tobacco is released for consumption. As long as the tobacco is in the warehouse, there cannot be any question of excise duty.

#### SETTLEMENT IN ANDAMANS

\*2498. **Shri B. S. Murthy:** Will the Minister of Home Affairs be pleased to state:

(a) the number of families from Andhra to be settled in Andamans in 1956-57;

(b) the nature of assistance to be given to them;

(c) the arrangement for the education of the children of these families in their mother tongue; and

(d) the manner in which these families are to be selected?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) It was first estimated that about 3,000 acres of cleared land would be available for allotment to settlers this year. Accordingly provision for 6,00 families (at the rate of 5 acres per family) was made and Andhra was given a quota of 60 families. Later, however, it was found that the area of cleared land would be much less than that originally estimated. Some of the States including Andhra will, therefore, have to wait until further land is made available for allotment.

(b) A statement indicating the assistance given to families of settlers is laid on the Table of the House. [See Appendix XIV, annexure No. 59].

(c) No arrangements for the education of children of very small groups in their mother tongue can be undertaken. The question of teaching Telugu to Andhra children will arise only if at any time there is a large concentration of Andhra families at one place.

(d) Families of settlers are selected by the State Government in consultation with a representative of the Andamans Administration. Preference is given to *bona fide* agriculturists of a young age and with small families.

**Shri B. S. Murthy:** May I know what happened to the land available at the time when the offer was made to the Andhra State?

**Shri Datar:** The land could not be cleared in time on account of a number of difficulties; but, steps are being taken to clear up as large an area as possible.

**Shri B. S. Murthy:** Is there any truth in the statements seen in the Press that Andamans is being made a close preserve for the people of West Bengal, Bihar and U.P.?

**Shri Datar:** The hon. Member has possibly put it in the wrong way. I might point out to the hon. Member that it is true that we do desire that East Pakistan refugees should be settled on these islands to a very large extent. Three-fourths of the space available will be reserved for them and one-fourth for the rest of India. There is no question of making it a close preserve or anything of that sort.

**Shri Matthen:** May I know whether Nicobar islands are being made use of, which I understand are better for settlement?

**Shri Datar:** We have first taken up the question of Andaman Islands. In three or four places there, we are having settlements of these agricultural families. The question of Nicobar Islands would also be considered in due course.

**Shri G. P. Sinha:** May I know the number of families already settled till 1956 and what is the number from East Bengal?

**Shri Datar:** It is about 1047, as I have already stated.

### टैगोर की जन्म-शताब्दी

\*२५०२. श्री भक्त दर्शन : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि साहित्य अकादमी ने १९६१ में श्री, रवीन्द्रनाथ टैगोर की जन्म शताब्दी मनाने का निश्चय किया है; और

(ख) यदि हां, तो इस समारोह के कार्यक्रम की स्थूल रूपरेखा क्या है ?

शिक्षा उपमंत्री (डा० एम० एम० दास) :

(क) अकादमी इस विषय पर विचार कर रही है ।

(ख) इस समारोह के कार्यक्रम की स्थूल रूपरेखा अभी नहीं बनाई गई है ।

श्री भक्त दर्शन : क्या इस सम्बन्ध में केवल विचार ही हो रहा है या कोई योजना भी तैयार की गयी है ? और क्या कोई अस्थायी कार्यक्रम तैयार किया गया है ?

**Dr. M. M. Das:** The Sahitya Akadami has sent letters to the State Governments, Universities and literary associations etc., asking for their suggestions about the manner in which this celebration is to take place. I may submit to the hon. Member that the suggestions that have been made by the Sahitya Akadami are tentative suggestions. They are—

The celebration may be of two kinds. Under the first category may be included such items as the centenary edition of Tagore's collected works in Bengali, which may be published by Visva-Bharati, a selection of his writings to be translated and published in all major Indian languages and English, a good biography to be written by a competent writer, publication of an album of his paintings, institution of Tagore Chairs of Bengali literature in some Indian Universities, etc. etc. Under the second category may be included such items as a literary conference, national or international, drama festivals, exhibition of Tagore's paintings and manuscripts, etc. etc.

**श्री भक्त बर्दान :** क्या इस सम्बन्ध में कोई विशेष समिति स्थापित की जा रही है, और खास करके इसमें क्या कवीसम्राट रबीन्द्र जी द्वारा स्थापित विद्वत्भारती का भी कोई योग लिया जा रहा है ?

**Dr. M. M. Das:** I have said that the Sahitya Akadami has written letters to the different Universities. As Visva-Bharati is one of the Central Universities, naturally Visva-Bharati must have been written to, I think. So far as the present stage of the matter is concerned, the Sahitya Akadami has asked for suggestions from literary associations, Universities and State Governments. When these suggestions are received, they will be placed before the Executive Committee of the Sahitya Akadami and the details will be worked out.

**Shri R. P. Garg:** May I know if it is the programme of the Sahitya Akadami to celebrate the birth and death anniversaries of outstanding literary persons, and if so, what are the names of those literateurs whose anniversaries

are being celebrated by the Sahitya Akadami?

**Dr. M. M. Das:** I have to collect the information from the Sahitya Akadami.

**श्री भागवत झा साहब :** मैं यह जानना चाहता हूँ कि क्या यह समारोह अकादमी के किसी विस्तृत कार्यक्रम का एक रूप है या कि यह अपने प्रकार का एक विशेष समारोह है ?

**Dr. M. M. Das:** I have given the details so far as the tentative suggestions made by the Sahitya Akadami are concerned. At present no other information is at my disposal.

**Shri Shree Narayan Das:** May I know whether the Sahitya Akadami has asked for a special grant for this celebration?

**Dr. M. M. Das:** No, Sir. Not yet.

**Shri H. N. Mukerjee:** May I know if it has come to the notice of Government that in Hindi and perhaps also in other Indian languages, Rabindranath's surname is given as Tagore, which is a vulgarised English variant of *Thakur*, and will Government give a direction at least through the Sahitya Akadami that the poet's proper name Rabindranath Thakur should be invariably used in India?

**Dr. M. M. Das:** The Sahitya Akadami itself is a specialised expert body. We may refer the suggestion made by the hon. Member to that Akadami.

**Shri Kamath:** The word 'Akadami' itself is neither Hindi nor is it English as spelt here.

**Dr. M. M. Das:** Although the word 'Akadami' has its own history in European literature, still this has been accepted.

**Shrimati Sushama Sen:** May I know if the Ministry of Education will consider the question of putting up a life-size portrait of Rabindranath Tagore in the Central Hall which is under construction and whether there is any plan under the Sahitya Akadami to put up a life-size portrait of Rabindranath Tagore in the Central Hall of Parliament



**Dr. M. M. Das:** The hon. lady Member may write to the Sahitya Akademi giving her suggestions.

INDIAN COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH AND INDIAN COUNCIL OF AGRICULTURAL RESEARCH

**\*2504. Shri Gidwani:** Will the Minister of Finance be pleased to state when Government propose to introduce a Bill to provide for the statutory auditing of accounts of the Indian Council of Agricultural Research and the Indian Council of Scientific and Industrial Research by the Auditor General?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** The matter of comprehensive legislation in respect of audit is under consideration. The position is at present regulated by the Bye-laws of the two bodies mentioned in respect of the audit of their accounts.

**Shri Gidwani:** What is the annual expenditure of the Indian Council of Agricultural Research and the Indian Council of Scientific and Industrial Research respectively, and how are their accounts audited at present?

**Shri M. C. Shah:** About the expenditure, the question should be addressed to the respective Ministries concerned. With regard to the accounts, the accounts are kept according to the form settled by the governing body. With regard to the first body, according to its bye-laws, the audit is undertaken by the Comptroller and Auditor-General. The Accountant-General carries out the test audit and also quarterly accounts, and submits his report to the Comptroller and Auditor-General, and thereafter that report is placed on the Table of the House. This is so far as the Indian Council of Agricultural Research is concerned. So far as the Indian Council of Scientific and Industrial Research is concerned, there too, the accounts are kept according to the form prescribed by the governing body, and on a consent basis the audit is carried on by the Auditor-General.

**Shri Gidwani:** Will that be also placed on the Table of the House?

**Shri M. C. Shah:** When the audit is carried on a consent basis, it is not necessary to place the audit report on the Table of the House.

**Shri Gidwani:** When do Government propose to introduce a Bill in that connection?

**Shri M. C. Shah:** That matter had come up to the Finance Ministry, there were other statutory bodies and non-statutory bodies, about whose audit also the matter was to be considered. So, certainly it will take some time.

**Shri Ramachandra Reddi:** May I know the accumulated funds of these two institutes?

**Shri M. C. Shah:** That question should be addressed to the Ministries concerned under whose administrative responsibility these institutes are carried on.

COMMISSION UNDER ARTICLE 339 (1)

**\*2509. Shri T. B. Vittal Rao:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the Government have not yet constituted a Commission as envisaged in Article 339 (1) of the Constitution of India; and

(b) if so, when the Commission will be constituted?

**The Minister in the Ministry of Home Affairs (Shri. Datar):** (a) Yes, Sir.

(b) A commission will be constituted at the expiration of 10 years from the commencement of the Constitution.

**Shri T. B. Vittal Rao:** Under this article, it is stated that the President may at any time and shall etc. etc. May I know, therefore, in view of what is happening in the North-East Frontier Agency, whether Government proposes to expedite the constitution of this Commission?

**Shri Datar:** Government considers that in view of the fact that considerable progress has been going on in all the tribal areas, with reference to the welfare of the tribal people no commission is necessary at this stage, and that after ten years such a commission will be appointed.

#### I. A. S. EMERGENCY RECRUITMENT

\*2511. **Shri Kamath:** Will the Minister of Home Affairs be pleased to state:

(a) whether representations have been received requesting that the minimum salary or income qualification of Rs. 300 p.m. in the case of prospective candidates for the Emergency Recruitment to the I.A.S. be not insisted upon or be done away with; and

(b) if so, the action taken or proposed to be taken thereon?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) Yes;

(b) It has been decided to adhere to the income qualification of Rs. 300 per mensem.

**Shri Kamath:** The Minister, answering a question on this subject a couple of days ago, said that one of the criteria on which experience can be evaluated is the income derived therefrom. What, Sir, is the process of reasoning by which the Government has reached his conclusion that there is an intimate, indissoluble link between experience and the income that a man enjoys, considering that there are raw men, with perhaps less than a year's experience, who might be getting over Rs. 300 per mensem, while there are experienced men with over 20 years' service, who might not be getting even Rs. 150 per mensem?

**Shri Datar:** May I point out to the hon. Member the considerations that weighed with the Government? This recruitment is not from the normal age group but from the over-age group. Government desired to have persons who had some experience in profession or in some service. I have

stated that it would be some guarantee: if, for instance, a man earns Rs. 300, he has gathered some experience. Otherwise, merely being in the profession for a considerable number of years is no guarantee at all.

**Shri C. R. Narasimhan:** Has Government's attention been drawn to a leading article in the *Hindu* of May 11th, where it says that the present proposal of the Government will lead to great anomalies and injustice as a result of this 'arbitrary' stipulation in view of the fact in the various State Government services, people with the same qualification as in the Central services, draw less salaries? How does the Government propose to remove this injustice?

**Shri Datar:** If the length of the question is great, as one proceeds with the question, one is apt to forget the earlier portions. Therefore, I would request the hon. Members who want to put questions in as concise a manner as possible.

**Shri C. R. Narasimhan:** I will put it very clearly. Are not the State Government servants possessing the same qualifications drawing less salaries than the Central Government servants? In view of this fact, will not the salary give a wrong impression?

**Shri Datar:** May I point out to the hon. Member that the age-group with which we are concerned is 25-40? Rs. 300 was fixed after taking into consideration what was done so far as the emergency recruitment in 1949-50 was concerned. There Rs. 400 was fixed as the minimum. I may also point out that when recruitment was to be made in respect of the higher grades in the Central Secretariat, for instance, Grade I, Rs. 600 was laid down.

**Shrimati Khongmen:** May I know whether the Government has received representations from the members of the Scheduled Castes and Tribes to relax these rules and if so, will it consider them favourably?

**Shri Datar:** Government has received a number of representations including a large number from the hon. Members of Parliament. It has given its very careful and respectful consideration to all these suggestions. As at present advised, Government thinks that this is some guarantee that the candidate has some experience. Otherwise, if this standard of Rs. 300 is reduced, then the UPSC would be flooded with applications. I may also point out that by now, about 30,000\* applications have been addressed to the UPSC.

**Shri H. N. Mukerjee:** In view of the likelihood of legal action against the Government on the ground of discrimination, may I know if the Ministry of Home Affairs has consulted the Ministry of Law and in that case, has that Ministry given a specific report that no discrimination is involved in this kind of condition?

**Shri Datar:** I am afraid there is no discrimination at all in this connection. We require people with a certain amount of experience. So, this would not be against the Constitution.

**Some Hon. Members rose—**

**Mr. Speaker:** I find a number of hon. Members rising. The Business Advisory Committee allotted an hour for the discussion on this matter. The hon. Members may withhold their questions till that discussion.

**Shri Kamath:** Has not the Government realised that his income qualification militates against the spirit and letter of article 16 of the Constitution which provides equal opportunities for employment to all under the State?

**Shri Datar:** With due deference, in my humble opinion, it does not militate against it.

**Some Hon. Members rose—**

**Mr. Speaker:** There will be the one-hour discussion and the hon. Members may have two minutes each. I am not going to convert this into a one-hour discussion now.

**Shri Kamath:** When will the discussion come?

**Mr. Speaker:** Before the 30th.

TRAVANCORE UNIVERSITY

**\*2513. Shri A. K. Gopalan:** Will the Minister of Education be pleased to state:

(a) whether the recommendations of the University Grants Commission with regard to pay-scales and other service conditions of teachers have been accepted by the University of Travancore; and

(b) if not, the reasons therefor?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) and (b) The matter is under consideration of the Government of Travancore-Cochin.

**Shri A. K. Gopalan:** Will the Government see that the University Grants Commission's recommendations are implemented?

**Dr. K. L. Shrimali:** We have written to the Government of Travancore-Cochin and also to the Travancore University. We are awaiting the reply.

**Shri V. P. Nayar:** Is it not a fact that the university teachers of Travancore-Cochin get far less than their counterparts in other universities?

**Dr. K. L. Shrimali:** That may be a fact. We have written to all the universities to implement the recommendations which have been made by the University Grants Commission with regard to the salaries of teachers.

\* Later corrected as follows by the Minister in the Ministry of Home Affairs (Shri Datar) *Vide* Debates, Part II, dated 30-5-56.

\*\* Actually 26,000 forms had been sold out by the U.P.S.C. and taken by the various candidates as on that date, and today upto nearly 32,000 application forms have been sold out by the U.P.S.C."

**Shri Velayudhan:** May I now if the proposed change which the hon. Minister hinted at will be done by amending the Act? Under the present Act, can we take any step with regard to the increment of pay scales?

**Dr. K. L. Shrimali:** The whole question is under consideration by the University Grants Commission.

**Shri H. N. Mukerjee:** I got the impression that the Deputy Minister said that the Government of Travancore-Cochin was considering the matter. I want to know how the Government comes into the picture when the University Grants Commission can directly have the matter settled by reference to the Travancore University.

**Dr. K. L. Shrimali:** The University Grants Commission has written that it would be prepared to meet eighty per cent of the increased expenditure. The university or the Government has to meet the balance twenty per cent of the expenditure. Therein the university and the Government come in.

**Shri V. P. Nayar:** I want to know whether the Government is aware that in the private colleges affiliated to the Travancore University, the staff get far less than what the university teachers in Travancore-Cochin get. I also want to know whether the Government of India has received any representations from the organisations of University teachers demanding for an increase of pay.

**Dr. K. L. Shrimali:** I shall require notice.

#### NURSERY SCHOOLS

\*2514. **Shri Ram Dass:** Will the Minister of Education be pleased to state:

(a) the expenditure so far incurred by the Central Government on 'Balwadias' or nursery schools in the First Five Year Plan; and

(b) the amount ear-marked for the purpose in the Second Five Year Plan?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) A total grant of Rs. 6,51,892 was sanctioned to various State Governments and Voluntary organisations. Complete information about the amount actually utilised has not been received.

(b) No amount has been specifically ear-marked for this purpose in the Second Five Year Plan.

**श्री राम दास :** क्या मैं जान सकता हूँ कि यह स्कीम शहरों तक ही महदूद रहेगी या रूरल एरिया के अन्दर भी इसका कोई बन् बस्त होगा ?

**डा० के० एल० श्रीमाली :** शहरों और गावों में जगहों में इस से लागू किया जायेगा।

**Shri N. B. Chowdhury:** May I know the break-up of the figures showing the amount spent in the rural areas and municipal areas?

**Dr. K. L. Shrimali:** I do not have that break-up; I shall need notice.

**Shri Boovaraghasamy:** What was the amount spent for the establishment of these schools?

**Dr. K. L. Shrimali:** I shall need notice to answer that question.

**Shrimati Tarkeshwari Sinha:** In view of the fact that there are very few nursery schools—practically nil—and that too in some big cities, why did the Government not insist on including a certain amount in the Second Plan for the development of these schools?

**Dr. K. L. Shrimali:** Government has a scheme to offer assistance to certain voluntary organisations in the Second Plan and assistance to nursery schools will come under that scheme. So, assistance will be given in the Second Plan to nursery schools and the people who are doing work in that field.

**Shrimati Tarkeshwari Sinha:** The teaching of small children is much more difficult than the teaching of school-going children in the higher educational schools. Has this aspect been taken into consideration and if so, why should the Government depend upon the voluntary organisations to do this work?

**Dr. K. L. Shrimali:** The Government's responsibility is within the age-limit of 8 to 14 which is laid down in the Constitution. I expect mothers must look after their children before that age.

**Shri Shree Narayan Das:** May I know the number of States to which this expenditure has been sanctioned and also the highest and lowest amounts so sanctioned?

**Dr. K. L. Shrimali:** May I lay a statement on the Table of the House. Sir?

#### DEVELOPMENT OF CHANDIGARH

\*2515. **Shri Bhagwat Jha Azad:** Will the Minister of Finance be pleased to state:

(a) whether Government propose to give any grant to the Government of Punjab for the development of Chandigarh; and

(b) if so, the amount thereof?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) and (b). It has been decided to give an *ex-gratia* grant of Rs. 1 crore to the Government of Punjab for the construction of Chandigarh Capital. This grant is proposed to be paid during the current financial year.

**Shri Bhagwat Jha Azad:** May I know what amounts has been given as loan to the so-talked of capital of Punjab up till now by the Central Government and on what terms?

**Shri B. R. Bhagat:** The loan sanctioned and utilised is Rs. 3 crores and the terms are usual.

**Shri Bhagwat Jha Azad:** Have the Punjab Government communicated to the Union Government that this is the last demand on the Central Exchequer for building one capital, or is it that they have to spend even more?

**Shri B. R. Bhagat:** The last demand they asked was for a grant for the unproductive part of their expenditure. The Government examined it and as against their demand we have given them a grant of Rs. 1 crore.

**Shri Bhagwat Jha Azad:** Could Government tell us as to what is the total amount that has been sunk in this unproductive expenditure by the Punjab Government by now?

**Shri B. R. Bhagat:** The planning Commission estimated an expenditure in the Plan period—that is, between 1951-52 to 1955-56—of a total amount of Rs. 12·8 crores which was distributed as follows: loans given by the Ministry of Rehabilitation—Rs. 2·8 crores, State's contribution—Rs. 2·5 crores, estimated receipts from the sale of sites—Rs. 4·5 crores, loan from the Central Government apart from the loans given by the Rehabilitation Ministry—Rs. 3 crores, making a total of Rs. 12·8 crores.

**Shri R. P. Garg:** In view of the fact that there is a great controversy over the question of Chandigarh being the capital or Patiala being the capital of the New Punjab, may I know if the Government would like to relax this grant till a decision is taken about the capital?

**Shri B. R. Bhagat:** That is primarily a concern of the States themselves.

**Sardar A. S. Saigal:** He is after Patiala.

#### POST-MATRIC SCHOLARSHIPS

\*2516. **Shri K. C. Jena:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that in some States the Scheduled Castes, Scheduled Tribes and other backward Classes students do not get sufficient number of prescribed application-forms for post-matric scholarships; and

(b) the names of the agencies through which the said forms are made available to the students?

**The Deputy Minister of Education (Dr. M. M. Das):** (a) No. Sir.

(b) A statement is laid on the Table of the House. [See Appendix XIV, annexure No. 60].

**Shri K. C. Jena:** May I know whether the Government knows that sometimes the deserving students belonging to the Scheduled Castes, Scheduled Tribes and other Backward Classes are deprived of the stipend meant for them due to the difficulty in getting the prescribed forms of application in time? In view of this, may I also know whether the prescribed forms in sufficient number could be made available by the Government in the Deputy Inspectors and Inspectors of schools of sub-divisions and districts respectively, which will be of great advantage to the intending students?

**Dr. M. M. Das:** There are two types of application forms one for renewal and the other for fresh scholarships. Application forms for renewal of scholarships are made available to the heads of the institutions in which the applicants studied.

**Shri Shree Narayan Das:** What is the number of forms made available to the heads of institutions?

**Dr. M. M. Das:** For the year 1955-56 about 1,60,000 fresh and renewal forms were distributed and about 58,000 applications for scholarships were received. This year about two lakhs fresh and renewal forms have been got printed and about 70,000 forms have already been distributed.

**Shri Velayudhan:** May I know whether the Government have given sufficient publicity in vernacular newspapers about these application forms and whether they have now sent these application forms to the village offices and other institutions in the villages?

**Dr. M. M. Das:** Advertisements were given in the first week of May in 146 leading papers in the country inviting applications. Forms are made available, so far as renewals are concerned, to the heads of institutions in which the applicants studied. So far fresh applications are concerned, they have been made available to all the State Governments, Members of Parliament, Universities, Post Matriculation institutions, and non-official organisations working for the welfare of the Backward Classes.

**Shri N. Sreekantan Nair:** May I know how many months did Government take last year to finally decide as to which person should get this scholarship and also when and how this scholarship is distributed?

**Dr. M. M. Das:** It does not take a very long time for taking a decision, but sometimes the applications that are sent to us are not in order, sometimes some particular items are omitted and so correspondence has to be carried out which results in some time being taken.

**Shri N. B. Chowdhury:** May I know whether the Government are aware that the inordinate delay in sending application forms to students who want to apply for such scholarships creates difficulty for a large number of students?

**Dr. M. M. Das:** We are trying our best to make these application forms available to applicants. Even when they write to us we send application forms direct to the applicants.

**Shri Achuthan:** May I know whether the Government will make arrangements to supply these forms to the Education Ministries of different States? May I also know whether there was any complaint last year—1955—to the effect that the students who applied for application forms did not receive them?

**Dr. M. M. Das:** These application forms are sent to the State Governments, that means Education Ministries of the State Government. These forms are also sent, as I said, to Members of Parliament, Universities, Post Matriculation institutions, and non-official organisations working for the welfare of Backward Classes.

**Shri Nambiar:** In view of the fact that these forms are not available, will the Government recognise forms printed by a private agency if they are printed correctly and according to schedule?

**Mr. Speaker:** Of their own accord.

**Dr. M. M. Das:** Does the hon. Member want to know whether typed application forms will be allowed?

**Shri Nambiar:** Typed or printed by a private agency.

**Dr. M. M. Das:** I am not sure on this point and I cannot commit anything on the floor of the House, but I think the Government should have no objection to that.

**Shri U. M. Trivedi:** Will the Minister be pleased to state if the Union Government can interfere in the classification of Backward Classes because the enumeration of the Backward Classes differs in different States and there is no justification for such different classification?

**Dr. M. M. Das:** Sir, it is a very important question, but it is not within the scope of the present one.

### हिन्दी-अंग्रेजी कोष

\*२५१८. श्री बिभूति मिश्र : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या अंग्रेजी-हिन्दी और हिन्दी-अंग्रेजी प्रामाणिक कोष तैयार करने का काम पूरा हो चुका है ;

(ख) यदि हां, तो उनके कब तक प्रकाशित होने की आशा है ?

शिक्षा उपमंत्री (डा० के० एल० श्रीमाली) :

(क) जी हां ।

(ख) अंग्रेजी-हिन्दी कोष की पाण्डुलिपि १९५६ के अन्त तक तैयार हो जायेगी, ऐसी आशा है । हिन्दी-अंग्रेजी कोष बनाने का काम अभी तक आरम्भ नहीं हुआ है ।

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि सरकार ने इस काम को कौन सी एजेंसी के जिम्मे दिया है ।

डा० के० एल० श्रीमाली : हिन्दुस्तानी कल्चर सोसायटी ।

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि हिन्दुस्तानी कल्चर सोसायटी के जो शब्द होंगे वे हिन्दी के होंगे या उर्दू के ।

डा० के० एल० श्रीमाली : जी नहीं हिन्दी के ।

**Shrimati Tarkeshwari Sinha :** May I know whether the Government is in a position to say the expected price of that book because that book is needed to go to the common man and if the price-level is very high it won't be possible to reach them?

**Dr. K. L. Shrimali :** I am not in a position to give the estimated price as we do not know the size of the book. It is only after the book has been received that the price could be determined.

**Shri K. P. Tripathi :** May I know if there is a similar scheme for having dictionaries of words of Hindi and other provincial languages of India?

**Dr. K. L. Shrimali :** Yes, Sir. The matter has been referred to the Sahitya Akadami. The Sahitya Akadami has decided that after this dictionary has been published, it will take up that work.

**Sardar A. S. Saigal :** May I know what is the total money which has been spent up till now?

**Dr. K. L. Shrimali :** We have paid them Rs. 60,000. They needed some more money. They have asked for Rs. 40,000, out of which the first instalment of Rs. 20,000 has already been paid.

श्री कामत : इस शब्द कोष की पाण्डुलिपि में कितने वैज्ञानिक और तांत्रिक शब्दों का समावेश किया गया है ?

डा० के० एल० श्रीमाली : कितने शब्द होंगे कितने नहीं होंगे, इसकी पूरी सूचना मैं इस समय नहीं दे सकता ।

श्री कामत : कब तक दे सकेंगे ?

डा० राम सुभग सिंह : क्या यह हिन्दुस्तानी कल्चरल सोसाइटी वही है जिसके कुछ शब्द यहां पर बताये गये थे जैसे बिचबिन्दी खोली आदि और यदि हां तो इस सोसायटी को यह कार्य क्यों सौंपा गया है ?

डा० के० एल० श्रीमाली : मैं आनरेबल मंत्री को विश्वास दिलाना चाहता हूँ कि जो डिक्शनरी तैयार की जायेगी उसमें उस

तरह की ही हिन्दी होगी जिसका कि हम ने कांस्टीट्यूशन में निर्णय किया है। एक कमिटी भी नियुक्त की गई है जिसमें हिन्दी के विद्वान हैं जो कि इन सब चीजों को देखेंगे और अच्छी तरह से जांच करेंगे। इस वास्ते जो भय प्रकट किया गया है उस प्रकार के भय की कोई आवश्यकता नहीं है।

#### RURAL HIGHER EDUCATION SCHEME

**\*2519. Shri Ram Krishan :** Will the Minister of Education be pleased to state:

(a) whether the Syllabus Committees for Rural Higher Education Scheme have submitted their reports; and

(b) if so, the details of their reports?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) and (b). A statement is placed on the Table of the House. [See Appendix XIV, annexure No. 61].

**श्री राम कृष्ण :** क्या मैं जान सकता हूँ कि कितना काम हुआ इसका अनुमान करने के लिए अब तक गवर्नमेंट ने कौन-कौन से कदम उठाये हैं ?

**डा० के० एल० श्रीमाली :** गवर्नमेंट ने एक नेशनल काउंसिल फार रूरल हायर एजुकेशन नियुक्त की है और इस काउंसिल द्वारा कुछ इंस्टीट्यूशंस के काम को आगे बढ़ाया जा रहा है।

**Shri B. S. Murthy:** May I know whether the recommendations have been forwarded to the State Governments for their opinion and if so, how many States have sent their opinions on the recommendations?

**Dr. K. L. Shrimali:** As I said, Government has already established a national Council for Rural Higher Education. We have written to all the State Governments for their co-operation in this matter. The Council has already decided and has given grants to 10 institutions for developing rural institutes.

**Shri B. S. Murthy:** How does this Council function in the rural areas of different States?

**Dr. K. L. Shrimali:** There are no separate State Councils for rural areas. It is only a National Council for rural education at the centre, which is trying to develop the institutions which are functioning already in the rural areas. No new institutes are being set up. An attempt is made to develop the higher educational institutions in the rural areas.

**Shrimati Tarkeshwari Sinha:** May I know whether there will be any provision for technical training to these students in rural higher education and whether that education will be co-ordinated with the rural industrial development programme under the Second Five Year Plan?

**Dr. K. L. Shrimali:** That is exactly the purpose. There is provision for engineering course also.

#### RECOGNITION OF INDIAN DEGREES IN MALAYA

**\*2520. Shri Shree Narayan Das:** Will the Minister of Education be pleased to refer to the reply given to Unstarred Question No. 630 on the 19th December, 1955 and state the present position with regard to the recognition of the degrees of Indian Universities by the Government of Malaya?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** The Government of Singapore and the Federation of Malaya do not recognise any degree of Indian Universities except the degrees in Medicine which are recognised by the General Medical Council of the U.K. and such other degrees as are recognised by the University of Malaya. The Government of India are continuing their efforts through the Inter-University Board to get the Indian degrees recognised by the University of Malaya.

**Shri Shree Narayan Das:** May I know what has been the reaction of the Government against the steps taken by the Government of India with regard to this proposal?



**Dr. K. L. Shrimali:** Reactions of the Government of India or Malaya?

**Shri Shree Narayan Das:** Malaya.

**Dr. K. L. Shrimali:** We have not been able to succeed. We have been making efforts. But, they seem to be adamant so far as this matter is concerned.

**Shrimati Renu Chakravartty:** In view of the answer given by the hon. Deputy Minister that the Medical degree is accepted by them on the ground that it is accepted by the U.K., in view of the fact that many of our university degrees are accepted by the Universities in the U.K., may I know what is the reason why they are not accepted by the Malayan University?

**Dr. K. L. Shrimali:** It is not an answer which I can give as to why the Malaya Government is not recognising our degrees. It is for the Malayan Government to give that answer. We are making efforts and trying to persuade the Malayan Universities as well as the administration there to recognise our degrees and the efforts are continuing.

**Shri M. S. Gurupadaswamy:** May I know what are the grounds on which recognition has not been given by the Malayan Government to Indian university degrees?

**Dr. K. L. Shrimali:** They have not given us any reasons for not recognising our degrees.

**Shri Sadhan Gupta:** May I know whether we recognise the degrees of Malayan universities?

**Dr. K. L. Shrimali:** I think some Universities like those of Delhi, Punjab and Calcutta have already recognised the Post School Certificate Examination of Malaya as equivalent to the Intermediate Examination of Indian Universities for purposes of admission to the B.E. and M.B.B.S. degree courses.

**Shri U. M. Trivedi:** May I know.....

**Mr. Speaker:** Next question. There are so many other important questions.

#### INDO-PAKISTAN FINANCIAL ISSUES

\*2521. **Shri Gidwani:** Will the Minister of Finance be pleased to state:

(a) whether the Secretariat level talks on Pakistan's outstanding debts to India took place in Delhi on the 8th to 10th May, 1956 between Pakistan and Indian officials; and

(b) if so, the outcome of these talks?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** (a) Yes, Sir.

(b) A copy of the joint communique issued at the conclusion of the meeting is placed on the Table. [See Appendix XIV, annexure No. 62].

**Shri Gidwani:** In the joint communique it is stated that matters affecting the two countries arising out of the Partition particularly those which are still outstanding were discussed. May I enquire whether the question of India's claim for Rs. 300 crores from Pakistan as part of the public debt of undivided India was discussed in that conference, for which the Government of India had credited Rs. 9 crores in the Budget two years back and the Pakistan Budget also had provided Rs. 5 crores for payment to India?

**Shri M. C. Shah:** Certain items were discussed. This is the main item where there was no question of discussion. We say that Rs. 300 crores are due by Pakistan to India because of the Partition debt and they are to be paid in 50 instalments beginning from 15th August 1952. Also we know that we had provided Rs. 9 crores in one of our Budgets two years ago to be received from Pakistan. Thereafter, we have also provided more. We have not, however, got a single farthing. We had known also that the Pakistan Budget provided a sum of Rs. 2 crores,—and if I may stand corrected—Rs. 5 crores. Not a farthing has been paid by the Pakistan Government to us.

**Shri Gidwani:** My question was whether that question was discussed in this conference.

**Mr. Speaker:** He said that there was no question of discussion. Both sides admit.

**Shri Gidwani:** If it is agreed, were they asked to pay?

**Shri M. C. Shah:** This was a meeting at the Secretaries' level. Perhaps hon. Members are aware that the Finance Minister of the Government of India had invited the Finance Minister of Pakistan to come over to India to discuss this matter. The Finance Minister of Pakistan suggested that before they can meet, there must be a meeting of the Finance Secretaries at the level of the Secretaries. There are so many items, on behalf of India and on behalf of Pakistan. They were to be discussed.

**Shri Gidwani:** May I know whether the question of payment to India of sale proceeds of military stores, realised in Pakistan by Pakistan from the disposal of surplus war material was discussed or not?

**Shri M. C. Shah:** I think that both the delegations, that is the Indian delegation and the Pakistani delegation have to report to their respective Governments. Therefore, I do not think that any useful purpose can be served by going into the matter of the discussions that took place. After all, they are subject to the approval of the Finance Ministers concerned. Also they were only preliminary discussions so that the Finance Ministers of the Government of India and Pakistan may discuss these matters later on.

**Shri Gidwani:** What was the actual result of the conference?

**Shri M. C. Shah:** The actual result is what is stated in the communique.

## WRITTEN ANSWERS TO QUESTIONS

### SOCIO-ECONOMIC SURVEY

**\*2490. Shri Krishnacharya Joshi:** Will the Minister of Education be pleased to state:

(a) whether any Socio-Economic

Survey among women of lower income group has been made in Hyderabad city at the instance of the Central Social Welfare Board; and

(b) if so, the purpose thereof?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) To draw up a suitable scheme for Urban Family Welfare for the benefit of women of lower income groups.

### OLYMPIC GAMES

**\*2493. Shri M. Islamuddin:** Will the Minister of Education be pleased to state:

(a) whether India is participating in the Olympic games to be held in Melbourne this year;

(b) if so, the items in which she is participating;

(c) whether Government are rendering any help to the athletic organisations in this respect;

(d) if so, to what extent; and

(e) the steps that are being taken by Government to prepare the athletes for the same?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) to (d). Detailed proposals with their financial implications are still awaited from Indian Olympic Association in this connection.

(e) The Govt. propose to consider requests for financial assistance of National Sports Federations for coaching the participating teams.

### HISTORY OF FREEDOM MOVEMENT

**\*2497. Shri Shivnanjappa:** Will the Minister of Education be pleased to state whether it is a fact that a draft of the first volume of the proposed History of Freedom Movement prepared under the guidance of the Board of Editors appointed for the purpose was found unacceptable to this Ministry?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** No, Sir.

**SOCIAL WELFARE ADVISORY  
BOARD, RAJASTHAN**

**\*2499. Shri Bheekha Bhai:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that no representation has been given to Scheduled Castes and Scheduled Tribes on the State Social Welfare Advisory Board constituted in Rajasthan; and

(b) if so, the reasons therefor?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) The main criterion for appointing a member of the State Social Welfare Board is a person's experience in the field of social welfare work. The membership of these Boards does not provide for any particular group or class being represented as such.

**ACCOMMODATION FOR TROOPS**

**\*2500. Sardar Iqbal Singh:** Will the Minister of Defence be pleased to state:

(a) whether there is any proposal of constructing military accommodation for the troops stationed in the Punjab, PEPSU and Rajasthan;

(b) if so, the names of the places where such accommodation will be constructed; and

(c) the total amount to be spent in the Second Five Year Plan?

**The Deputy Minister of Defence (Sardar Majithia):** (a) Yes.

(b) Ambala, Amritsar, Jullundur and Pathankot in Punjab; Kapurthala, Patiala, Nabha and Sangrur in PEPSU and Jaipur, Jodhpur, Bharatpur and Kotah in Rajasthan.

(c) Plans are under preparation for the construction likely to be necessary during the Second Five Year Plan period. The total amount to be spent will be decided shortly.

**राजस्थान में सैनिक प्रशिक्षण केन्द्र**

**\*२५०१. श्री पी० एल० बाह्याल :** क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार राजस्थान के बीकानेर डिवीजन में एक सैनिक प्रशिक्षण केन्द्र स्थापित करना चाहती है;

(ख) यदि हाँ, तो यह केन्द्र कहां पर स्थापित किया जायेगा;

(ग) उस पर कितना खर्च किया जायेगा;

(घ) इस केन्द्र के अन्तर्गत लगभग कितना क्षेत्र आयेगा; और

(ङ) क्या इस केन्द्र के आस पास स्थित गांवों को भी खाली कराया जायेगा ?

**प्रतिरक्षा मंत्री (डा० काटजू) :** (क) जी नहीं।

(ख) से (ङ). ये प्रश्न नहीं उठते।

**CANDIDATES FOR I.A. & AS.**

**\*2503. Shri Badshah Gupta :** Will the Minister of Finance be pleased to state the number of the candidates selected on the basis of the Indian Audit and Accounts Services competitive examination held in November, 1945, and found medically fit but who could not be given employment due to lack of vacancies?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah) :** The number of candidates who qualified on the basis of the Indian Audit and Accounts Service and Allied Services competitive Examination held by Union Public Service Commission in November 1945 and were found medically fit but could not be given employment due to lack of vacancies, is 87.

**कोयला सर्वेक्षण संस्था, बिलासपुर**

**\*२५०५. श्री जांगड़े :** क्या प्राकृतिक संसाधन और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि बिलासपुर में स्थित कोयला सर्वेक्षण संस्था की अब तक कितनी प्रगति हो चुकी है ?

प्राकृतिक संसाधन मंत्री (श्री के. डी. बालजी) : आवश्यक जानकारियों से युक्त एक विवरण पत्र सभा पटल पर प्रस्तुत किया जाता है [देखिये परिशिष्ट १४, अनुबन्ध सं० ६३ ]।

#### MULTIPURPOSE SCHOOLS IN BIHAR

\*2506. **Shri Deogam** : Will the Minister of Education be pleased to state:

(a) the names of places where multipurpose schools are to be opened in Bihar during 1956-67;

(b) the names of special subjects that are taught in these schools; and

(c) the amount of grant-in-aid sanctioned for the purpose to Bihar by the Central Government during the same period?

**The Deputy Minister of Education (Dr. K. L. Shrimali)**: (a) and (b). The proposals for multi-purpose schools for 1956-57 have not yet been received from the Bihar Government.

(c) Does not arise.

#### ELECTION PETITIONS

\*2507. **Shri B. N. Kureel** : Will the Minister of Law be pleased to state:

(a) the number of Election Petitions filed after the General Elections which took more than three years for their final decision; and

(b) the number of Election Petitions filed in 1952 which are still pending final decision?

**The Minister Law and Minority Affairs (Shri Biswas)** : (a) Thirteen.

(b) Four.

प्रादिम जाति-कल्याण के लिये केन्द्रीय मंत्रणा बोर्ड

२५१२. श्री अमर सिंह ठावर : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि प्रादिम जाति कल्याण के लिये केन्द्रीय मंत्रणा बोर्ड की स्थापना कब तक होने की प्राशा है?

गृह-कार्य मंत्रालय में मंत्री (श्री दातार) : शीघ्र ही ।

#### COLONISATION OF THE ANDAMANS

\*2517. **Shri Krishnacharya Joshi** : Will the Minister of Home Affairs be pleased to state:

(a) the number of agriculturist

families that have been settled so far in the Andamans under the Five Year Scheme for its development and colonisation; and

(b) the number of acres of forest lands that have been cleared under the same Scheme?

**The Minister in the Ministry of Home Affairs (Shri Datar)** : (a) 1,041 families.

(b) 5,450 acres.

#### SCHEDULED TRIBES OF MADHYA PRADESH

\*2522. **Shri Kamath** : Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 1439 on 25th April, 1956 and state:

(a) whether the requisite information has been collected; and

(b) if so, when it will be laid on the Table?

**The Minister in the Ministry of Home Affairs (Shri Datar)** : (a) Yes, Sir.

(b) The required information is being laid on the Table of the House separately through the Department of Parliamentary Affairs.

#### TRAVANCORE UNIVERSITY

\*2523. **Shri A. K. Gopalan** : Will the Minister of Education be pleased to State:

(a) the number of Colleges in Travancore-Cochin State that have not been affiliated to the Travancore University; and

(b) the reasons therefor?

**The Deputy Minister of Education (Dr. K. L. Shrimali)**: (a) and (b). Information is being collected and will be laid on the Table of the Lok Sabha.

#### REPORT OF THE COMMISSION FOR SCHEDULED CASTES AND SCHEDULED TRIBES

\*2524. **Shri Deogam** : Will the Minister of Home Affairs be pleased to state when the Report for the year 1955 of the Commissioner of Scheduled Castes and Scheduled Tribes will be made available to M.Ps.?

**The Minister in the Ministry of Home Affairs (Shri Datar):** The Report is under print and will be laid before each House of Parliament as soon as printed copies are available from the Press.

#### OLD AND INVALID ARTISTS

**\*2525. Shri K. C. Jena:** Will the Minister of Education be pleased to state:

(a) whether there is any scheme to render financial help to the old and invalid artists who have contributed to the Indian Art; and

(b) if so, the names of such artists State-wise receiving financial help from Government since the year 1952 to date?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) Financial help has so far been granted to the following 5 artists:—

(1) Shri Kanhaya Lal Wafa (Uttar Pradesh).

(2) Shri Khursheed Hasan Khan (Delhi).

(3) Shri Bimbardhar Varma (Orissa).

(4) Shri K. Madhav Menon (Travancore-Cochin).

(5) Shri Ardhendu Prasad Banerjee (West Bengal).

Out of the above, only the first two are continuing to receive financial help from Government, No. 3 is dead, No. 4 did not apply for continuance, and No. 5's grant has been discontinued as his financial position was reported to have improved.

#### CULTURAL RELATIONS WITH JAPAN

**\*2526. Shri Krishnacharya Joshi:** Will the Minister of Education be pleased to state the steps Government have taken during 1955 to bring about closer cultural relations with Japan?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** A statement showing the steps taken by Government during 1955 to bring about

closer cultural relations with Japan, is laid on the Table of the House. [See Appendix XIV, annexure No. 64].

#### RETRENCHED EMPLOYEES

**2350. Chaudhuri Muhammed Shaf-fee:** Will the Minister of Home Affairs be pleased to state:

(a) the number of Central government civil employees who have been retrenched from the 1st April, 1955 to the 1st April, 1956, in India;

(b) the causes that led to this retrenchment; and

(c) the time by which they would be given alternate employment?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) 3970.

(b) Some of the causes of retrenchment are as follows:—

(i) reduction of Establishments

(ii) closure of offices

(iii) closure of godowns and other undertakings

(iv) in the case of the Defence Ministry displacement of Civilian employees by Defence personnel in certain units.

(c) 1447 have already been re-absorbed. Others have been given priority for re-absorption but are awaiting re-employment. It is not possible to estimate the time that will be required for finding employment for all of them.

#### INSURANCE COMPANIES

**2351. Shri Sivamurthi Swami:** Will the Minister of Finance be pleased to state:

(a) whether Government have appointed custodians to take over the management of Life Insurance Companies in terms of the recent Life Insurance Ordinance;

(b) the number of custodians appointed; and

(c) the duties of these custodians?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** (a) Yes.

(b) 51.

(c) The duties of the Custodians are to take over and manage the controlled business of the various insurers in accordance with the instructions issued from time to time by Government.

**STATE, CENTRAL AND DISTRICT LIBRARIES**

**2352. Shri Ram Krishan :** Will the Minister of Education be pleased to state:

(a) the total amount of grants sanctioned for the establishment of State Central Libraries, State-wise during 1955-56;

(b) the names of the places where these libraries have been established;

(c) the total amount of grants sanctioned for the establishment of District Libraries; and

(d) the names of the places where these libraries have been established?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) to (d). The information is furnished in the Statement laid on the Table of the House. [See Appendix XIV, annexure No. 65].

**इंजीनियरिंग के प्रोजेक्ट**

२३५३. श्री अनिरुद्ध सिंह : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५० से १९५५ की अवधि में देश के विभिन्न इंजीनियरिंग कालेजों से कितने इंजीनियरिंग प्रोजेक्ट (वर्षवार) निकले ;

(ख) इस समय देश में इंजीनियरिंग प्रोजेक्टों की कुल संख्या कितनी है; और

(ग) ऐसे प्रोजेक्टों में से कितने बेरोजगार हैं ?

**शिक्षा उपमंत्री (डा० के० एल० श्रीवाली):**  
(क) से (ग). एक विवरण सभा पटल पर रख दिया गया है [बैठिये परिशिष्ट १४, अनुबन्ध सं० ६६] ।

**SYNTHETIC DRUGS**

**2354. Shri Kamath :** Will the Minister of Finance be pleased to state :

(a) whether it is a fact that India has, in the United Nations suggested a ban on Synthetic drugs;

(b) if so, the details of the proposal; and

(c) the measure of support that has been accorded to the proposal by other member nations?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha) :** (a) to (c). It is not a fact that India has, in the United Nations, suggested a ban on synthetic drugs.

The Indian delegate to the 11th session of the United Nations Commission on Narcotic Drugs which has just concluded in Geneva sponsored a resolution in the Commission recommending to member-States that a policy of prohibition should be applied, except for medical or scientific research, over the production, distribution and use of all new narcotic drugs which may be developed natural and synthetic alike and which are not indispensable to public health. This resolution, with certain amplifying amendments by representatives of Canada and USSR on the Commission, was adopted.

**Gonds**

**2355. Shri Kamath :** Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 1441 on 25th April, 1956 and state:

(a) whether Gonds are among the inhabitants of Hoshangabad district, Madhya Pradesh; and

(b) if so, whether they belong to one of the recognised Scheduled Tribes?

**The Minister in the Ministry of Home Affairs (Shri Datar) :** (a) Yes.

(b) According to the Constitution (Scheduled Tribes) Order, 1950 they are recognised as Scheduled Tribes in certain specified parts of Madhya Pradesh but not in Hoshangabad District.

## INDUSTRIAL FINANCE CORPORATION

**2356. Shri Debendra Nath Sarma :** Will the Minister of Finance be pleased to state :

(a) the number of applications received from the State of Assam for aid from the Industrial Finance Corporation during 1953-54, 1954-55 and 1955-56; and

(b) the amount sanctioned against each application?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha):**

(a) One only in 1953.

(b) Nil.

## FIRST FIVE YEAR PLAN

**2358. Shri Jhulan Sinha :** Will the Minister of Education be pleased to state whether it is a fact that his Ministry has not been able to spend the full amount of its allotment so far made under the First Five Year Plan?

**The Deputy Minister of Education (Dr. K. L. Shrimali) :** Yes, Sir.

## ADVISORY COMMITTEE FOR CO-ORDINATING SCIENTIFIC WORK

**2359. Shri Krishnacharya Joshi :** Will the Minister of Natural Resources and Scientific Research be pleased to state :

(a) the steps taken by the Advisory Committee for co-ordinating scientific work during 1954-55; and

(b) the results obtained?

**The Minister of Natural Resources (Shri K. D. Malaviya):** (a) and (b). The work of the Committee for Coordinating Scientific Work, on which Central Ministries and Organisations concerned with scientific work are represented is of a continuing character. Important questions of policy were placed before the Committee during 1954-55 and its directives obtained, as a result of which duplication and overlapping in scientific work by various organisations has been generally avoided. Further, following a

directive of the Committee, a system has been devised by which scientific organisations are kept informed of the work in progress with other organisations working on similar subjects.

## PRIMARY EDUCATION

**2360. Shri Krishnacharya Joshi :** Will the Minister of Education be pleased to state the number of States which have made primary education compulsory in their respective areas?

**The Deputy Minister of Education (Dr. K. L. Shrimali) :** During 1953-54, 16 States had compulsory primary education in force in some areas. A statement showing the number of such towns and villages in each State is placed on the Table of the House. [See Appendix XIV, annexure No. 67].

## UNESCO

**2361. Shri Krishnacharya Joshi :** Will the Minister of Education be pleased to state :

(a) whether the Executive Board of the Indian National Commission for co-operation with UNESCO has approved the Major Projects proposed by UNESCO and made certain recommendations; and

(b) if so, what are the main recommendations?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) A statement is laid on the Table of the House. [See Appendix XIV, annexure No. 68].

## SEPARATION OF AUDIT FROM ACCOUNTS

**2362. { Shri Krishnacharya Joshi :  
Shri D. C. Sharma :**

Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 139 on the 23rd November, 1955, and state the progress since made in the separation of Audit from Accounts?

**The Deputy Minister of Finance (Shri B. R. Bhagat)** : Since November, 1955 the scheme of separation of Audit from Accounts has been introduced in one more Department of the Central Government viz., the Stationery and Printing Department.

#### ARMED FORCES

**2363. Chaudhuri Muhammed Shaf-fee** : Will the Minister of Defence be pleased to state :

(a) the number of officers of the Armed Forces against whom disciplinary action has been taken by the Ministry from the 1st April, 1955 to the 31st March, 1956 in India;

(b) the causes thereof; and

(c) the number of such cases still pending?

**The Deputy Minister of Defence (Sardar Majithia)** : (a) Nil.

(b) Does not arise.

(c) Two.

#### COURT MARTIALS

**2364. Chaudhuri Muhammed Shaf-fee** : Will the Minister of Defence be pleased to state :

(a) the number of Court Martials held against Army personnel from 1st April, 1955 to 31st March, 1956 in India;

(b) the punishment generally given;

(c) the number of such cases still pending Court Martials; and

(d) the total amount spent thereon?

**The Deputy Minister of Defence (Sardar Majithia)** : (a) 641.

(b) The nature of the punishments awarded varied, generally they were : imprisonment, dismissal from service, reduction in rank, forfeiture of service/seniority and stoppages of pay and

(c) 116.

(d) About Rs. 21,000.

#### FOREIGN TOURS OF MINISTERS

**2365. Chaudhuri Muhammed Shaf-fee** : Will the Minister of Home Affairs be pleased to state :

(a) the number of Ministers and their staff who visited foreign countries during 1955-56;

(b) the names of the countries which they visited and the duration of their stay abroad; and

(c) the total amount spent on these visits?

**The Minister in the Ministry of Home Affairs (Shri Datar)** : (a) During the financial year 1955-56, 15 Ministers including Deputy Ministers visited foreign countries. The total number of staff who accompanied them was 53.

(b) They visited 27 countries named below, and the duration of their stay abroad ranged from 2 days to 8 weeks.

(1) Austria, (2) Burma, (3) China, (4) Czechoslovakia, (5) Denmark, (6) Egypt, (7) France, (8) Holland, (9) Hong Kong, (10) Indonesia, (11) Italy, (12) Japan, (13) Lebanon, (14) Norway, (15) Pakistan, (16) Poland, (17) Rome, (18) Singapore, (19) Sweden, (20) Sudan, (21) Switzerland, (22) Syria, (23) Thailand, (24) United Kingdom, (25) United States of America, (26) Soviet Russia, (27) West Germany.

(c) Rs. 4.64 lakhs approximately.

#### TUNGABHADRA PROJECT

**2366. Shri Sivamurthi Swami** : Will the Minister of Home Affairs be pleased to state :

(a) whether it is a fact that Andhra State Government have demanded complete control over the Tungabhadra Project ;

(b) if so, whether the Mysore State Government have protested against this demand since the Head works of the Project are in the territory of the Mysore State; and

(c) the steps the Government of India have taken in this matter?



**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) The Andhra State Government wanted the recommendation of the States Re-organisation Commission for the transfer of certain taluks of the Bellary district to Andhra to be given effect to, to ensure the proper implementation and maintenance of the Tungabhadra High Level Canal project.

(b) Yes.

(c) It is proposed, subject to Parliament's approval, that no territorial adjustments involving the transfer of Bellary from Mysore to Andhra should be made; but necessary action is being taken to ensure the implementation and maintenance of the above-mentioned project.

#### CIVILIAN EMPLOYEES

**2367. Shri Keshavaiengar:** Will the Minister of Defence be pleased to state the terms and conditions under which extraordinary leave is granted to the civilian employees of the Military Department?

**The Minister of Defence Organisation (Shri Tyagi):** The terms and conditions are laid down in:

(i) Rules 20, 21 and 21(A) of the Revised Leave Rules for Civilians of the Defence Services published with Army Instruction No. 17/S/49;

(ii) Rules 16, 17 and 18 of the Civilians in Defence Services (Industrial Employees) Leave Rules 1954 published with Army Instruction No. 195/54; and

(iii) Article 306(b) of the Civil Services Regulations, read with Article 198.

Copies of the rules and articles quoted above are laid on the Table of the House. [See Appendix XIV, annexure No. 69].

#### DIAMONDS

**2368. Shrimati Ila Palchoudhury:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether Government are taking any steps to improve the quality

of diamonds by using better cutting methods; and

(b) if so, the nature of such steps?

**The Minister of Natural Resources (Shri K. D. Malaviya):** (a) and (b). No, but this will be considered if necessary when the mining of diamonds is taken over by Government and production is increased.

#### TRAVANCORE-COCHIN FOREST DEPARTMENT

**2369. Shri V. P. Nayar:** Will the Minister of Home Affairs be pleased to state:

(a) whether any enquiry is being made regarding certain allegations about a high officer in the Travancore-Cochin State Forest Department; and

(b) if so, whether the report of enquiry has been submitted to Government?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) Yes.

(b) Not yet.

#### RESERVATION OF SEATS FOR SCHEDULED TRIBES

**2370. Shri Rishang Keishang:** Will the Minister of Home Affairs be pleased to state:

(a) the number of reserved seats in class I, II, III and IV services for Scheduled Tribes in various Ministries of the Government of India which have been declared as unreserved on account of the non-availability of suitable candidates during 1952-56; and

(b) how far Government have succeeded in filling in the reserved seats in different categories of services in various Ministries?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) and (b). The information is being collected and will be placed on the Table of the House as soon as possible.

## ELECTORAL ROLLS

**2371. Shri Ram Krishan :** Will the Minister of Law be pleased to state :

(a) whether it is a fact that the names of thousands of Scheduled Castes living in the villages of Mahindergarh District have not been included in the voters list; and

(b) if so, the action Government propose to take in this direction?

**The Minister of Law and Minority Affairs (Shri Biswas) :** (a) No evidence available to this effect.

(b) Does not arise.

CENTRAL EXCISE DEPARTMENT,  
ORISSA

**2372. Shri Sangaana :** Will the Minister of Finance be pleased to state :

(a) the number of persons belonging to Scheduled Castes and Scheduled Tribes employed in the Central Excise Department, Orissa, with their designations;

(b) the number of temporary employees among them; and

(c) the main reasons therefor?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha) :** (a) to (c). Orissa is not an independent unit for purposes of Central Excise administration but forms part of the Collectorate of Central Excise, Calcutta, whose jurisdiction covers the areas of both West Bengal and Orissa State. Appointments and confirmations are made on the Collectorate basis and not State-wise, and the entire staff is liable to transfer within the Collectorate.

A statement giving the required information in respect of the staff belonging to the Scheduled Castes and Scheduled Tribes, who are at present posted in the Central Excise offices located in the Orissa State area of the Central Excise Collectorate, Calcutta, is laid on the Table of the House. [See Appendix XIV, annexure No. 70].

## TIN ORE

**2373. Shri H. G. Vaishnav :** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether any efforts are being made to find out tin ore in our country; and

(b) the total annual requirement of the country for it and the quantity produced in India?

**The Minister of Natural Resources (Shri K. D. Malaviya) :** (a) Yes, Sir.

(b) India's annual requirement of tin in all forms is estimated to be about 4,000 tons. Tin Ore is being produced in India only occasionally in almost negligible quantities. In 1954 there was no production of tin, but in 1953 only 4 Cwts, and in 1952 only 140 Cwts. of tin ore were produced. The known occurrences of tin in this country are of little economic importance.

PROBATION PERIOD OF GOVERNMENT  
SERVANTS

**2374. Shri I. Eacharan :** Will the Minister of Home Affairs be pleased to state :

(a) the rules governing probation of Government servants; and

(b) whether any changes have taken place since 1947?

**The Minister in the Ministry of Home Affairs (Shri Datar) :** (a) There are no uniform rules regulating probationary service for all the services and posts under Government. These rules differ from service to service and are promulgated by each administrative Ministry in respect of the services under their control. In certain cases probationary service is regulated not by any specific statutory rules, but by administrative practice and the terms of appointment.

(b) The position in this respect was generally the same before 1947 also.

## AID TO PUNJAB ARMED POLICE

**2375. Shri Radha Raman :** Will the Minister of Home Affairs be pleased to state :

(a) whether Central Government

propose in future to meet a part of recurring expenditure of Punjab Armed Police which protects the Punjab Frontier with West Pakistan; and

(b) the strength of this Police at present?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) The matter is under consideration.

(b) It is not in public interest to disclose the information.

**CENTRAL AND STATE SOCIAL WELFARE BOARD**

2376. { **Shri Ramananda Das :**  
**Shri I. Eacharan :**

Will the Minister of Education be pleased to state:

(a) the names of the Scheduled Caste members of the Central and State Social Welfare Boards (separately);

(b) the number of employees working in the offices of the Central and State Social Welfare Boards (separately);

(c) their grades of pay;

(d) the method of their recruitment; and

(e) the number of Scheduled Castes employees out of (b) above?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) to (e). The information is being Collected and will be laid on the Table of the Lok Sabha as soon as possible.

**VOTERS' LISTS**

2377. **Shri Ramananda Das :** Will the Minister of Law be pleased to state:

(a) whether it is a fact that most of the people working in mills and factories in the Barrackpore Sub-Division of the 24 Parganas District of West Bengal have not been included in the voters' list for Assembly; and

(b) if so, whether Government will make a thorough enquiry into the matter and take necessary steps to include them as voters?

**The Minister of Law and Minority Affairs (Shri Biswas):** (a) No.

(b) Does not arise.

**PROTECTED MONUMENTS IN ASSAM**

2378. **Shri Bimalaprosad Chaliha :** Will the Minister of Education be pleased to state:

(a) whether there is any proposal for improvement in the maintenance standard of the protected monuments in Assam; and

(b) if so, the details thereof?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) The protected monuments of national importance in Assam are already receiving their due share of attention as the monuments in the rest of India and no special proposals for improvement are considered necessary.

(b) Does not arise.

**LIFE INSURANCE**

2379. **Shri Bimalaprosad Chaliha :** Will the Minister of Finance be pleased to state:

(a) the total number of persons engaged at present as part-time and whole-time employees in the Life-Insurance business in India; and

(b) the additional employment that could be expected in course of next five years?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** (a) As on 1-3-56 there were about 27,000 whole-time employees and about 1,400 part-time employees in Life Insurance business.

(b) It is difficult to estimate this figure at this stage.

## UNCLAIMED DEPOSITS IN BANKS

## सामान्य चुनाव

**2380. Shri Bimalaprosad Chaliha :** Will the Minister of Finance be pleased to state the total amount of unclaimed deposits lying with the different banks in India as on the 31st December, 1955?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha) :** In terms of Section 26 of the Banking Companies Act, every Banking company is required to submit the Reserve Bank, within 30 days after the close of each calendar year, a return as at the end of such calendar year of all accounts in India which have not been operated upon for 10 years. The final figure for the year 1955 has not so far been worked out by the Reserve Bank, as the process of scrutiny and consolidation takes considerable time. The total amount of unclaimed deposits with banks as on the 31st December, 1954 was 1.76 crores.

## ARCHAEOLOGICAL FINDS NEAR BOMBAY

**2381. { Shri H. G. Vaishnav :  
Shri N. B. Chowdhury :**

Will the Minister of Education be pleased to state:

(a) whether ancient relics of great historical importance relating to pre-Christian period have been recently found at the Port town of Sopara near Bombay;

(b) whether further excavations will be undertaken in this area by the Archaeological Department; and

(c) the details of the finds?

**The Deputy Minister of Education (Dr. K. L. Shrimali) :** (a) Yes, Sir.

(b) The matter is receiving attention.

(c) A slab bearing the 9th Rock Edict of Asoka, some Brahmi inscriptions some red pottery and microliths (cores of chert and chalcedony) as also a series of four ring wells or soak pits were discovered at the site.

२३८२. श्री पी० एल० बाळ्याल : क्या बिषी मंत्री यह बताने की कृपा करेंगे कि १९५२ में राजस्थान से कितने उम्मीदवार लोक-सभा के लिये चुनाव लड़े पर जिन्होंने समय पर चुनाव के खर्च के विवरण प्रस्तुत नहीं किये ?

बिषी तथा प्रत्येक कार्य मंत्री (श्री बिश्वास) : चौदह ।

## केन्द्रीय गुप्तचर प्रशिक्षण स्कूल

२३८३. श्री क० सी० सोबिया : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि:

(क) केन्द्रीय गुप्तचर प्रशिक्षण स्कूल में कितने पदाधिकारी हैं और उनमें से प्रत्येक का मासिक वेतन क्या है;

(ख) क्या इस स्कूल में राज्यों के पदाधिकारियों के प्रशिक्षण की भी कोई व्यवस्था है;

(ग) यदि हां, तो प्रत्येक राज्य से लगभग कितने पदाधिकारी लिये जायेंगे;

(घ) प्रशिक्षण के पाठ्यक्रम की अवधि कितनी है; और

(ङ) गुप्तचर शाखाओं के अन्य अधीनस्थ पदाधिकारियों को इन नवीन पद्धतियों से अवगत कराने की क्या योजना है ?

गृह-कार्य मंत्रालय में मंत्री (श्री बातार) : (क) तथा (ग). एक विवरण सभा-पटल पर रख दिया है। [बेसिखे परिशिष्ट १४, अनुबन्ध सं० ७१] ।

(ख) जी हां। स्कूल में भिन्न भिन्न राज्यों की पुलिस के सब-इंसपेक्टरों को, जांच के वैज्ञानिक तरीकों में प्रशिक्षण दिया जाता है ।

(घ) तीन महीने ।

(ङ) सब इंसपेक्टरों से नीचे दर्जे के पुलिस अधिकारियों को प्रशिक्षण देने की कोई योजना भारत सरकार के विचाराधीन है नहीं ।

## पाइराइट के निक्षेप

२३८४. श्री क० सी० सोबिया : क्या प्राकृतिक संसाधन और बैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि राष्ट्रीय औद्योगिक विकास निगम ने सरकार से प्रार्थना की है कि गंधक के उत्पादन के लिये पाइराइट के निक्षेपों की खोज की जाये और उसकी अनुमानित राशि का पता लगाया जाये;

(ख) यदि हां, तो पाइराइट के निक्षेप कहाँ कहाँ हैं और प्रत्येक से कितनी मात्रा में पाइराइट मिल सकता है; और

(ग) इस सम्बन्ध में सरकार क्या कार्यवाही कर रही है ?

प्राकृतिक संसाधन मंत्री (श्री क० डी० मालवीय) : (क) जी नहीं, लेकिन विकास परिषद ने भारी रसायनों (अम्ल तथा खादों) के लिए ऐसी प्रार्थना की है।

(ख) तथा (ग). आवश्यक जानकारियाँ एकत्रित की जा रही हैं। ये जानकारियाँ प्राप्त हो जाने पर सभा पटल पर प्रस्तुत की जायेंगी।

## LIME-STONE

2385. **Shri Boovaraghassamy** : Will the Minister of **Natural Resources and Scientific Research** be pleased to state :

(a) whether it is a fact that a large quantity of lime-stone is available at Jhathampettai Palur, Karaikurichi and Koothangadi villages and their surrounding villages in Udayarpalayam Taluk District Tiruchi, in Madras State;

(b) whether it is also a fact that Government have made or propose to make a proper survey of the area; and

(c) if so, when?

**The Minister of Natural Resources (Shri K. D. Malaviya)**: (a) to (c). The Geological Survey of India are not aware of the occurrence of large quantity of lime-stone in the area. The area was re-surveyed by the Geological Survey of India in 1941-42, but no limestone deposits were recorded.

## दलित वर्ग संघ

२३८६. श्री अमर सिंह डामर : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को यह मालूम है कि केन्द्र द्वारा दी गई रकम में से मध्य भारत सरकार ने दलित वर्ग संघ को बहुत बड़ी मात्रा में धन दिया है; और

(ख) यदि हां, तो क्या केन्द्र ने इस सम्बन्ध में अपनी कोई राय दी थी ?

गृह-कार्य मंत्रालय में मंत्री (श्री बातार) :

(क) जी नहीं।

(ख) प्रश्न ही नहीं उठता।

## TIME-SCALE PAY IN TRAVANCORE-COCHIN

2387. **Shri Punnoose** : Will the Minister of **Home Affairs** be pleased to state :

(a) whether all sections of Government employees in Travancore-Cochin State are given the benefit of time-scale of pay;

(b) if not, the category of employees which are left out; and

(c) reasons therefor?

**The Minister in the Ministry of Home Affairs (Shri Datar)** : (a) to (c). The information is being collected and will be laid on the Table of the House in due course.

## CORRUPTION CASES IN TRAVANCORE-COCHIN

2388. **Shri Punnoose** : Will the Minister of **Home Affairs** be pleased to state :

(a) the number of cases of corruption detected by the Anti-corruption Department of the Government of Travancore-Cochin during 1954-55 and 1955-56;

(b) the number of cases which are under investigation at present; and

(c) the number and designation of officers

(i) involved and (ii) punished?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) 293 petitions during 1954-55 and 739 during 1955-56, were registered in the Anti-Corruption Department of the Government of Travancore-Cochin. Of these, enquiries were completed in 137 cases during 1954-55 and in 640 cases during 1955-56;

(b) 302.

(c) A statement giving the information is laid on the Table of the House [See Appendix XIV, annexure No. 72].

#### INCOME TAX PETITIONS

**2389. Mulla Abdullabhai:** Will the Minister of Finance be pleased to state:

(a) the total number of Income Tax of revision petitions filed during 1954 and 1955;

(b) the total number of petitions decided during this period;

(c) the relief claimed in respect of income and tax separately; and

(d) the relief granted by the Commissioners in respect of income and tax separately?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** (a) to (d). Full details in the form asked for by the Hon'ble Member are not available but the position regarding the number of revision petitions filed during the financial years 1953-54 and 1954-55, the number of revision petitions disposed of during these years and the amount of tax relief granted is as follows:—

Financial year	No. of revision petitions filed	Number disposed of	Amount of tax relief granted
1953-54	4,572	3,748	Rs.84,55,428
1954-55	4,678	3,951	Rs.53,52,381

#### INTER-UNIVERSITY ACADEMIC BOARD

**2390. Shri Bhagwat Jha Azad:** Will the Minister of Education be pleased to state:

(a) the time by which the proposed Inter-University Academic Board as recommended by the Soviet Experts would be set up; and

(b) whether Government have considered their recommendation regarding the secondary education?

**The Deputy Minister of Education (Dr. K. L. Shrimali):** (a) and (b). The recommendations of the Soviet Experts regarding Inter-University Academic Board and Secondary Education have not yet been considered by Government.

#### INCOME TAX SURVEY

**2391. Shri Bhagwat Jha Azad:** Will the Minister of Finance be pleased to state:

(a) whether any survey has recently been made in Calcutta to find out the number of new assesseees of Income Tax;

(b) if so, when and;

(c) the number of such assesseees?

**The Minister of Revenue and Civil Expenditure (Shri M. C. Shah):** (a) and (b). Survey is being conducted continuously in Calcutta every year by the Survey Unit of the Department to find out new assesseees.

(c) Separate figures for the city of Calcutta are not available.

## DAILY DIGEST

[Friday, 25th May, 1956]

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QUESTIONSWRITTEN ANSWERS  
TO QUESTIONS

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2494	Andaman Islands .	4280-81
2495	Extension Services Projects . . .	4281-83
2496	Tobacco Excise Control . . .	4283-84
2498	Settlement in Andamans . . .	4284-86
2502	Birth Centenary of Tagore . . .	4286-89
2504	Indian Council of Scientific and Industrial Research and Indian Council of Agricultural Research . . .	4289-90
2509	Commission under Article 339(1) . . .	4290-91
2511	I. A. S. Emergency Recruitment . . .	4291-94
2513	Travancore University . . .	4294-95
2514	Nursery Schools.	4295-97
2515	Development of Chandigarh . . .	4297-98
2516	Post-Matric Scholarships . . .	4298-4301
2518	Hindi-English Dictionary . . .	4301-03
2519	Rural Higher Education Scheme . . .	4303-04
2520	Recognition of Indian-Degrees in Malaya . . .	4304-05
2521	Indo-Pakistan Financial Issues	4306-07

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2497	History of Freedom Movement . . .	4308
2499	Social Welfare Advisory Board, Rajasthan . . .	4309
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Friday  
25th May, 1956

# LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)



LOK SABHA SECRETARIA.  
NEW DELHI

SIX ANNAS (INDIA)

TWO SHILLINGS (FOREIGN)

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LOK SABHA

Friday, 25th May, 1956

The Lok Sabha met at Half Past Ten  
of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-30 A.M.

CALLING ATTENTION TO  
MATTER OF URGENT PUBLIC  
IMPORTANCE

LOCK-OUT IN CASHEW-NUT FACTORIES

**Shri A. K. Gopalan** (Cannanore): Under Rule 216, I beg to call the attention of the Minister of Labour to the following matter of urgent public importance and I request that he may make a statement thereon:

“Lock-out in cashew-nut factories.”

**The Deputy Minister of Labour (Shri Abid Ali)**: Under section 2(a) (ii) of the Industrial Disputes Act, 1947, the responsibility for settlement of disputes in cashew-nut factories in Travancore rests with the Government of Travancore-Cochin. We have no information in regard to the alleged lock-out or strike in the cashew-nut factories. The Government of Travancore-Cochin has been requested to furnish a full report in the matter. The question of making a further statement on the subject will be considered after receiving a request from the Government of Travancore-Cochin.

**Shri Nambiar** (Mayuram): May I seek a clarification as to how much time it will take to get this report and to settle the issue?

**Shri Abid Ali**: We will take no time after the receipt of the report. As soon as it is received, the statement will be made here.

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**Shri V. P. Nayar** (Chirayinkil): The hon. Deputy Minister says that in view of a particular section of the Industrial Disputes Act, it is a matter for the Travancore-Cochin Government to deal with. Then, what is the remedy which we have here when that Government cannot be made to act as we would like to because the Assembly is not working there? Is it not our right...

**Mr. Speaker**: Leave that portion alone. The hon. Minister has called for information from the Travancore-Cochin Government, and as soon as it is received it will be placed on the Table of the House or will be circulated. May I say that if perchance the information is not received before Parliament closes, copies may be circulated to hon. Members?

**Shri V. P. Nayar**: It is a very important thing.

**Shri A. K. Gopalan**: The notice was given on 21-5-1956. According to my information, 20,000 workers are involved in this lock-out. May I know why even after four days the hon. Minister has not been able to get the information, especially when that State is now under Parliament's jurisdiction?

**The Minister of Labour (Shri Khandubhai Desai)**: Immediately on receiving this notice, we communicated with the Travancore-Cochin Government, and as you know, the cashew-nut factories are spread all over Travancore-Cochin. We have asked the Travancore-Cochin Government to supply us the information as early as possible so as to make up our mind to make a statement on the floor of the House. As you, Sir, rightly suggested, if perchance we do not get the information earlier, I undertake that I will circulate it.

**Mr. Speaker**: To all Members from Travancore-Cochin.

**Shri V. P. Nayar**: That will not solve this problem. The problem is very acute and several thousands of workers are thrown out of employment. There

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should be no reason by which the Government can say, especially at this time, that because the Travancore-Cochin Government has to collect the information from factories dispersed in various places, it is not possible. We want to know whether it would be possible for the hon. Minister to give us definite information about this lock-out before we disperse at the end of the session. The House must be taken into confidence.

**Shri Khandubhai Desai** : After we get the information, whatever the Government of India is able to do it will do in addition to what is given in the report. Whatever, in the circumstances, is possible we will do in the matter and settle the question.

**Shri N. Sreekantan Nair** (Quilon *cum* Mavelikkara) : The cashew-nut factories are only in two taluks in Central Travancore.

**Mr. Speaker** : I will suggest to the hon. Minister that he may try to communicate with the Government of Travancore-Cochin and try to get the information before Parliament disperses. He will make every effort.

**Shri Khandubhai Desai** : Yes.

**Shri Abid Ali** : Even if the Assembly in Travancore-Cochin was meeting, the Government there would have taken some time to obtain information from the districts. They could not have made a statement off-hand.

**Mr. Speaker** : In other words, every effort would be made to collect the information before Parliament closes.

#### RESOLUTION RE SECOND FIVE-YEAR PLAN

**Mr. Speaker** : The House will now take up further discussion of the following Resolution moved by Shri Jawaharlal Nehru on the 23rd May, 1956 :

"This House records its general approval of the principles, objectives and programmes of development contained in the Second Five Year Plan as prepared by the Planning Commission."

The discussion will be both on this Resolution and the amendments.

**Shri Kamath** (Hoshangabad) : Will you kindly permit me to remind you that today is Friday and it is past Question

Hour. According to the convention which we have recently established, the Minister for Parliamentary Affairs is now expected to make a statement about the order of Government business next week. He is not even present in the House. He was here five minutes ago. He has vanished.

**Shri T. B. Vittal Rao** (Khammam) : This is rather unfortunate.

**Mr. Speaker** : We will get along. In the meanwhile...

**Shri T. B. Vittal Rao** : He comes in between and makes a statement. That is what he did before.

**Mr. Speaker** : The hon. Members after lunch will meet again at 3 or 3-30. If the House is full, I will ask him to make a statement.

**Shri Kamath** : I request that it may be made in your presence.

**Mr. Speaker** : Shri A. K. Gopalan.

**Shri Gadilingana Gowd** (Kurnool) : We have got amendments.

**Mr. Speaker** : Hon. Members will kindly send to the Table Office the numbers of the amendments. I will go through them, and if they are in order, I will admit them.

**Shri A. P. Gopalan** (Cannanore) : We are discussing the Second Five Year Plan, mainly its principles and approach.

**Mr. Speaker** : Leaders of various groups will take half an hour, except in particular cases where I will try to extend it by 15 minutes more. Others will take from 15 to 20 minutes.

**Shri A. K. Gopalan** : A year ago the plan-frame was published. It contained several guiding principles with special emphasis on basic and heavy industries and the public sector. The monopoly elements of the private sector after the publication of the plan-frame went all out to denounce and scuttle the plan-frame. They were against the expansion of the public sector and development of heavy and machine-building industries, but the enlightened public, with all the weaknesses of the Plan, supported these proposals especially the proposal that the basic industries as well as the machine-building industries must be

given top priority. The Planning Commission and the Government tampered with the plan-frame. I do not want to go into details because the plan-frame as it was published and the Five Year Plan recommendations are there and will show the difference.

The next thing that I want to point out is that there was a big difference between the First Five-Year Plan and this as far as consultations were concerned. There were some panels like the Labour Panel, the Panel on Land Reform etc., and there was also a consultative committee including Members of Parliament where there were some discussions. I only want to point out that though there were all these panels, the recommendations that had been made by these panels, especially the Panel on Land Reform, had not at all been considered by the Planning Commission and they have not been included. Even the unanimous recommendations of the consultative committee were not considered by the Planning Commission.

As far as the objectives are concerned, every patriotic Indian will acclaim them. Unlike the First Five-Year Plan, the Second Plan makes a clearer and more definite declaration of its objectives. The four principal objectives that have been given are: increase in the national income so as to raise the level of living in the country, rapid industrialisation with particular emphasis on the development of the machine-building industry, large expansion of employment opportunities and reduction of inequalities in income and wealth and a more even distribution of the economic power. These are the main objectives of the Plan. The question is: how to achieve them? What is the approach by which these objectives can be achieved quickly? Here comes the difference. The difference is not about the objectives. About the objectives there is absolutely no difference. There is no difference regarding the increase in national income or raising the standard of living. But what is the approach, what is the method by which these objectives are sought to be achieved? Is the increase in national incomes going to benefit the common man whose living standard should be raised?

The only ideology with which I approach this Plan is this. The most important problems facing us today are poverty and unemployment. We must get rid of unemployment and prevent

unemployment in the future. We must improve the standard of living of the people, not merely of one section, but of all sections, especially of the poorer sections. And how does the Plan, the policy and the method help us to solve these closely connected problems? It is from this point of view that I approach this Plan.

There is certainly some advance in the Second Five Year Plan as compared with the First Year Plan. The Second Plan contains proposals for economic and developmental activities on a scale larger than that in the First Plan. In many respects, the physical targets of production and development have been set higher. The financial allocations in the Second Plan are twice those of the First Plan. These are the items of improvement in the Second Plan as compared with the First Plan.

I do not want to go into the details of the difference between the allocations in the First Five Year Plan and those in the Second Five Year Plan. In the case of some items like agriculture, community development projects, industry and mining, transport and communications, the percentage of allocation is more than that in the First Plan. In the social services, irrigation and power, the allocation is less than that in the First Plan.

The most important thing is that industry and mining which had been neglected in the First Plan have been given an important place in the Second Plan. But the allocations for social services have been cut down. Certainly, the allocations in respect of education and health should not have been reduced. In order to increase the standard of living, to increase the national income, and to get rid of poverty and unemployment, two things are necessary. The first is that we must embark upon a rapid industrialisation of the country, and the second thing is that we must carry out radical agrarian reforms.

Now, what does increase in the standard of living mean? It means bigger and better supply of food, supply of clothing, housing and other facilities. There must be increased production, both industrial and agricultural. Production requires the use of tools, implements and other machinery. The only way of bringing about increased production is to increase our stock of

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tools, implements and machinery. This in turn means an increase in the capital investment.

So far as industries are concerned, there are two types of industries, the consumer-goods industries and the basic industries. The larger the supply of steel, the bigger is the production of steel, implements and machinery, and the bigger will be the supply of both producer and consumer-goods, we have a manufacturing industry in India, crores of rupees will remain in our own country. At present, we are importing machinery, because we have not started factories to fabricate heavy machinery needed especially for the production of steel, cement etc. But if we have manufacturing industry in our own country, our dependence on foreign supplies could be greatly reduced. This is the first way in which we can remove the main obstacle in the way of rapid industrialisation.

The Second Plan has ignored these important aspects of the Plan-Frame. The Plan-Frame had earmarked Rs. 1,100 crores or 26 per cent of the total outlay, on industry and mining. Coming to the details of the outlay on the Second Plan, for industry and mining in the public sector, barring the steel plant, the total outlay is Rs. 350 crores. The allocation for the rest of the public sector is very much negligible.

Coming to the scope of the private and public sectors, the Plan-Frame had suggested that the public sector must be expanded rapidly and relatively faster than the private sector, and it was said that the ratio must be 2:1. But this approach has been abandoned in the Second Plan. Coming to the private sector, as the Prime Minister said the other day, nobody wants to condemn the private sector. There is no question of condemnation of the private sector. We want the private sector for some time, provided it does not lead to monopolies and accumulation of wealth, and provided the interests of the country and the objective of national reconstruction are not in any way jeopardised. As we have seen many times, the private sector stands in the way of rapid industrialisation and also sometimes against the development of the public

sector. From the proposals of the Second Plan, it would seem that instead of the public sector gradually securing an ascendancy over the private sector, it is the private sector that continues to maintain its preponderance in our economy. This is contrary to what the Plan-Frame had suggested.

Now, I come to the Industrial Policy Resolution of 1956. It does not promise us any radical change in the relative position of the two sectors in our economy. It does not recognise one or two basic things, namely that in order to strengthen and expand the public sector it is necessary not only to start new State-owned industries but also to nationalise big industries and units in the private sector. So far as nationalisation is concerned, the Prime Minister said the other day that he does not want nationalisation by payment of big compensation and having the old machines; he wants to have new things. But the reason why we say that there can be nationalisation is that it can be had by payment of the minimum compensation, because there has been an amendment to the Constitution in this regard, and it is only Parliament which is going to decide that big compensation should not be given.

There are industries like tea, coal and rubber, where the question of old-model machines does not come in. These are industries which give good revenue to the State. Unless we have got State-owned and revenue-yielding industries, it will be impossible for us to get the necessary resources. If we want resources for reconstruction and development, we have to tap the resources from the revenue-yielding private sector.

Then again, why should we not nationalise the British and other foreign concerns? There are the tea gardens, for instance. The other day, there was a question in regard to the Kannan Devan Tea Estate, where 260 square miles of area has been given for a very small sum of money, and during these years, there has been a profit of more than 60, 70 and 80 per cent even after the payment of dividend and other things.

If we want to implement our Plan, and if the objective in view has to be achieved, it is quite essential that the State-owned industries must be there,

and we must be sure that these are big industries that yield more resources and revenue for Government.

The Plan-Frame refuses to see the urgency of measures to restrict the operation of foreign private capital and extricate our national economy from its stranglehold. The Plan-Frame proposed only an outlay of Rs. 400 crores on industry in the private sector, so that on the one hand, we shall have the resources available for development of heavy and basic industries in the public sector, and on the other, it would be possible also to encourage cottage and small-scale industries.

The Plan-Frame proposed that the demand for the consumer-goods should be met as largely as possible from the cottage and small-scale industries. The Second Five Year Plan has not only modified this approach, but has raised the investment in consumer-goods industries. It has further sanctioned heavy private investment in industries like aluminium, ferro-manganese, cement and so on, all of which, in the interests of the country and in the interests of rapid industrialisation, should have been taken up in the public sector.

There is one other thing also that I would like to point out, namely that while acquiring shares in equity capital, the iron and steel company has been allotted a sum of Rs. 115 crores from the public exchequer. The private sector has been allowed to undertake investment even in industries like silk and rayon. I feel that these things can claim no priority in the present state of our planned economy. Further, part of the funds of the National Industrial Development Corporation will also go to the private sector. The huge concessions which have been given to the private sector would mean two things. Firstly, they will stand in the way of rapid industrialisation and secondly they will stand in the way of the expansion of the public sector. On the contrary, the huge resources should have been left for planned investment on the basis of proper priorities in our economy. The expansion of large-scale industries in the private sector in this way will lead to retrenchment and also to unemployment. It will threaten the

small-scale and cottage industries. Besides, the monopolists will also strengthen their position.

We want to make it clear in this respect that we want that small-scale and cottage industries should be encouraged in the present context of our economy, because they will go a long way to solving the problem of unemployment, by absorbing as many people as possible.

Coming to the question of labour, I would say that industrial progress is linked with the labour policy. And what is labour policy? The legitimate demands of the workers for increased wages, dearness allowance, bonus and so on, and improvement in working conditions must be made an integral part of promoting industrial progress. The Plan denies the demand for a minimum wage increase on the basis of the already increased productivity. As far as production is concerned, as a result of the First Five Year Plan, there has been increase in production. When there is increase in production, when there is increase in productivity, there is no increase as far as wages are concerned. Not only that. It is said also that if there is no enthusiasm on the part of the workers, we cannot implement the Second Five Year Plan. In order to produce, more, he must have the enthusiasm and he must be convinced that if he produces more and there is more profit, he will have a share of it. So as far as the lessons of the First Plan are concerned, though production was more and profits were more, there has been no corresponding increase in the wages of workers. Except in one or two industries, this is the position so far as the workers' wages are concerned.

If there must be enthusiasm among workers, then certainly the approach must be different. They must be told that if they produced more and if the profit increased, they would have a share in it. This should be the approach in the Plan as far as labour incentive is concerned. But that is not actually so. Without a revision of wages, there can be no enthusiasm among the working classes and among the public, and to that extent, the successful implementation of the Plan will not be there. It has also been said by all the labour unions in this country that as far as labour

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is concerned, the Second Five Year Plan has completely ignored the necessity of creating enthusiasm among the workers.

The next question is about trade union rights and other things. Even day before yesterday and today in this House, we had questions. Even this House had not been able to know when there was a lock-out in which 20,000 workers were affected. Even after five days, we do not know what is the position. Day before yesterday, we had been discussing the strike situation in Kazipet and Khargpur. What is the position? It has been said here that labour is responsible for this. If there was a machinery by which every dispute could be settled within a fixed time, I am sure there would have been no question of a strike at all, because it is the worker who suffers if there is a strike. The worker, as a human being, will never like to suffer. Even after waiting for two or three years or four years, they find that there is no machinery to settle disputes. It is only to call the attention of Government, it is only to press on them, that they have been waiting for so long and something must be done for them, that this has been done. So unless and until a quick machinery is set up, whereby the disputes can be settled and unless and until more rights are given to the workers, and trade union democracy is guaranteed to them, I am sure there cannot be a settlement.

It has been said by the Railway Minister that there are three or four unions. In the Labour Panel we had made a suggestion—I do not go into details for want of time—that Government should take the initiative, call for the opinion of the workers, take a secret ballot on the union they want to join; then let Government say that according to the majority opinion of the workers, let the workers have one union. This suggestion has been made. Now it is the Government that should try to see that in order to have industrial peace, there must be unity among the workers. Instead of trying to do that, Government are trying, by taking sides with this section or that section, to see that the unity of the working class is spoiled.

Then I come to the subject of resources for the Plan, which is very important. If we say that there must be basic industries or heavy industries which must be given priority and more

money, if we say that health and education have been neglected, the most important question is: what are the resources available? What is the approach of the Government and what is our approach? How do we say that more resources can be found? The proposals for raising the financial resources for the Plan are in direct conflict with the objectives of the Plan. For resources, the Plan resorts to methods which cannot but hit the people and depress their living standards. I will be able to show this.

As far as resources are concerned, it banks on extremely uncertain factors, and that is why in the Plan, in many places it is said that there must be flexibility. Flexibility means that we will have to change the allocation and other things one year or the next year, because as far as resources are concerned, there is uncertainty. Expenditure of Rs. 480 crores in the public sector is proposed. As far as domestic resources are concerned, the Plan follows the two routine methods of getting funds through taxation and pumping new currency into circulation. In respect of taxes, in addition to Rs. 800 crores, another Rs. 350 crores fresh additional taxation is proposed for meeting the gap. Thus, out of taxes will come Rs. 1,150 crores, of which new taxes will account for Rs. 800 crores.

We are not at all against taxes. It is very necessary to use this method of taxation much more vigorously for tapping the rich to afford tax relief to the common man, on whom the burden of taxes has been increasing. Between 1946-47 and 1953-54, the union excise duty imposed by the Central Government showed a rise of Rs. 62 crores from Rs. 108.2 crores to Rs. 170.4 crores. When the First Plan started, it was only Rs. 85.6 crores. During the First Plan, it stepped up to Rs. 100 crores. In the same period, income-tax including corporation tax has gone up by less than Rs. 3 crores, notwithstanding the profits of big business.

It is proposed that State Governments should raise Rs. 225 crores. The Central Government also would raise a little amount. States have to raise Rs. 112 crores through sales tax alone. Even in the current year, many States have come with a proposal to tax the common people.

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Then there is a proposal for deficit financing to the tune of Rs. 1,200 crores, which is fraught with grave danger. It is said that Rs. 1,200 crores is a very safe limit. But Professor Kaldor has said that Indian economy is not capable of absorbing Rs. 1,200 crores of deficit financing. He was one of those who gave some suggestions on planning. Deficit finance would result in rise in prices and a further decline in the living standards of our people. As far as rise in prices is concerned, though the Government have said there is no rise, in prices, in terms of actual realities, prices are rising. Reports are coming to us from many States that there is a rise in prices today. The rise in prices will also upset the financial calculations of the Plan, and there is no knowing where it will ultimately end.

No one will oppose deficit financing. We will have to resort to deficit financing sometimes. But we must try to avoid this reckless gambling. For the reconstruction of the country's economy, the savings of the community must be tapped. Borrowing from the public is, no doubt, one of the effective means for doing so. There are two kinds of borrowing. Loans are raised from the market by offering high interest. Our criticism is that a high interest should not be paid. What is necessary in our economy today is the adoption of a policy of compulsory loans, mobilising the savings of the richer classes on a much wider scale and on terms favourable to the community. Unless such an approach is made, the policy of public loans is not going to fully tap the resources lying with the princes, the big landlords and monopolists and other richer sections of people in the society. It is from them that we can get the resources. We have to fully tap that source for the resources.

With regard to small savings, I say the approach is unrealistic. As against Rs. 270 crores, it is now proposed to raise Rs. 500 crores. This is expected from the lowest level of people living in sub-human conditions, without any savings whatsoever. From the First Plan, you will find that the income of 150 million people is about Rs. 13 each; out of that, each man has to purchase some articles for his use. According to the Rural Credit Survey, a sum of Rs. 750 crores is needed as credit. So what the masses need is relief from debt burdens and extension of credit facilities.

The Second Plan overlooks this grim reality. I do not know how the small savings approach can succeed with these lower income groups. There is also another thing, what is called 'self-inflated' tax.

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Under the Community Projects and Ten Years Blocs, wherever there is some construction of house or other thing, the people have to give half; where it is Rs. 20,000 they have to provide Rs. 10,000 and where it is Rs. 30,000, they have to provide Rs. 15,000. This is something which does not come into the framework of taxes.

External assistance to the extent of Rs. 800 crores has been provided for. The Prime Minister said that there will be more production and food will be sent out. Which is the country which is going to take food from us? As far as Burma is concerned, that country is not going to take food from us. When we increase production how much resources will we get from it? In the first Plan we had only Rs. 204 crores of external assistance. Now, we have provided for Rs. 100 crores annually. I do not know from where we are going to get such heavy resources.

There are resources, if only Government would look to them and tap them and give up the policy of obliging certain sections of the vested interests in this country who sit over the savings of the nation. The following are the things by which you can get resources. Raise the income-tax in higher income-tax levels and tighten up the income-tax administration. Over Rs. 100 crores could be collected by this. Prof. Kaldor has said that there is an amount of about Rs. 200 to Rs. 300 crores which goes out by way of tax evasion. But the Government say that it is not so much and that it is only about Rs. 30 or Rs. 40 crores. Then, again, capital gains tax will also provide another source of revenue; a levy on personal wealth of princes, big landlords and big businessmen will also bring in a good amount. Instead of allowing privy purses and compensation to landlords, get from them a levy on personal wealth. Impose ceilings on dividends and secure the excess over the ceilings as compulsory loans. If you do not want to abolish remittances abroad of profit by foreign firms keep them secured by State loans. There must be a revenue yielding public sector and for that start some State-owned

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industries and also nationalise some of the most important foreign industries. State trading is another thing. We do not know how much we will get in this case because figures are not available. When we discussed this question, it was admitted even by the Government that there can be about Rs. 100 to Rs. 200 crores from this source. The structure of our public finance needs orientation. There is no use of asking the masses to sacrifice. Let the masses produce more and let them make sacrifices in the field and the factories. I am sure the people will not grudge any sacrifice for truly nation-building work if the Government turn to them after fully tapping the richer classes. If we tell the people that we have fully tapped the richer classes they will be ready to give whatever they can. As far as resources are concerned, what we say is, take the resources from where they are.

The next point is about national income and living standard. It is said that the national income has increased by 25 per cent and the *per capita* income has increased by 18 per cent. Every effort must be made to increase national income. As far as the first plan is concerned, it is said that the income has been raised by 18 per cent. What is the condition of the masses? Their condition has become worse. 185 million persons spend less than Rs. 13 per month on consumer goods and half of this amount is spent in kind or in the form of home-grown food and home-made articles. This is the summary that has been given to us. This is the condition after the first Five Year Plan. The living standard depends on national income. I want to know whether there is any proposal to have wage increase; is there any proposal for raising the earnings of persons, the working people. There is nothing in the Plan. It is not given there that the wages will increase or that the earnings of the other sections of the working people in the country will increase. I do not know how an increase in the national income will benefit all the sections of people. This has been put aside. When there is an increase in national income, there is no equal distribution of the increase. What will happen is that the rich will become richer and the poor the poorer. Prof. Kaldor has also stated in his report that as far as an increase in the national

income is concerned, there is this danger if you do not look into it, and money will get accumulated in the hands of the higher income groups.

As far as the unemployment problem is concerned, we have been discussing it. There is a certain percentage of employment promised by the Plan. But, according to the labour policy and the land policy, there is no distribution of the land to the agricultural labourers and peasants, who constitute 35 to 40 per cent. of the population in the country. When there is nothing to distribute in land, I do not know how the plan can solve the problem of unemployment.

The other day, the Prime Minister, speaking about regional disparities, said that it is true, when we are having a Plan, that we must have a picture on an all-India basis. He himself said that there are great disparities. As far as unemployment is concerned, especially educated unemployment, there are certain States where the situation is very grave, even as the Government themselves have said. Even in places where there are materials, where there are several conveniences, the economic backwardness of the places and the industrial backwardness as also the gravity of the situation of unemployment have not been taken into account in the allocation of these industries. Though we should not look to the regions so far as the development of India is concerned, it is also necessary that regional disparities must be looked into and industrially backward areas must be given priority.

As far as the agrarian question is concerned, the Plan has failed thoroughly. The Prime Minister said the other day that we want more production and that he expected 40 per cent. more production. How can we expect this 40 per cent. increase with our agrarian policy? I have been reading that there are about 12 crores acres of land in our country that can be cultivated. We want rubber. We want tea. There are thousands and thousands of acres for growing tea, for growing rubber and other money-crops. I ask, what has the Plan frame done about these things. It is not stated there that when the second Five Year Plan begins work, every piece of land will be cultivated and that the landless labourers will be given land. They constitute about 35



per cent of the population. If you want to increase the living standard of the people, if you want to increase national income, the living standard of the agricultural labourers, who have got 4 or 5 months' work, should have some land given to them so that they can improve their living standards and get more money. It will also help industrialisation. Unless there is internal prosperity, unless whatever is produced, consumer goods or other things, is consumed in the country, industrialisation will never be successful. The agricultural labourer who gets today only Re. 1 per month and that even for four months in a year, will get instead one or two acres of land. By that the national income is increased; by that his living standard is increased and he is creating more internal market by the amount of money that he gets. Unless we develop the purchasing power and create internal market, I cannot understand how we will be able to solve not only the question of a rapid industrialisation but also the other question of increasing the national income as well as the living standard of the people. Nothing has been done till now in this direction. There are crores of acres of land owned by Government and also crores of acres of land owned by private landlords, big landlords, which have not been cultivated till now, which are useful for cultivation and which the people want to cultivate. The most important question of putting every piece of land under the plough and creating wealth in this country has been forgotten.

The next point is the eviction of the man from the land. The right has not been granted to him. Evictions have not been stopped. The matter has been left to the State Governments and nothing has been done. If after five or ten years the land will be taken away from the man, how can you expect him to do his best. When we come to this question separately, we will be able to understand more clearly what happened after 1947, how many persons who had lands had become landless labourers, what where the tremendous amounts of eviction that took place in all the provinces after 1947. There is no distribution of land done. Also exemption from ceilings will give us no land. There has been an instance in Hyderabad. I will not go into detail but others who spoke would have said this. In Khammam District, the result was that there was no land available at all except for a very few persons. When Govern-

ment stated that there would be no ceiling on land all the lands had been transferred to some other persons so that the ceiling that was fixed was observed everywhere and people had only just the ceiling or below the ceiling.

As far as agrarian policy is concerned, there is no reduction in rent. The matter has been left to the provinces. Instead of reducing it to one-sixth, it must be reduced to one-fourth or one fifth. That matter is left to the State Governments, as I said earlier.

Most of the recommendations of the Land Reform Panel have not been accepted. If those recommendations had been accepted, then the agrarian policy would have helped in achieving all the objectives of the Plan and also in creating internal market. That has not been done.

Lastly, I wish to say a few words about the people's co-operation. Everybody has said that there must be the people's co-operation and without that co-operation, the Plan will never be successful. Until and unless you enthuse your men, agricultural or industrial, until and unless there is some machinery by which you can create enthusiasm in them, you cannot be sure that there will be development as much as we like it to be. What is the machinery there? Yesterday the Prime Minister stated that as far as the public sector is concerned, he wants to give more power to the executive. He stated also that some foreign visitors who came here—Mr. Mikoyan and others—had said that they wanted it to be done. We cannot compare the situation in other countries and then say that in this country, in the present situation, most power should be given to the executive. There are the panchayats and there are the community projects as well as the national extension schemes. When there is a panchayat in a village, why should there be a community project set up there with some officers. These schemes should come under the village panchayats, elected by the people. When a panchayat takes up something, certainly the co-operation of all sections of the people will be there. I do not know why there should be a community project separately, why there should be a national extension service, when the panchayats have nothing to do. The panchayat, which is the basic unit of the

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representatives of the people, has nothing to do at all levels. If we want the co-operation of the people, then the panchayats and local bodies must be given the responsibility for implementing these schemes. They must understand that their primary responsibility is that as far as the objectives of the Plan are concerned, they get the co-operation of the people and see that the Plan is implemented. When we come to the discussion of this question next time, we will give the administrative set-up that we should have under the Second Five Year Plan in order that the objectives may be achieved. But so far as the present set-up is concerned, let me say this. A collector in a district is referred to by several authorities. An educational officer refers his problems to him; so also a medical officer goes to him. The collector is made responsible for everybody; he does not know about education, or medicine. As far as the present executive officers are concerned, they will not be those who can give some suggestions and help you. We must have an administrative set-up on the principle of elected bodies from the lowest level to the highest, where they will be able to get the co-operation of the people. Until such a machinery is set up, we will not be able to get the co-operation of the people, and if there is not complete co-operation of the people, then certainly the Plan will not succeed. As far as the principal objectives and approach are concerned, this is all that I have to say.

So far as industrialising the country for solving the question of unemployment and for raising the standard of the people are concerned, action may be taken by not only the Government but also by other parties and individuals in the country, and our party is always ready to co-operate with all of them to see that our objectives are fulfilled. But according to us, if these objectives are to be achieved, the agrarian policy, the labour policy as it is today will not help. We want the Government to consider whether what we have said is correct. If what we have stated is correct, then certain changes may be made when the Plan comes to be worked so that it may be successful by getting the co-operation of all sections of the people. This is what I have to say so far as the main principles and objectives of the Plan are concerned.

## BUSINESS OF THE HOUSE

**The Minister of Parliamentary Affairs. (Shri Satya Narayan Sinha) :** I have nothing to add as regards the business for the next week to what I stated on Friday last.

The Travancore-Cochin State Legislature (Delegation of Powers) Bill and Indian Income-Tax (Amendment) Bill will be brought forward on Monday, the 28th May. Time permitting, discussion on the working of the Preventive Detention Act will also be initiated on that day. The Constitution (Tenth Amendment) Bill, as reported, will be brought forward for consideration and passing on the 29th May, and discussion on the Preventive Detention Act resumed thereafter, if it is not finished that day.

**Shri Kamath (Hoshangabad) :** On a point of clarification, I would request you to see that this convention takes firm root in our parliamentary procedures, and even if the hon. Minister has not got any fresh business to state, he must come and say that he reiterates the earlier position stated on the previous Friday. That is a most important thing. If this convention takes root, it will help every individual Member of the House and on every Friday, the hon. Minister must make it a point to be here at 11-30 A.M., immediately after the question hour.

**Shri Satya Narayan Sinha :** It has taken roots.

**Shrimati Renu Chakravarty (Basirhat) :** I do not know if I have understood the matter aright. On Monday, at the end of the day, the Preventive Detention Act will be taken, up and then there will be a break and we will take up the Constitution (Tenth Amendment) Bill and then again we go and take up the Preventive Detention Act. I submit that it will be better to take up the Constitution (Tenth Amendment) Bill to start with and finish it, instead of breaking the two. I do not know the need for breaking the two.

**Mr. Speaker :** The hon. Member wants to take up the Constitution (Tenth Amendment) Bill on the 28th itself.

**Shri Satya Narayan Sinha :** The only thing then is that the voting should not take place on the 28th. We have just announced in the House that the Constitution (Tenth Amendment) Bill would be taken up on the 29th May

and that date has been specifically fixed for that Bill. Otherwise, there will be difficulty, because as hon. Members know, a special majority is required for the Bill.

**Shrimati Renu Chakravarty :** The point is that there may not be enough time for us to finish the Constitution (Tenth Amendment) Bill on the 28th. There will be no difficulty regarding voting. So, I propose that was start on the 28th and conclude on the 29th.

**Shri Satya Narayan Sinha :** My hon. friend will appreciate the difficulty. According to the amended rule, immediately when the report of the Select Committee is brought in on the 28th a special majority will be required on that day.

**Shri Kamath :** In order to provide a special majority, cannot the hon. Minister send telegrams to the Congress Members today ?

**Mr. Speaker :** In all there are six hours and on the 28th we will have 3½ hours and 2½ hours on the 29th. I think the consideration stage will take more time than the clause-by-clause stage. Discussion may go on and voting may take place on the next day.

**Shri Kamath :** What happens to the voting at that stage ?

**Mr. Speaker :** Voting at that stage will be necessary before we have clause-by-clause consideration. Arrangements have been made. It is rather difficult now to send telegrams all over the country and so on. I remember the hon. Minister saying from the outset that we should have it on the 29th. So, a portion will be covered on the previous day and possibly the Minister's reply and so on may be fixed for the next day. There will not be any break in the continuity of the discussion. If we can have half an hour more on the 28th, we will have two hours on the 29th which will be taken by the Minister for reply and also by other leaders who have not spoken. The present arrangement may stand.

We will start the discussion on the working of the Preventive Detention Act after the other two items of work—the Travancore-Cochin State Legislature (Delegation of Powers) Bill and Indian Income-Tax (Amendment) Bill—are disposed of on the 28th. We

shall devote the rest of the time to the working of the Preventive Detention Act. With a break for the Constitution (Amendment) Bill on the 29th, we will resume the working of the Preventive Detention Act on the 30th.

**Shri Kamath :** How long will the Indian Income-Tax (Amendment) Bill take ?

**Mr. Speaker :** It will take only one hour.

**Shrimati Renu Chakravarty :** In view of the difficulties expressed by the Minister, it may be permitted now. But, in future it is better not to cut the debates into parts.

#### RESOLUTION RE SECOND FIVE YEAR PLAN

**Shri Asoka Mehta (Bhandara) :** The Second Five Year Plan which the Prime Minister has placed before us is a valuable document. Some of us on this side share in some measure the excitement that the Prime Minister felt because I believe it is a privilege to participate in shaping a new destiny for our people. There are many parts of the Plan that I welcome and that are acceptable to me but I would in the short compass of time at my disposal like to confine my observations to those points and parts where, I think, amendments are necessary and fundamental changes are called for. The criticisms that I have to offer should, therefore, be taken in their proper focus.

When we are sitting down to shape the new destiny for our people, it is necessary to have a clear understanding of the fundamentals involved. I find that the opening four chapters give us a lucid and magnificent exposition of the fundamentals of planning, the quite-essence of the problem of development in the framework of democracy has been laid out there. I was amazed and surprised to find that the subsequent 26 chapters had merely tried to check the momentum that had been released by the first four chapters. In the succeeding 26 chapters, we find that the light that has been thrown out by the first four chapters gets diffused and confused. I do not know why the Planning Commission which has such a clear understanding about the problems and the perspective should stumble

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as it has been stumbling in the 26 chapters which are concerned with concrete achievements.

The Prime Minister asked us to develop a prospective. He invited us to think in terms of several Five Year Plans. We all agree with him that it is necessary to look at the journey's end so that we may be able to face the hardships that we may inevitably have to face in crossing the threshold and put them in the proper focus. But, the Prime Minister in his urgency to move forward perhaps has failed to realise that the next two Plans are of crucial importance. In Plan itself, it is pointed out that it is in the next ten years that we have to cross the threshold. Crossing the threshold is of vital significance. The essence of development lies there—moving from one plane to another plane of economic activity. All Plans are important. There is no doubt that only with a long perspective can we say that we shall get out of the mire of poverty on the sunny plateau of plenty. But, in the whole process of development, there is a period which is of crucial importance and that is the period when the threshold has to be crossed.

There are certain special characteristics of crossing the threshold. I find that the Prime Minister has not given enough attention to the significance of the crossing of the threshold. The significance is brought out by the Plan itself on page 21. The Planning Commission says :

"It is the mobilisation of the effort rather than on the gains and returns arising therefrom that attention has to be concentrated."

My friend, Shri Gopalan, talked very eloquently and pointed out the need for raising the levels of income. I am sure there are any number of friends here, overwhelming majority of them, who are only too anxious to see that is achieved, because the levels of living are not being raised. If we want to cross the threshold, we cannot afford to raise the levels of living. It is one of the imperatives of development. We cannot get away from the logic of development. If the level of income rises, the whole tempo and the pace of development will slow down and the result will be that the threshold will keep on and become longer and larger and we shall not be able to move from one

plane to another. That is why it is interesting to find that our unsophisticated people have perhaps been able to understand this and have responded.

In the First Plan they have been able to give their co-operation. The increase in the *per capita* consumption and expenditure in nine per cent. which works out to an increase at the rate of three or four annas per year per head. This was a very small increase that we were able to give to our people. What is going to be the increase in the Second Plan? Assuming that this big and bold Plan that we have before us—as the planners are proud to call it—is fully implemented, what will be the result?

The result will be that, as far as consumption of foodgrains is concerned, it will increase by an ounce or so, as far as consumption of cloth is concerned, it will increase by a yard or two. There is nothing very spectacular that we can tell our people. There is no doubt that there may be certain social gains—more roads, more schools, more factories and so on—but there is nothing spectacular that we can go and give to the people, and it is against that kind of atmosphere, it is against these kind of difficulties that the exertions of development have to be carried out. That is the reason why in history governments have tried to organise development either through capitalist methods where *laissez faire* works out like the chariot of Jagannath or through dictatorship where curtains are laid down which prevents people either from knowing what is happening or at least from openly coming forward and criticising or opposing the hardships.

We, Sir, are here called upon to carry out a new kind of experiment, an experiment of reconciling democracy with development, an experiment which has not been tried before. Leave aside the scale on which we are going to do it, it is for the first time in history perhaps that a nation has decided to undertake the task of development in the context of democracy. If that is to be done, it is obvious that we cannot raise the levels of living in any exciting measure.

Then again, there is the second characteristic to which attention has not been drawn and I feel that pointed attention has not been drawn to it by the Planning Commission. I would like to

draw the attention of the House to the second characteristic by quoting from the very authoritative book of Prof. Arthur Lewis, which has just come out and which is recognised by common consent to be perhaps a most comprehensive study on the subject—*The Theory of Economic Growth*. On page 235 Prof. Lewis has to say :

“This means that the fundamental explanation of any ‘industrial revolution’ that is to say, of any sudden acceleration of the rate of capital formation, is a sudden increase in the opportunities for making money; whether the new opportunities are new inventions, or institutional changes which make possible the exploitation of existing possibilities. The British the Japanese and the Russian industrial revolutions all fit into this pattern. In each case the immediate result is that the benefits of rising productivity go not to the classes who would increase their consumption—peasants, wage earners—but into private profits or public taxation, where the proceeds are used for further capital formation. More and more labour is taken into wage employment, but real wages are not allowed to rise as fast as productivity.”

That again is an imperative of planning. What happens? There is a sector of economy, what is called the capital consuming sector. It is the capital consuming sector which draws to an increasing extent the surplus in the economy. It is the very essence of economic development that profits rise more than any other factors of distribution like wages and other things. It is profits which plays a crucial role, which is the key-lever. In a totalitarian country the key-lever is operated wholly by the State. In a *laissez faire* country the key-lever is operated wholly by the capitalists. How does this Government, which is trying to reconcile democracy with development, which is anxious to develop our economy on socialist lines, going to operate that lever? That is where the Planning Commission gives us a fumbling answer. Here is the key-lever on the operation of which comes more and more surpluses. As Prof. Lewis has said on more than one occasion, this development does not depend upon the tiny increments or incomes that accrue to a peasant or an artisan here or there. They

are all important in their own ways, but the essence of economic transformation, let it be understood very clearly, lies ultimately in the mobilisation of increasing profits, where it is the margin of profit that grows from year to year. What are we doing about it? How is that lever being operated? That is where I find that the planners have not given the necessary thought.

Sir, the Prime Minister has been dismissing our demand for moving towards equality by saying: “What is this? We must raise the floor. What is the idea in bringing the people down to a dead level of poverty?” Sir, who wants to bring the people down to a dead level of poverty? While you are trying to cross the threshold, in the next 10, 15 or 20 years, the floor is not going to be raised very significantly and if you are going to raise the floor significantly the whole process of development is going to be slowed down tragically. That is the dilemma of development. The Prime Minister says: “What is the use of building? We are going to raise the floor. Why do you want to tinker with the ceiling?” I am sorry he has not done us the honour of being present here, but you cannot raise the floor. I am like my friend Shri Gopalan or any other friend too anxious to raise the floor. If you raise the floor, the sky will fly away. All that you are trying to build or develop at the top will just fly away. That is the tragic dilemma of development. I am sorry to find that the Prime Minister on the one side and my friend Shri Gopalan on the other, both are trying to fly away from the dilemma. We have to face the dilemma and the only way we can face the dilemma therefore is to take the people into confidence, and you can take the people into confidence only when you make them realise that a common yardstick, a common rod of measurement is to apply to everyone. You cannot tell the people that it is the effort that counts and not returns and gains, and you cannot permit my friends sitting here to think in terms of gains and returns and ignore the very concept of effort that counts.

Then, on page 21 of the *Second Five Year Plan* you will find that the Planning Commission has said :

“These gains and returns are important, but more important is perhaps the satisfaction that a

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community gets from attempting a worthwhile task which gives it a chance to bend its energies to productive and socially useful purposes."

In a desire to draw the entire surplus you should gift away your surplus. Only by yielding what you get, only by surrendering what you earn that you really enjoy it. The profound teachings of the Upanishad, the profound philosophy that Acharya Vinoba Bhava is trying to popularise, unless that becomes an integral part of our thought and approach, there can be no economic transformation in the context of democracy and I find that our planners, as many people have pointed out including my leader, somehow or other do not realise the significance of this approach.

Then comes the question of raising the resources. Here again it is very significant because the resources have to be raised in a manner whereby those whose levels of living are not going to be raised will feel that the resources are raised in a manner whereby no gross inequalities are permitted to exist. I am surprised that even an elementary maxim is ignored by the Planning Commission—I hope my friends of the Planning Commission will forgive me if I use rather strong language. The Planning Commission ignores the basis maxim of development that the marginal rate of taxation should exceed the average so that the tax receipts grow faster than the national income. That is particularly necessary where the Government uses inflation as one of the means of increasing rapidly its share of national income. I would like the Finance Minister to tell us what is going to be marginal rate of taxation; in what way it is related to the increase in the national income. If these levers are not properly operated, even though those sitting on the Treasury Benches, may have good intentions, things will go wrong.

The Finance Minister's accent has been on indirect taxes. He has often suggested that direct taxes seem to have reached the limits. I do not know if after consultations that he has had with foreign economists his ideas have changed on the subject. The Planning Commission has thrown out a few suggestions, this tax and that tax. It means very little unless things are concretely worked out. It is this very Government

that repealed the capital gains tax. Why was that repealed? What were the reasons? Has better understanding come now? Or, has the Government's power to resist the pressure that is exercised from the other side grown in marked degree? These are things that I would like to know. There should not be any hush-hush when we want the co-operation of all concerned in the policy of economic development and transformation.

I shall not repeat what my hon. friend Shri A. K. Gopalan has said about how a substantial portion of Rs. 1,250 crores can be raised by an integrated system of direct taxes mainly from one per cent. of our people who are well-to-do. Nor will I refer to tax evasion and the learned Professor's suggestions and waste the time of the House. As the Prime Minister said, we have been planning our economy for seven years now. During this period, what has happened to our economy? There has been no integrated system of direct taxes; there has been no Capital gains tax. There are no gift tax, no tax on wealth. All these weapons are rusting in the armoury of the Planning Commission; I do not know when they will be utilised. What has happened in the last seven years? We are told that development has taken place. What has been the result of the development on the position of the different groups and different sections of our people? I read the day before yesterday, you must have read too, that the Nizam has a private fortune of Rs. 300 crores. Which tax is going to affect this fortune of Rs. 300 crores? There is one man in India having a private fortune of Rs. 300 crores, if that information is correct. What has been done about it? I do not know whether the estate duty will apply to him or not. For how many generations have we to wait before some kind of equality could be brought about.

**Mr. Speaker:** He is alive.

**Shri Asoka Mehta:** I do not know of any method by which this sum of Rs. 300 crores could be touched. Government is opposed to any form of capital levy. The idea of a ceiling on income is given up because a ceiling on income is meaningless unless there is a ceiling on wealth. Government shies away at the very idea of capital levy even for the purpose of crossing the threshold. We are called upon to put

our blood, to put in our sweat and toil, all that we have, forget our differences and harness ourselves and yoke ourselves to the chariot of nations economic transformation. But, people who have money, people who have wealth cannot be called upon to make contribution in terms of capital levy because then democracy would be in danger, and the whole edifice would crumble. Therefore all their powers, privileges and pelf must be treated as sacrosanct. It is only you and I and the millions of common people in the country who are called upon to make sacrifices.

Deficit financing of Rs. 1,000 crores will generate inflationary pressure. There is the Industrial Policy Resolution. I find not a single reference to any kind of tax on profits. So far as I have found, wherever there is inflationary pressure, two things have to be done. There is to be a stiff tax on profits and there is to be curb on wage increase. Take Sweden or any country where socialists are in power. What have they done? They have been compelled to do these things. Unless you do that, unless you have a very stiff tax on profits you cannot halt wage increase. A tax on profits is not even mentioned as one of the weapons in the planners' armoury. My hon. friends in the I.N.T.U.C. are very happy and naturally the A.I.T.U.C. are happier still that we are going to make a demand of 25 per cent. wage increase. Who would not be happy to have an increase in wages? There again, if we are going to work under the impact, of inflation, this kind of rise in wages and ignoring of a stiff tax on profits, will only result in adding to money inflation some kind of cost inflation also. I would like to know from the Finance Minister who is such an outstanding economist, what he thinks about the demand of the I.N.T.U.C. Is it that the I.N.T.U.C. and some of his colleagues in the Cabinet are permitted to go about evoking support from the workers by dangling an increase of 25 per cent in wages and on the other side, the Finance Minister will see to it that these things do not happen? This is not playing fair to the country. This is not an integrated approach to the development of the country.

Then again, currency expansion. Expansion of currency will lead to credit expansion, credit expansion in the hands of banks that are controlled, again, by big business houses. The Finance

Minister is, of course, averse or opposed to nationalisation of banks. The Prime Minister thinks that we are suggesting all these things merely to satisfy a theoretical urge for nationalisation, and because we seem to have a desire to collect junk. We are not anxious to collect junk just as the junkman goes about collecting in his morning rounds. I do not know whether banks are junks. I have no theoretical urge for nationalisation. What is happening? There will be credit expansion and that credit expansion is going to be utilised, as it has been, to a considerable extent for financing development of industries. Credit expansion is the result of the social policies of the Government and it will be utilised by banks that are owned by big business houses, who will use them for the development of their own industries. What would be the result, I would like the Finance Minister and the Planning Minister to tell me. A sum of Rs. 233 crores was spent in investment in organised private sector during the First Five Year Plan. How much of that amount has gone in developing and expanding the monopolistic position of the 20 big business houses in India and how much to new business houses that have come up in the country? Over and over again you may remember, I have requested the Finance Minister to tell us to what extent entrepreneurship is expanding, to what extent it is becoming more democratic, and to what extent the various regional differences have disappeared. With crores of rupees at his disposal, with a superb staff at his disposal, he has not been able to find time to give us an analysis of what has happened in the last seven years and what will happen in the next five years. A sum of Rs. 570 crores or something like that, a huge amount, will be invested in the private sector. May I know from the Finance Minister or from the Planning Minister what is going to happen to this? Will the big business houses become bigger and bigger, and will the monopolists become supermonopolists in this country? What are the checks? The Prime Minister said that we have legal powers to check them. We shall judge the tree by the fruit it yields. In the last seven years, we have seen the fruits that the tree has yielded. The Finance Minister and the Planning Minister will tell us whether the monopolistic tendency is increasing. I make bold to say that if a searching enquiry is made, the Prime Minister will find

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that all his legal powers have been lying in the Secretariat. They have not been used, they have not been available, they have not been successful in any way in restraining, curtailing and curbing the growing monopolistic tendency in our industrial economy. The industrial oligarchs are growing from position to position and from power to power.

These are the two difficulties. On the one hand, levels of livings cannot rise unless profits are checked. The essence of development is that the share of profits in national income grows year by year. These profits accumulate in a small sector, the capital consuming sector of the economy. If you permit this sector to be occupied by the big business houses, if you permit the private sector to have significant positions in this area where profits grow and tend to accumulate, the whole economy gets unbalanced, and democracy is endangered. That is where the idea of strategic heights comes in. The Prime Minister said that he is in favour of nationalisation of certain strategic heights. What are the strategic heights? I would have liked, if the Prime Minister was here, to discuss with him what his conception of strategic heights is. My conception of strategic heights is that because of these facts and forces that are at work, many more banks, many other key industries and enterprises will have to be nationalised, not because I have a love for nationalisation, not because I prefer bureaucratic control to private control, but because unless these levers are operated the whole mechanism of development will go away.

Let us take the relationship between the agricultural and the industrial sectors. I find that 28 per cent. of our investments will be more or less in the agricultural sector and about 52 per cent in the industrial sector. My friends of the Communist Party are anxious that we should spend more in the industrial sector. In the Soviet plans, the ratios were 20 and 60. Twenty per cent of the total investments were in agriculture and 60 per cent in industry, transport power etc. I would warn the Planning Commission against raising this proportion any further. This is the farthest that we can go. If we go any further, if we are going to pay heed to the advices that the makers of the plan-frame on the one hand and my Communist friends

on the other are going to give us, namely let us put more and more in industries, I tell you the democratic fabric will not be able to stand the strain.

Then again, in the agricultural sector the increase in income will be 18 per cent, because the over-all increase in national income is going to be 25 per cent. In the non-agricultural sector it will be 32 to 35 per cent. Please realise that the agricultural sector, for whatever reasons,—that question is a part of the dynamics of development—is at a disadvantage and the disadvantage is sought to be increased by what the Prime Minister said the other day. He said that the target of food production will be increased from 15 to 35 or 40 per cent. Theoretically there is nothing inherently difficult in increasing our food production in that proportion. I find—I am sure the Planning Minister knows more about it than I do—that the lowest ton-acre yield was in Western India in 1951-52 and that was 0.112, while the highest yield in terms of ten-acre was in Southern India in 1954-55—I am referring only to the First Plan period—which was in your part of the country. It was as high as 0.340. That means between the lowest and the highest yield in our country—the country is divided into three or four broad regions—is one to three. Surely it is not beyond the wit of man to increase food production in a substantial measure. But the point is this. If you are going to increase it,—what will be your in-put and the rest of it I will not go into—as the Prime Minister said we will have to export, which means there is going to be an increasing marketable surplus. Now, you get a marketable surplus only when you are prepared to give something to the agriculturist in return. What are you going to give him in return?

Your Plan is devised, fashioned, on certain assumptions. Suddenly one of the assumptions is changed. From 15 per cent it goes up to 40 per cent. You expect to have such a surplus of food at your disposal that you will be able to export it also, competitively I believe. What is it that the peasant will get in return? I am told that the Vice President of the Planning Commission has said that food production will increase by 40 per cent, but food prices will be go down by 20 per cent. I want to know what will be the effect. Is it going to provide the incentive needed for increasing food production? And I would like to know from the Planning



Commission whether, if the suggestions that have been thrown out by the Prime Minister are accepted, it will not demand, necessitate a complete rehauling of the Plan as a whole? Otherwise, the agricultural sector will be even at a greater disadvantage than where it has been placed in the Plan.

**An Hon. Member :** Not at all.

**Shri Asoka Mehta :** What about transport facilities. All of us are shouting here that transport will be woefully inadequate even for the increases that have been planned for in the Second Plan, and if suddenly our food production is increased from 15 to 40 per cent, where is the transport going to drop from? Will it drop down with the monsoons? I would like to know from where it will come.

**An Hon. Member :** Bullock cart.

**Shri Asoka Mehta :** Let them say bullock-cart. There is no point in making fun of the Member who said perhaps bullock-cart would be the only substitute for railways. You cannot have it bothways.

Then again I find that if we want to increase our food production, surely land reform should have been given top priority. I was one of those who were privileged to work on the Land Reforms Panel. We laboured hard and we produced an almost unanimous report. I thought that our report would receive the full consideration of the Planning Commission. But what do we find? The report was welcomed to begin with. Then there was, before this printed Plan came out, a cyclostyled plan, and if you will sit down and compare what is written about land reforms in the Chapter in that cyclostyled plan which was placed before the National Development Council and what is written here in this printed Plan, you will find how the chapter on land reforms, how the recommendations on land reforms have been emasculated, how they have been watered down. I do not know who is responsible for watering it down. But I am surprised that the standard-bearer of progress in India, the Prime Minister, should be willing to raise the targets suddenly on the spur of the moment, on an inspiration of the moment as it were—for the last two years the Plan has been in the incubator, no thought was given at that time to changing the targets—but the standard-bearer of progress will not throw in his weight, unmatched weight,

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against the watering down of the proposals of the Land Reforms Panel. And if you are going to permit prices to go down in the villages, the village people know it better than I do, let them tell us whether the peasant will be willing to put his shoulder to the wheel and produce 40 per cent more foodgrains.

**An Hon. Member :** No no.

**Shri Asoka Mehta :** There is another point. On page 83 the Planning Commission says :

“...the smaller the proportion of public savings available directly to the State in the form of surplus tax receipts or profits of public enterprises, the greater is the need for other measures or techniques for keeping down consumption within the desired limit.”

Again we find that people take up a very curious attitude. They are opposed to tax, they are opposed to raising revenues from public enterprises and they are opposed to controls. You cannot have development if you oppose both these things. And the Members of the Planning Commission—perhaps they are more of politicians than a set of economists or planners—are willing to meet this kind of ill-informed public opinion more than half way. They are not prepared to get up and say : “No, for these reasons if we want to plan our development, if we want to get out of the realm of poverty into the realm of plenty, our taxes have got to go up to this extent or this kind of machinery of controls will have to be devised”. I do not know who writes the report of the Plan, I believe the five gentlemen who constitute the Planning Commission must be writing it, but whoever has written has said it is necessary, and then what? What is the operative clause? It is a beautiful chapter with no operative clause to it. I have in the past said that we must keep the machinery of control in the background. I repeat it again even at the cost of being misunderstood by all concerned. If we want to plan, we must be prepared to raise our taxes and we must have the courage to build up a fair and honest machinery of control and keep it in the background, ready to bring it in whenever it is necessary. You cannot have planning unless you are prepared to face these responsibilities.

**Acharya Kripalani (Bhagalpur cum Purnea) :** How can you have control unless you have honesty in the administration?

**Shri Gadgil (Poona Central)** : That is the machinery of control.

**Shri Asoka Mehta** : Then, this is an important statement that the report makes : "That the generation of new demands proceeds somewhat ahead of the supplies is a part of the strategy of development". The strategy of development is that demand should always be a step ahead of the supplies. You can adopt this strategy only if you have adequate buffer stocks at your disposal.  
1 P.M.

It means that buffer stocks can never be at your disposal, unless you have a well-knit organisation of State-trading. It is amazing that State-trading which is such an important part of the mechanism of planning receives just one line in this big Plan of five hundred pages. Not a chapter has been devoted to trade and commerce. Twenty-seven lakhs of people are going to find additional employment on account of the expansion of trade and commerce, but the planners have not thought it worthwhile to devote even a chapter to trade and commerce. Why have they not spelt it out. They perhaps think that the levers are going to work automatically. They call themselves planners, but they leave so many things to chance, in the hope that fortunate factors or fortuitous developments will come to their help.

I have two more points to make : one is about the administration. The Plan begins by saying that the district is the pivot not only of the administration, but the pivot of the whole structure of planning. On page 160 the great realisation comes : "The need for creating a well-organised democratic structure of administration within the district is now widely felt." It took ten years for the planners to realise that you cannot have effective development in this country, that democracy will not take deep roots in this country, unless the structure of administration from district downwards is democratised. When they realised what is being widely felt, do you know what they have said? They have said: "We, therefore, recommend a special investigation under the auspices of the N D C." I am afraid this British method of referring every thing to a committee and shelving it is meaningless. This is the key need the key to make the administration capable of shouldering the responsibilities of development, and if you want to evoke the co-operation of the people you cannot refer this thing to a committee.

What was being done for the last two years? Innumerable committees were appointed. Why was this key committee not appointed. When is this key committee going to be appointed? When will its results be available? When will they be explored? Is it going to be done after the second Five Year Plan? Let not the Prime Minister invite us to share his excitement, because we do not feel any excitement about it. The desideratum in the first Plan was employment, for there was no employment orientation. The desideratum in the second Plan is organisation, for it has not explored the dimension of organisation. In the United States of America in one year alone (1939-40) the National Youth Administration, the CCC and the WPA made 10,41,97 new constructions or additions and 3,92,000 repairs through youth camps. Terrific amount of energy can be poured forth by the youth provided they are organised or harnessed. There is again no reference in this to a programme for youth. The biggest asset that we have in this country, the capacity of our young people to pour forth their enthusiasm, has received hardly any consideration.

The Prime Minister talked about his equation of development : technology plus organisation. But there again we are not told how this technology is going to be trained. The river of technology has always been in the habit of flooding the lower level at the cost of the higher level. The more developed technique destroys the lower techniques. What are the locks that are going to train this river of technology. I find no solution offered here. What are the various ways in which organisations are going to be developed? Very often the dangers to lower technique that comes from higher techniques can be overcome by introducing the requisite element of organisation. How is it going to be worked out? The flexible plan remains an unspelt out plan. I would have liked that these things had been gone into.

Lastly, I would say that I have made certain criticisms of the Plan. I believe some of these criticisms are of a fundamental character. But I am neither cynical nor am I here to be hyper-critical. I am very anxious to co-operate with the Planning Commission to see that this Plan is revised, that the Plan is brought more in conformity with what the Planning Commission themselves have

said in the first four Chapters. If it can become a Plan of that type, I have no doubt that not only will we be very happy, but we will be only too anxious to give our co-operation for the building up of this country.

Lastly, I would like to make an appeal to the Prime Minister. I have to make it in his absence: I hope it will be carried to him. He should realise that if he is serious about his socialism, if he does not want that the very concept of socialism gets decried in this country, that men lose faith in the very idea of socialism, then this is the time when he has got to reshape the Plan, not only to reshape the Plan, but cease to be the pilot of a party however big and however influential it may be, but become the captain of the nation. This is one of the historic occasions. He wanted us to be aware, to become conscious, of the making of history that we are witnessing. That making of history is possible if only there is a rallying of the people. If only there is a re-assembly of all those who fought for the freedom of the country, reassemble to carry forward this struggle against poverty, against want, we can carry to fruition the struggle for freedom that we started. We can if we will cut a kind of spiritual suez between democracy and development that can shorten man's journey from poverty to plenty.

**Shri K. P. Tripathi (Darrang):** I rise to welcome this Plan and the statement made by the Prime Minister the other day while moving for consideration of this Plan. In the few minutes at my disposal, I would try to confine to certain suggestions which I have to make. I will not get the time which was available to Shri Asoka Mehta to go over the entire Plan and make certain references on all aspects of the Plan, but I will try to confine myself to certain ideas which have occurred to me.

The first point which I want to make is the point which was perhaps in the mind of the planners, but has not been marshalled well: that the risk element in the industry in the Plan period has diminished and as a result thereof certain steps should have been taken as suggested in the Plan with regard to profits, but they have not been taken. As Shri Asoka Mehta himself pointed out, so far as profits are concerned no

suggestions are there, whether they would be limited or they would continue to expand as they have been expanding in the first Five Year Plan. Now, in a planned economy, the scope for investment of the competitive type is reduced. Similarly, the consumption pattern of the country is expanded at a pace which makes it impossible for private industrial units to fail if they are tolerably managed. Consumption goes on expanding at a higher pace, at least the demands for consumption goes on at a higher pace and therefore industry if it is tolerably managed or even managed at an average efficiency can suffer no loss.

Now if this be so, then the industry cannot demand the same kind of remuneration which it was getting in a free competitive enterprise in an unplanned economy. This point has been overlooked and no effort has been made to restrict profits. I consider this an important gap. I think after the planned economy of the type which we are going to have, it is but necessary that profits must be curtailed. I think it would be better if the profits were limited to one per cent above the bank rate so that the profits above that, can be utilised or mopped up for the expansion of the Plan, or feeding the Plan. If the suggestions of the first few chapters were implemented then I have no doubt that sufficient resources would be available for the purpose of working out the Plan. In that case, it would not be necessary to have taxation of the type which is planned, namely the indirect type of taxation; it would not be necessary to tax the poorest man, the man who has no employment, or now, everybody will have to pay the indirect tax. The tax on salt, the tax on foodgrains and so on will fall upon the man who has no employment whatsoever and who is a beggar. Therefore, I think that it is very necessary that this aspect of the Plan should be reviewed, on the basis that the risk element in the Plan period has been reduced to the minimum, so far as industrial management is withheld.

Government have come forward to provide funds for running industries. They are under-writing funds, guaranteeing funds, and borrowing funds from foreign countries for the purpose of the private sector.

**Shri B. S. Murthy (Eluru):** And flooding them with funds.

**Shri K. P. Tripathi:** Flooding is good, but the profits arising therefrom should not be permitted to go to the private sector. They must be mopped up because they are not deserved profits, but they arise out of the social activity of development and not on account of something that the employers themselves are doing. If this idea had been in the minds of the Planning Commission, and they had tried to limit profits, then the amount which would have been available to Government would have been tremendous.

Professor Kaldor has pointed out that evaded taxation even at the present day is of the order of about Rs. 200 to Rs. 300 crores. No facts have been marshalled to controvert it, except a certain statements by the Finance Minister. If these evaded taxes could be realised, and the profits which will accrue as a result of the implementation of the Plan could also be mopped, I have no doubt that the Planning Commission will have the necessary resources at its disposal, and it will not be necessary to go in for that type of indirect taxation which is envisaged.

Now, what does the Plan do? It does create a certain amount of resource of the order of Rs. 7,000 crores or so, and it will put it to productive use. But then the poorest man will have to pay for it. But immediately, there will be capital formation in the shape of capital in the hands of the private industrialists there will be private profits. So, as Shri Asoka Mehta was pointing out, it is inevitable that while you may raise resources, they will ultimately become the private profits of the industrialists. Is there anything in this Plan to avoid such a thing?

It is true that in the first few chapters of the Plan containing an analysis of the principles involved, these facts have been brought up. But they have been inlaid there, and they have not been carried to their logical conclusions. The result is that the taxation policy or the industrial policy does not reflected the analysis of the first four chapters of the Plan. Perhaps, the courage of the Planning Commission failed at that time. But I hope that the defect arising out of that failure would be corrected now at least, so that in the middle of the Plan period, we may not find ourselves in a position where we may be drowned by the prosperity we are creating.

The third point which occurs to me is this. We have planned on the money basis. But money is only one item of resource. Men, or the individuals who constitute a country, are the second item of resource. Since we have put too much faith on money so far, we have become tied to the requirement of money in order to expand our Plan. If we look at China, we find that China has gone forward to utilise both these resources, men as well as money. On the one hand, money is available, assistance is available, and they have based their plan on that money and assistance from outside. But they have planned also on the basis of the human resources. But what do we find in our country? We have not taken into account the resource of man-power. The other day, the Prime Minister quoted figures to show that even after the fourth or fifth Five Year Plan, if the income generated were distributed, it would be very small indeed, there would be a rise in the *per capita* income from Rs. 281 to only Rs. 500.

In an under-developed economy, if you have the science of developing the man-power resources also, then the tempo of development will be much quicker. From this point of view, I feel that the Planning Commission should have utilised both these resources, men as well as materials, so that the tempo of development might have been quickened.

With regard to wages, Shri Asoka Mehta said that there was a certain conspiracy between the INTUC and the Communist Party, and suggested that it might be a conspiracy between the Congress Party and the INTUC. The Communists may say and the INTUC also may say that there must be an increase in wages by 25 per cent, but Government may have a policy not to raise the wages. This will help Government to get the votes on the one hand, and on the other, they may not raise the wages. That was the suggestion. Obviously, Shri Asoka Mehta was wrong when he said this. I do not know what kind of socialism he canvasses. He himself said that profits should not be permitted to rise. But what is to be done with the profits?

Either you take the profits away directly from the industrialists, so that the industrialists do not get the profit, or in the alternative, you expand wages. If you do not do either of these

things, then what will happen is that the profits will go to the private individuals, and you say that that is not socialism. I agree that that is not socialism. So, in that case, the only thing that has to be done is to give the profits to the workers in the form of increased wages. If you distribute the profits to the workers then there will be more incentive for the workers. They will work more, and they will produce more. It may be, of course, that Government may think that the amount of wage increase is so great that it will create inflation. In that case, Government have in their armoury the sales-tax, the turnover tax and so on, and by these things, they can easily mop up the purchasing power and the real wages can be reduced at any time by the taxation policy of Government.

So, Government must be clear in their minds as to where the profits should arise. Are they to arise in the hands of the industrialists only? In that case, it is not socialism. In order to create a socialist pattern of society, it is absolutely necessary that the income should be generated and distributed at the lower levels, and it should be taken away by Government also only from the lower levels.

Our suggestion is that Government should create income at the lower levels. Then, they can take it away from the lower levels. We say, take the money from us, not from the profit-maker. We also suggest that you should make us capable of paying income-tax. We are ready to pay the income-tax. After all, why should we not be prepared to pay income-tax? You have got the highest and best machines from the world. In other countries, the people who work those machines get salaries and incomes, subject to income-tax. But in our country, we are given such low wages that we have not the chance to pay any income-tax. Why should we not be given the same salaries and wages as are given in the other countries, so that we also may be in a position to pay income-tax? If you make us capable of paying income-tax, then the amount of tax evasion by the industrialists will be reduced. In other countries also, it has not been possible to reduce evasion of taxes by creating profit in the pockets of the industrialists. But tax evasion has been reduced because of wage and salary expansion at the lower levels, so that even the lowest

man pays income-tax. That is the way tax evasion has been reduced in other countries. Why should we not do such a thing in our country also? The position at present is that the number of people who have to pay income-tax is very small, because it is only the profit-making people who pay huge taxation. You do not depend upon the wage-earners or the salary-earners for your taxes. If you reduce the profits in the hands of the industrialists, then you need not have to depend upon the profit-makers for your income-tax revenues. The income of the wage-earning class and salaried class is clear and open; nobody can hide it. But the income of the profit-maker is a hidden book; you cannot find it out; therefore, he can evade tax. I claim full responsibility when I say that we want to pay income-tax. Raise the level of wages of the wage-earner to such an extent that he can pay income-tax. Do not create profit in the pocket of the employer; create wages and salaries in our pockets and we are ready to pay income-tax.

As regards the taxation structure, I think it is very highly unfair that we, who are workers, have such a small salary, such a small wage, that we have hardly any surplus. And out of that you tax.

**Shri B. S. Murthy :** Worker is intended only to work, not to have any surplus.

**Shri K. P. Tripathi :** Yes. We are not permitted to have any surplus. There is no old-age pension and other things for us. Therefore, where is the surplus to come from? The surplus is not there; still we are taxed through indirect taxes. The surplus is there in the hands of the profit-maker; you permit surplus to be created there because incentive is necessary there. If you create income in our hands, we are quite ready to pay. You create the surplus for us by way of provident fund, insurance and other things which other socialist and capitalist countries have had to resort to. Even in America, which is one of the capitalist countries, they have taken by the New Deal all those processes and measures which are open to a socialist country for the purpose of bolstering up to the working man at the bottom. Even in a capitalist country, they have had to undertake those measures for the purpose of bolstering their economy so that the purchasing

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power of the country might be stabilised. Stabilisation of purchasing power is necessary and, therefore, there is a socialist structure at the bottom and free enterprise or capitalist structure at the top. This is the economic structure of America.

Therefore, at the bottom you have to adopt all those methods whereby the purchasing power of the country might be stabilised. You cannot stabilise the purchasing power at the bottom, if no stable income is there at that level. I think the only way by which you can do it is to change your taxation policy so that surpluses are made to arise in the hands of the poorer man. Then you mop up those surpluses in the form of provident fund, insurance and other benefits, so that they may be a saving for him. The Labour Ministry has already initiated, and got passed, legislation regarding extending the Provident Fund Act. It should be extended further. The rate should be increased so that more and more money might be saved in the names of individuals. After all, it does not matter for the Government; if the money comes by way of taxation or by way of saving, it is the same thing. They can go on developing the economy through investing that money, howsoever they have got it. Therefore, I would request Government to request the planners to give some thought to this.

Then I must say that in a planned economy, the scope for collective bargaining is very much reduced. The other day the Prime Minister made a statement and then the Planning Minister made a statement. They have said that in a planned economy, the scope for lock-outs and strikes is nil. I agree that in a planned economy the scope for these things is reduced. What is the meaning of that? The meaning is that the scope for negotiation for higher wages and other things is also reduced. My hon. friend, Shri Asoka Mehta, was saying that if we had higher wages, then the whole Plan would go to the skies. You must calculate in the case of every industry and try to find out for yourself whether there is any scope for wage increase. It should not be left to private negotiation between the concerned parties only as to whether wage increase is possible or should be permitted. After all, in a planned

economy, you have to know beforehand how much wages you should pay. The entire Plan is based on that calculation.

Now, Government say 'Go to the employer and ask for higher wages; if he gives higher wages, well and good'. Then what happens to your Plan? Therefore, I must say that one of the greatest gaps in this Plan is the lack of a wage policy. I know that there are Wage Boards. But what will the Wage Board do? When a case goes before the Wage Board, as Shri Asoka Mehta has said, it will say: 'No, wages cannot be increased, because if you do so, the plan will fly to the skies'. Obviously, no tribunal or no man, howsoever great he may be, can allow the Plan to go to the skies.

Therefore, what will happen to the wage demands? No increased wage demands will be conceded and consequently, there will be no enthusiasm among the workers. This is a vicious circle and no solution has been offered by the Planning Commission. There cannot be any plan in any country in the world unless there is a wage policy. The plan itself is based on the wage policy. Therefore, here is a gap. You must have some wage policy in regard to your entire Plan, as to whether the wages are to be increased. Shri Asoka Mehta did not know on what he had based our claim to higher wages. We have based our claim on figures which have been given by the Government. I am told the figures have been collected by the Labour Ministry. Compared to 1939 (base 100), the wage index is 102 and productivity index is 113. What happens to this extra productivity. Now the workers are getting low wages, minimum wages. Therefore, it is necessary that with increased production there should be an increase in wages, because according to the agreement arrived at in the Planning Commission, from out of the increased productivity the wages will be increased, till the wage reaches the level of living wage. Now it is not even fair wage. So what should be done with this increased productivity? Obviously, it should go to labour. There is no plan for that now.

Now, the wage increase from 1950 to 1954 has been from 131 to 151. The increase in production from 1950, at the beginning of the Plan, to 1955, has been from 105 to 166. Therefore,

the increase is more than 51 per cent, whereas the wage increase has been only 20 per cent from 131 in 1950 to 151 in 1955. So here is a clear case for a wage increase. If there is a clear case for wage increase, how are you going to meet it? Am I to take it that although there is a clear case for a wage increase, there will be no increase because the Plan will go to the skies? Am I to take it that wages cannot increase but profits may rise? Therefore, I say that there shall have to be a rise in wages. If you do not give that for the purpose of consumption, at least freeze it for the purpose of provident fund for old age. I agree to that. Calculate it on the basis of justice. If you find that increase of wages will create inflation or destroy your Plan, freeze it for all purposes now, do not give it for consumption now, but keep it for our old-age. But all the same give it. That is my demand. I do not think that this is an unreasonable demand. If this demand is refused, I do not think there can be any socialist pattern of society in this country.

We have based our claims on the existing industries. In the Labour Panel of the Planning Commission, there was a decision that there would be set up a committee for each industry to investigate the economic structure thereof. Unless you have the figures of the economic structure of the industry at your fingers' ends, how can you say what is the cost structure, and how much wage should be paid? Whenever we ask a question, the Minister says, 'O we do not know. We cannot do anything'. You have got a Plan, but you have no census of the economic structure of industries. So this is a gap. Each industry must be investigated to find out its cost structure, so that at any point of time you can know what will happen to it.

What is the position today? You set up a committee which reports after three years, and by the time it reports, the report is out of date. Then you cannot take any action. The Government does not have that amount of data by which at any particular time it may take action.

A very interesting suggestion was made in the Planning Commission discussion, namely, that wages should be based on the average of the economic

units. In every industry there are some uneconomic units. If you raise the wages, they will go to the wall. In order to protect them, you have to have a very low wage structure. Because you have got low wage structure the economic units make high profits and hide them, and enjoy them without giving them to you or to us. This is highly unfair. We have made suggestions in this regard. So far as the uneconomic sector of each industry is concerned, it should be the State responsibility. After investigation into the cost structure if you find that there are uneconomic units, with regard to their finance, or management, or any other thing, you can utilise the law you have got for the proper control to be exercised over them. England is a capitalist country and even there is a law whereby if a land resource is ill-managed the Government, by means of a committee, has a right to take charge of the lands and manage them. If the land-owner does not manage it well, the power is there for the Government to take the land over from him. Because of that power, most of the land resources are well-managed. In our country there is no such law. If you ill-manage your land resources, if you do not manage your industry well, there is no means to take them over, and if the Government takes over the management, the Supreme Court comes upon it. Of course, we have now amended the law. Therefore, so far as uneconomic units are concerned, they should be made the responsibility of the State. I do not find any mention of this in the industrial policy statement. How can there be an industrial policy statement without any mention of uneconomic units? So far as uneconomic units are concerned, there was the question of amalgamation that was suggested as a remedy. That is hanging fire. Everybody says there should be amalgamation. Unless you are serious about this question, you cannot solve it and the whole nation suffers thereby. If you have uneconomic units in an industry, the whole nation suffers. Now we are going in for *ambar char-khas*, which is a less rationalised sector, and all the capitalists of India shout and say that we are going back to the bullock-cart age. But what about the uneconomic sector of their industry? Nobody says a word about it. Whenever we say and talk of amalgamation, the question is put to us, how can the sacrosanct private sector be touched, or abolished?

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One of the cardinal points missed is that you must have a policy with regard to the uneconomic sector. That must be made the responsibility of the State with regard to management, finance, amalgamation or any other requisite step and you can have the wage based on the economic sector.

In the Plan it is stated that by 1960 the number of jobs created will be exactly half the requirements, that is, only 50 per cent of our problem will be solved and the other 50 per cent will remain. How can unemployment be solved? You are having rationalisation of the industry and by that workers are thrown out of employment. Since 1951 to 1954 in the factory industries, employment declined instead of expanding in spite of the fact that there have been so many new factories set up. The employment declined from 25.39 to 24.92 lakhs. What has happened is rationalisation? In the whole calculation which the Planning Commission has before it, it is on the basis that the existing employment will continue. Everyone knows that there is a plan for rationalisation in the textile industry, in jute industry and so on, and the result will be reduction of employment in those industries. So, the reduction in employment in every sector of our industry transport etc. in the course of the next five years due to rationalisation or such other methods which are higher than what exist today, has not been taken into account. Although you have taken credit for employment of 8 to 9 million people, actually the amount of new employment created will be less. How will you provide employment to the rest? In a machine economy, you cannot avoid higher wages because you throw out men from the primary sector and then they are to be absorbed in the tertiary or secondary sector. In every advanced country there has been a gradual reduction in the employment in the primary sector and expansion of employment in the secondary and tertiary sectors. Why? Because people had to be thrown out. With the machines, higher wage economy, comes in. You want to have higher machines, less men to work machines and at the same time you want to have the low wage economy. The two things cannot go together. Therefore, when you provide for machine economy you have also to provide for higher wages, which you

have not done. Without that you will not be able to create that amount of employment which you have planned for.

It is stated that democracy will be imperilled if higher wages are given. May I ask Shri Asoka Mehta this: will not democracy be imperilled if there are unemployment and low wages?

**Shri B. S. Murthy:** So far it has not been imperilled and, therefore, he takes it that it will never be imperilled.

**Shri K. P. Tripathi:** The danger to democracy is not merely from higher wages but also from unemployment. No answer has been given to this. In the beginning when the Plan was mooted, I was glad to find that the Prime Minister stated that the Second Plan must be based on employment. There was a great spate of hope in the country. Time passed and events happened and the employment base was given up but production base was taken up. At one stage there was conflict, but now we have come to the stage when production base has been taken up. I humbly beg to submit that the danger to our democracy is equal from unemployment if not more.

**Shri Algu Rai Shastri** (Azamgarh Distt.—East cum Ballia Distt.—West): More.

**Shri K. P. Tripathi:** Actually, you want 15 million jobs and you have provided for about 8 million jobs. In an undeveloped economy, you cannot get away from the fact that you must secure human material with money resources and plan for both. The Planning Commission has completely failed with regard to looking at the problem from this point of view. They have not been able to have a plan which will generate that amount of employment which is required by the country. After all, what is a plan if you cannot utilise the entire resources of the country? Plan means utilisation of the resources. You have got two types of resources—you have planned for one and neglected the other. I hope the planners will reconsider this point and recast the plan accordingly.

Some time back Shri Asoka Mehta stated that the necessity for controls exists. I agree with that. But it is also true that in this country as there are no data, it is very difficult to administer



controls. If you do not administer well, then controls are a leaky boat. There may be controls and yet there may be no means of working it. Therefore, we suggested that there should be certain commodities which should be taken out of the taxation policy and the whole policy should be based on the plan that the prices of those commodities should be maintained throughout the Plan period on an even keel. We have suggested that these commodities should be coarse cloth, foodgrains, pulses, edible oil—wherever they are so, kerosene, and salt. We have said that these commodities must be used as indicators of our economy so that they will continue at the same price level all through. You maintain the price level, not by controls, but by buffer stocks.

**Shri K. C. Sodhia (Sagar) :** What about foodgrains ?

**Shri K. P. Tripathi :** I include that.

So, in a planned economy, you must have buffer stocks and have your transport system and distribution system ready so that immediately there is a necessity, you may rush your buffer stocks to those places so that prices may be stabilised. It is said that the prices have increased because of speculative trading. But, I have to cut my standard of living. A man who has got much money and resources can wait and do things. But for me, a person who earns daily to eat, what happens? I cannot wait. I have to purchase at higher prices and my standard of living—just the bare nourishment standard—goes down. Therefore, I beg to submit that the Government should consider very seriously as to whether they should maintain these economic indicators with buffer stocks.

With regard to the capital formation, I beg to submit that the economic structure of our country should be so recast that the capital comes from the bottom and not from the top. People should have a feeling that they are contributing and that the Government does not depend upon big business. They will then feel it their duty to save and help the Government and if you ask their surplus by way of savings, they will not misunderstand. Running a society is a science. After all, a society knows how savings can be created. There is provision for old age for death

for maternity. The western economy is stabilised by all these. After all, you can do this by legislation and compulsory contribution. How are you getting money for the purpose of financing the building programme? There were the savings in the provident fund and other funds. These funds were diverted for building houses.

Today the difficulty is this. What is a socialist structure? We do not know. You have analysed the capital gains tax but you do not say when you are going to impose it. It is the same with regard to expenditure, gift tax and so on. If you have all these taxes, there will be no difficulty for the resources. After all the big business should not grumble if you take away their wealth and give them sufficient income. What is wealth for? You want income out of the wealth. If you assure me Rs. 10,000 or Rs. 5,000 a month and take away my wealth, there is nothing wrong. Wealth is nothing if it does not give any income. You take away the wealth and assure the income. The wealth may be taken away and invested and that is what is necessary in this Plan. But no such steps have been indicated in this Plan. The Prime Minister and the Planning Commission are bold. But they have the feeling that it would be necessary to continue to give incentives to the private sector. The whole question before this country is this. What is the level of wealth and income up to which the private enterprise in this country will be permitted? If that level is fixed correctly, then the people in the private sector would be ready to co-operate with you and give their best to the country. There should not be any suspicion that the private sector people are somewhat different from others. After all, the capacity to earn of 90 per cent of society is limited. Ninety per cent of our society can function efficiently within these limits. You expect the people in this sector—these 90 per cent of society to function efficiently. Why should not expect the same thing from the other sector which has been functioning in a different system so long. It need not necessarily continue to function in that old system. Therefore, I think it is highly wrong to say that a ceiling on income is unscientific. It is a *sine qua non* of socialism. There cannot be equality in a country where there is no ceiling on wealth or income. Let there be a ratio of income at least if not ceiling. In China, I find that they

[Shri K. P. Tripathi]

have set up a ratio of income 1:10. The capitalists and others are permitted to work. They have also a mixed economy. Nobody there said that the capitalist was working or the manager was working and therefore the ratio should be abolished. After all, what is the position of a man who has a very high standard of living when he is surrounded by slums on all sides? The standard of living is not depending upon the individual alone; it depends upon the society. Sufficient thought has not given to this question. So far as wage and salary incomes are concerned, you may not go in for a ceiling but you may go in for a ratio. The ratio of 1:30 was suggested by the Planning Commission. We want less. But, if you do not agree with us at least implement that suggestion. You must also come forward with a ceiling on wealth so that the people may know that they cannot hold property beyond a limit. Then, corruption, nepotism and all these things will disappear because a man knows that he cannot have more than a particular amount and so he will not think or act in terms of amassing more money. So, an individual will have enough and he will not lack the resources which he needs for the investment and development of the country. He will not have more for purpose of personal aggrandisement.

The other day, the Prime Minister was trying to define socialism. I was sorry that he could not go ahead. The planners have kept a picture of the Plan before the Parliament. The picture of socialism in the Plan is not very clear. However, I have no doubt that the workers of this country will rise to the occasion, because if the Plan fails their labours will be fruitless. It is to our interest that the Plan should succeed. We have no doubt that the working classes of this country will play their part in right earnest and we expect from the rest of the society to give them a fair deal. It will not be in our interest alone but in the interest of society as well because with low wages, the society itself cannot advance in a machine economy.

श्री क० पी० त्रिपाठी : प्लानिंग (योजना) की पुस्तक के सारांश को पहले आठ अध्याय तक मैंने ध्यान से पढ़ा है। यहाँ पर आज सबेरे से जो बहम हो रही है उसको भी ध्यान से सुना है। प्लानिंग (योजना) के सम्बन्ध में यहाँ पर कई बातें कहीं गयीं।

मेरे मित्र अशोक मेहता साहब ने कहा कि अगर हम साधारण लोगों से इस प्लान (योजना) के सम्बन्ध में स्वार्थ त्याग की भावना की आशा करते हैं तो हमारे लिये यह आवश्यक है कि हम इस तरह की आशा पूंजीपतियों से भी करें। अभी हाल में हमारे मित्र त्रिपाठी जी ने जो भाषण दिया उसमें उन्होंने वर्कर्स (श्रमिकों) की तनखाह को बढ़ा देने के लिए बहुत काफी बज्रहात पेश कीं।

इस प्लान (योजना) के सम्बन्ध में एक बात जो मेरी समझ में आयी है वह मैं कह दूँ, और वह यह है कि अगर हम प्लानिंग कमिशन (योजना आयोग) से यह उम्मीद करें कि वह प्लान (योजना) के बारे में सारी बातें ब्योरेवार वर्णन कर दें या अगली पांच सालों में जो कुछ इस गवर्नमेंट को करना है वह सब कुछ लिख दें तो हमारे लिए यह आशा करना नामंजूर होगा। आखिर यह प्लान (योजना) पांच साल तक चलेगी और इस बीच में सरकार इस प्लान (योजना) में इसको सफलतापूर्वक चलाने के लिए समय समय पर कुछ परिवर्तन भी करेगी। मैं समझता हूँ कि इन सब बातों का वयान प्लानिंग कमिशन अपनी रिपोर्ट में नहीं कर सकता, और अगर वह ऐसा करे तो पार्लियामेंट के सदस्यों को उसे पढ़ने का शायद ही मौका मिले। आज भी जो पोथा हमारे सामने है उसको भी पढ़ने की हिम्मत मैं तो नहीं करता, लेकिन एक बड़ी अच्छी बात यह हुई कि इसके साथ एक छोटी सी समरी बड़े टाइप में हम लोगों को दी गई है और उसी में से मैंने पहले आठ अध्याय पढ़े हैं।

अभी यह बात कही गयी है कि हमें एक बात की तरफ बड़ा ध्यान रखना चाहिये और वह यह है कि जितने कारखाने अभी चल रहे हैं या आगे चलेंगे उनमें कारखानेदारों के नफे का हम धरातल मुकर्रर कर दें। इसके सम्बन्ध में मुझे कोई भी ऐतराज नहीं है। मैंने कुछ दिन पहले यहाँ बोलते हुए कहा था कि यदि सरकार कारखानेदारों का मुनाफा ६ परसेंट मुकर्रर कर दे और जो बाकी मुनाफा हो उसको पूंजी के रूप में ले लिया जावे तो वर्किंग क्लासेज जो बार-बार हड़ताल करते हैं और ज्यादा तनखाह के लिए मांग करते हैं यह कुछ न कुछ कम हो जायेगा। लेकिन जब तक ऐसा नहीं होता तब तक बराबर कारखानों के मजदूर लोग अपनी बेहतरी के लिए कोशिश करेंगे और उनका यह कहना, कि अगर कारखानेदार बीस बीस और पच्चीस पच्चीस पर सेट

का मुनाफा बांटते हैं तो हमें क्यों न ५ या १० परसेंट उसमें से मिले, बिल्कुल वाजिब होगा। इसलिए सरकार को इस बात पर खूब संजीदगी के साथ विचार करना चाहिये कि वह इस देश के कारखानेदारों के मुनाफे की कुछ न कुछ सीमा मुकर्रर कर दे। लेकिन इस सम्बन्ध में सरकार को एक बड़ी भारी कठिनाई है और वह यह है कि हमारे देश में बहुत से विदेशियों ने बहुत रुपया लगाया हुआ है और शायद सरकार ने उन विदेशी कारखानेदारों से इस तरह की शर्त भी कर ली है कि उनके मुनाफे के ऊपर किसी किस्म का बन्धन नहीं होगा। इसी लिए सरकार कारखानेदारों के मुनाफे की हद कायम करने में हिचकती है और ऐसा करना है भी सही। इसलिए मैं सरकार को इस बात के लिए आगाह कर देना चाहता हूँ कि उन्होंने जो विदेशी पूंजी को ४ करोड़ की राशितक नये प्लान में फिर से निमंत्रण दिया है उस निमंत्रण पर वह गौर रखें। शायद मैंने यह भी पढ़ा है कि इसके सम्बन्ध में सरकार के बड़े भारी कारकून विदेशों में जा रहे हैं और विदेशों में जाकर वे वहाँ के पूंजीपतियों को इस देश में कारखाने खोलने का न्योता दे आने वाले हैं। लेकिन यह न्योता देने के पेशतर सरकार को इस बात की तरफ ध्यान देना चाहिए कि अगर विदेशी पूंजी यहाँ पर आवे तो उसके विषय में सरकार को रोक लगाने की आवश्यकता पड़ेगी और इसके साथ सरकार को यह भी देखना पड़ेगा कि ऐसे विदेशी कारखानेदारों की पूंजी के ऊपर उनको जो इस देश के अन्दर मुनाफा हो उस पर भी कुछ बन्धन लगाना होगा।

[Mr. DEPUTY-SPEAKER in the Chair]

मैंने इस बात को भी ध्यान से पढ़ा और सुना कि इस देश में चाय और काफी के प्लांटेशन के मालिक बड़े बड़े पूंजीपति हैं जिन्होंने हजारों एकड़ भूमि पुराने वक्त से नाम मात्र के मूल्य पर १९ साल के लिये पट्टे पर ले रखी है। उसके बारे में भी सरकार को ध्यान देने की आवश्यकता है।

इसके साथ सरकार ने यह भी कहा है कि हम इस देश में चार सौ या पांच सौ रुपया छोटी बचत के रूप में इन पांच सालों में इकट्ठा कर लेंगे। उसके सम्बन्ध में मेरा निवेदन यह है कि अभी हाल में राष्ट्रीय आय की बढ़ोतरी के सम्बन्ध में सरकार ने हमको एक पुस्तक दी है। उससे यह नहीं मालूम होता कि जो पहली पंचवर्षीय

योजना में राष्ट्रीय आय में बढ़ोतरी हुई है वह क्या सब वर्गों में समान रूप से हुई है। लेकिन यह बढ़ोतरी सब वर्गों में समान रूप से नहीं हुई है इसको मानने के लिए किसी सबूत की आवश्यकता नहीं है। अगर आप देहातों में जायें तो आपको मालूम होगा कि हमारे किसानों की आय में, जो कि देश की जनता का ७० प्रतिशत है और जिनकी संख्या २० करोड़ है, कोई बढ़ोतरी नहीं हुई है। अगर कोई बढ़ोतरी हुई है तो वह बहुत से सेल्स टैक्स और एक्साइज टैक्स आदि लगाकर समाप्त हो गयी है। पहले किसान ४० रुपया मानी गेहूँ बेचता था और अब ८० रुपये मानी बेचता है, लेकिन इन टैक्सों के कारण उसको वही हिसाब पड़ जाता है। इसलिये उसकी आमदनी में किसी किस्म की बढ़ोतरी नहीं हुई है। अगर पिछली पंचवर्षीय योजना के काल में किसी की आमदनी में बढ़ोतरी हुई है तो वह बड़े बड़े ठेकेदारों और कारखानेदारों की आमदनी में हुई है। सरकार ने कहा है कि सारी राष्ट्रीय आय में दस या १२ प्रतिशत की बढ़ती हुई है। पर यह बढ़ोतरी बीस करोड़ किसानों की आय में और छोटे सरकारी नौकर की आय में, जिनको सरकार ने थोड़ी तनख्वाह वर भरती किया था, नहीं हुई है। उनको आज भी वही तनख्वाह मिल रही है। तो इतने लोगों की आमदनी तो जैसी की तैसी ही रही है। ऐसी हालत में हम जो छोटी बचत में ५०० करोड़ की राशि की आशा करते हैं इसके लिए चाहे कितना भी प्रयत्न किया जाय, मैं नहीं समझता कि यह आशा पूरी हो सकती है और इतनी राशि इकट्ठा हो सकती है। इसलिये मैं सरकार से निवेदन करना चाहता हूँ कि जिन जरियों से प्लानिंग कमीशन इस प्लान के लिए धन जुटाना चाहती है उन जरियों के बारे में उसको कोई खास इत्मीनान नहीं है।

2 P. M.

उन्होंने यह कहा है कि अगर यह सारी शर्तें पूरी हो जाय, जितना हम चाहते हैं उतना पैसा मिल जाय, अगर देश के आदमी उतना कर्जा दे दें जितना कि हम चाहते हैं या अतिरिक्त टैक्स लोगों पर हम लगाकर उतनी रकम प्राप्त कर लें जितनी कि हमें जरूरत पड़ेगी तो हम इस प्लान को कामयाबी के साथ अमल में ला सकेंगे। इसके साथ ही एक जगह पर उन्होंने यह भी कहा है कि सरकारी आमदनी में ३५० करोड़ रुपये की बचत पांच साल में होगी, मेरी समझ में यह नहीं आता है कि यह आंकड़े उन्होंने कहाँ से एकत्र कर लिये हैं कि पिछले चार सालों

[श्री के० सी० सोबिया]

के केन्द्रीय सरकार के बजट को मैं बड़े ध्यान से देखता आया हूँ और उससे यह मालूम होता है कि सरकार साल के आखिर में बिना टैक्सों के लगाये अपना खर्चा नहीं चला पाती है और आप स्वयं समझ सकते हैं कि जब केन्द्रीय सरकार की यह हालत हो तो प्रान्तीय सरकारों की तो बात ही क्या पूछना। प्रान्तीय सरकारों की अवस्था तो और भी गई बीती है और उन्होंने तो केन्द्रीय सरकार से खूब सहायता लेना, खूब अनुदान लेना और उन्हीं अनुदानों के भरोसे पर अपने कामों को चलाना सीख रक्खा है। जब हमारे यहां ऐसी हालत है तो मुझे नहीं मालूम कि यह ३५० करोड़ रुपये की रकम कहां से प्लानिंग कमिशन ने यह मान लिया कि यह सरकार के बजट में से बच जायगी ?

प्लानिंग कमीशन ने एक बात यह भी कही है कि नेशनलाइज्ड इंडस्ट्रीज की आय अधिक होगी और मैं समझता हूँ कि आय अधिक होनी चाहिए लेकिन हमारा दुखद अनुभव हमें कुछ दूसरी ही बात बतलाता है। आज तक जितनी भी नेशनलाइज्ड इंडस्ट्रीज हैं, उनके काम को अगर आप देखें तो आप पायेंगे कि उनमें करोड़ों का घाटा रहा है। एक सिदरी फ़ैक्टरी ज़रूर इस दिशा में अपवाद सिद्ध हुई है और उसने अपने बजट में अच्छी खासी आय की आमद दिखलाई है। वहां भी अगर सरकार उसका कुल का कुल माल न खरीद ले और उसको रकम न दे दे तो उसका नकशा पलट जायगा। केन्द्रीय सरकार प्रान्तों की सरकारों को फटिलाइजर्स के लिए काफी रकम देती है और प्रान्तीय सरकारें उन्हें किसानों को बांटती हैं और इस तरह करोड़ों रुपया किसानों के ऊपर चढ़ा हुआ है, ऐसी हालत में अगर सिदरी फ़ैक्टरी कुछ थोड़ी सी आमदनी बता दे तो बात दूसरी है लेकिन बाकी और सरकार द्वारा खोले हुए जितने कारखाने हैं उनमें तो मुझे इस बात की उम्मीद नहीं दिखाई देती कि अगले पांच सालों में वहां से कुछ ज्यादा मुनाफा हमें प्राप्त हो सकेगा और जब तक इन बातों के बारे में हमको कोई इतमीनान न हो, तब तक इतने बड़े भारी प्लान को बना लेना कुएं में छलांग लगाने के समान है। लेकिन आज हमारी ऐसी हालत हो गई है कि हम कुएं में छलांग लगायें बिना भी नहीं रह सकते क्यों कि प्रथम पंचवर्षीय योजना में जो जो हमने चीजें बना रक्खी हैं, वे अधूरी हैं और उनको हमें पूरा करना है और अगर हम देश के आदमियों को काम करने के लिये न उकसायें और जिस तरह से हमारा

काम चलता आ रहा है उसी पर संतोष मान कर हाथ पर हाथ धर कर बैठे रहें, तो यह भी एक किस्म की बहुत बुरी बात होगी।

जहां तक इस सेंकेंड फाइव इयर प्लान का सम्बन्ध है, मैं इसकी सराहना करता हूँ और स्वागत करता हूँ और मैं मानता हूँ कि इसके बारे में काफी सोच विचार करके प्लानिंग कमीशन ने इतनी बड़ी पुस्तक तैयार की है और आप उस प्लान को शुरू से लेकर आखिर तक पढ़ जाइयें, आपको कहीं कोई अड़चन नहीं मालूम होगी और हर कोई पढ़ने वाला यही कहेगा कि वाकई बहुत अच्छा प्लान इन लोगों ने बना कर देश के सामने रक्खा है। लेकिन जिस समय की वह प्लान काम में आयेगा उस समय इस सरकार को मालूम होगा कि यह प्लान क्या चीज है ? जब इस पर अमल करना शुरू किया जायगा तब हमारे फाइनेंस मिनिस्टर साहब को पता लगेगा कि इसको पूरा करना कितना कठिन है। आज वाकया यह है कि लोग आपके निरंतर टैक्स लगायें जाने के भार से अपने को थका महसूस करते हैं और वे आपके इन टैक्सों से ऊब गये हैं लेकिन वे बिलकुल मुक्त हैं और उन सबको सहन करते चले जाते हैं। आपके इस प्लान में जनता पर और और टैक्स लगाने का जिक्र आया है और इस नाते हमारा यह कर्तव्य हो जाता है कि बहुत समझ बूझ कर हम अतिरिक्त करों का प्रस्ताव करें। इस सम्बन्ध में इस पार्लियामेंट पर बहुत बड़ी जिम्मेदारी आ जाती है और यदि इस प्लान पर पार्लियामेंट की स्वीकृति की मुहर लग जाती है तो वह इस देश के ३६ करोड़ आदमियों के गले पर लटक जायगा और सरकार यह कह कर पत्ला झाड़ कर अलग खड़ी हो जायगी कि भाई हम क्या करें, इस प्लान को पार्लियामेंट की मंजूरी मिल चुकी है और इसलिये हमें अब इस सेंकेंड फाइव इयर प्लान को अमल में लाना है। इसलिये मेरी सरकार से यह विनती है कि वह इस बारे में जरा सोच समझ कर आगे बढ़े और नये टैक्सों का भार जनता पर डालते समय उसे पूरी तरह इस बात का इतमीनान कर लेना चाहिये कि क्या उनके बिना काम नहीं चल सकता है।

सरकार को बड़े बड़े पूंजीपतियों के मुनाफे के ऊपर एक किस्म की हदबंदी कर देना चाहिये। सरकार को उन बड़े बड़े यूरोपियन कारखानों, आयल रिफाइनरीज इत्यादि से एग्जीमेंट्स करते वक्त गफलत नहीं बर्तना चाहिये और इस पर निगाह रखनी चाहिये कि वे बेशुमार मुनाफा न कमा सकें

और मुनाफे की हद मुकर्रर कर देनी चाहिये । उनके साथ ३०, ३० साल का एग्रीमेंट्स उनके सुभोते के बास्ते कर लेना, में समझता हूँ कि कोई अकलमद आदमी इस तरह से एग्रीमेंट्स नहीं करेगा और में चाहता हूँ कि सरकार इस सम्बन्ध में अधिक सतर्कता से काम ले और इस तरह के उनके साथ एग्रीमेंट्स न करे जो कि उन यूरोपियन कारखानों और पूजोपतियों के मुनाफे को और बढ़ाने वाले साबित हो ।

में इस सेंकेंड फाइव इयर प्लान का स्वागत करता हूँ लेकिन इसके साथ ही साथ मैं इस सरकार को आगाह कर देना चाहता हूँ कि सरकार इसके सम्बन्ध में खूब सोच समझ कर काम करे । १२०० करोड़ की डेफिसिट फाइनेंसिंग को कामयाबी के साथ चलाना कोई हूसी खेल की बात नहीं है, मुंहसे हम भले ही कह देते हैं कि हम इसको इस तरह चलायेंगे और उस तरहसे चलायेंगे लेकिन याद रखिये कि अगर कहीं दुर्भाग्यवश इस देश में यह प्लान फेल हो गया तो इस देश में क्रान्ति हुए बिना नहीं रहेगी और में यह सामायिक चेतावनी इस अवसर पर देना चाहता हूँ ।

**Shri Anandchand (Bilaspur):** Mr. Deputy-Speaker, I would like only to make a few observations about the Plan. Before I proceed to do so, I want to draw the attention of this House to some observations that I made in Committee on the Second Five Year Plan where I asked for certain information about the resources position during the First Five Year Plan, especially during the last 1½ years. My objective was this. We are absolutely in the dark as to the resources position from October 1954 to March 1956 with the result that we cannot project our mind into the soundness or otherwise of the resources position as it is given in the Second Five Year Plan. Unless we know what was actually derived, for example, from foreign aid, what was the amount of deficit financing during the First Five Year Plan, especially during the last 1½ years, and also what was the measure of taxation adopted and whether it was in consonance with the Taxation Inquiry Commission's report or otherwise.

Then, I would like to say something about the structure of the Second Five Year Plan. The Plan, as has been said by many speakers here, leaves not only a gap of Rs. 400 crores to be covered out of Rs. 4,800 crores, but there is also a proposed external aid or resources as they are called, to the extent of

Rs. 800 crores and deficit financing to the extent of Rs. 1,200 crores. I would first touch the external resources. I was reading a certain statement in the New York Times the other day. From that I find that during the year that is coming the aid, which is available from the United States to this country would amount to something like 60 million dollars. That was written there. I think Pakistan's is about 36 million and India's 60 million. That comes to about Rs. 30 crores, at the rate of Rs. 5 to a dollar. There might be other countries from whom we expect foreign aid, but I certainly do not agree with my hon. friend Shri Sodhia when he was very much worried about certain companies coming from outside or certain capital being attracted from outside to this country for the very simple reason that as far as I have been able to get the figures, the income-tax structure in this country is very high, and probably that is one of the reasons why we have been able to induce so little capital into this country from other countries. Because, if they come from outside, if they build a factory here or if they sink their money in these places, they would naturally want some return, and if our tax structure is very high, that return is not easily forthcoming. So, my contention is that the foreign capital is shy and we need not worry that even with our Government officials going round to these places we will be flooded with foreign capital because they will only invest in this country if they are able or if they are capable of or if they hope to get a good return for the moneys invested.

So far as Rs. 1,200 crores of deficit financing is concerned, practically every hon. Member has mentioned it. I need not try to enlarge upon it. The whole point is that during the last two years of the first Five Year Plan we have indulged to a certain extent in this deficit financing. As I saw the budget figures when we were discussing the budget for the current year. I think it was estimated that during the year 1955-56 the amount of deficit financing was something of the order of Rs. 368 crores, and I am not quite sure what it was during the period immediately preceding that, that is during 1954-55. Whatever that might be, the position is that the prices today of essential commodities have not gone down, in spite of the 20 per cent increase in agricultural production, in spite of the 6

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million acres for land which they say has been brought under irrigation. The prices of foodgrains are still high in Delhi itself, why go elsewhere? I made it clear a few days ago also in the committee itself. My contention is that the deficit financing which are indulging in is the direct cause of the high prices, and if we indulge in more of it—perhaps it will not be Rs. 1,200 crores because my fear is that here there is a gap of Rs. 400 crores, but the hon. Prime Minister was pleased to state here the other day that this Rs. 400 crores gap would not be there if we step up our agricultural production; he was definitely of the opinion, if I understood him correctly that we can so increase our agricultural production that we will be able to export foodgrains to other countries and thereby we would get some resources which would cover this Rs. 400 crores gap—the position would become worse. I do not think the position would be as mentioned by the Prime Minister. So far as the question of getting any additional money from increased agricultural production is concerned, my friend Shri Asoka Mehta has illuminated the point very ably, and I will not go into it. My fear is that instead of meeting this gap, instead of getting these Rs. 400 crores as we expect them to come, probably a time will come when we will have only the option of either levying additional taxation to the extent of Rs. 400 crores, or of adding it to our deficit financing figure, raising it from Rs. 12 to Rs. 16 hundred crores—may be a little more if the foreign resources are also not forthcoming to the extent we believe they will come, and this will result in still greater deficit financing with all its inflationary tendencies. An idea has been mooted that because we are indulging in this deficit financing, we must re-impose controls. Quite a lot of discussion was there in the committee itself as you know, Sir, You were also there. But the point is that the people as such have seen these control working for a number of years now during the war and the after. They feel that control would be very irksome and a lot of difficulties will arise, a lot of favouritism and administrative difficulties will come in the wake of these controls which make them very difficult not only of adoption, but also of satisfying the people at large.

That is why the resources position, to my mind, is not very properly worked out, and if we are not quite clear in our mind as to what we are going to get, as the years advance each year we might have to whittle down the Plan in certain sectors which are more important, and at that time we might find it very difficult to choose the sectors which we can do away with or curtail. or we will have to indulge in deficit financing to a larger extent leading to the difficulties which come in its wake.

So far as spending is concerned, naturally this is also to the extent of Rs. 4,800 crores, out of which agriculture and community development is allotted Rs. 568 crores and irrigation and power Rs. 913 crores. I have nothing to say about industries and mining because, as it has been rightly said in the Plan itself, I believe the future of this country lies in heavy and large-scale industries to the extent that we can provide them. Therefore, I think so far as this figure is concerned there can be no doubt that it is not on the higher side as some people might think.

So far as agriculture and community development are concerned, the figure of Rs. 568 crores is split up into various things, for example into agriculture, forestry, community development and so on. I believe for the community development programme the outlay in the First Five Year Plan was something like Rs. 90 crores. In the Second Five Year Plan the outlay for this is, I believe, put down at Rs. 200 crores. Although the idea is laudable, although I agree to a large extent with the Prime Minister when he said that so far as this community development is concerned, not only will it result in improvement in agricultural production, but it can also set itself the task of village and small-scale industries, I am of the view that unless the administrative structure at the level of the district and the level of these community projects is suitably revised and is suitably modified, better results will not be forthcoming, and this additional investment would not give us that much surplus in the directions in which we visualise them today. I will come to the question of administrative structure a little later on.

The second point that I wanted to make was the allocation to social services in relation to the size of the Plan. We have got Rs. 945 crores provided for social services in this Plan, out of

which so far as education is concerned, the allocation is Rs. 307 crores or 6.4 per cent. My feeling is that we are already under-spending or we have under spent on educational facilities during the First Five Year Plan. The result has been that there is a large-scale illiteracy in the country. The mass of the people are illiterate and hence unable to understand the working of the Plan. A lot of criticism has been made here against the Planning Commission saying that it does not reach the village, it does not educate the people properly about the benefits of the Plan and so on, but to my mind the basic or the chronic difficulty is that the people are not educated enough to understand. We have supplied them charts. I have seen many reading rooms in the mofussil villages where charts have been placed on the walls. There are other booklets going round. But with the chronic difficulty is their being able to understand, in their being uneducated, the point remains, and it will remain as we proceed along with this Plan, as long as the literacy percentage remains low. The masses are uneducated, and in this Plan out of such a large total outlay, we have not provided, to my mind, enough money for education, with the result that in the long run we will have a mass of uneducated people in this country which will not be a good sign or a healthy sign for the progress of democracy.

Having said that about the expenditure side, I would like to say a few things about unemployment. This question has been very brilliantly discussed by the speakers who have preceded me. I would not like to add very much to what they have said except this that when we see this Plan we find that the national income has risen from Rs. 9,100 crores to Rs. 10,500 crores in 1956. By 1961 it would have risen to roughly Rs. 13,500. This is good so far as it goes, but with this increase in the national income there is a simultaneous increase in our population which stands at 384 crores now and is expected to go up to 400 crores in 1961. With the increase in population even if we provide opportunities for employment to the people in these Plan periods, there will always be a lag, a left-over, something left behind and that process will continue and unemployment therefore grows. What happens is that the expansion of employment opportunities is

not commensurate with the increase in population and unemployment is therefore the direct result. Now India, as has been said in the Plan, has 70 per cent of its people engaged in agriculture. My hon. friend Shri Sodhia said that 20 crores of people out of 36 crores are engaged in agriculture and they must be contacted. He has not mentioned that in this 70 per cent of people living on agriculture, many are living at wages or at incomes which are not conducive even to giving two meals a day. Why is this so? This is so, because, so far as agriculture is concerned, it has not been taken, the concept has not been to take it, on an industrial basis. It is also an industry and we must try to see how many people can be absorbed in it and how many people would be surplus to it, so that they can be absorbed in some thing else. Now, we see in this Plan that a beginning has been made. How has it been made? It has been made in a way that it is proposed to fix a ceiling on agricultural land. Then certain agrarian laws have been passed that a tenant will not be deprived of his holding, that so much land must be available for the tiller of the soil, and so on and so forth. But these laws vary from State to State. Now, I agree that conditions are not the same in every State. Probably, in an area which is irrigated, or where intensive cultivation can be made, even 5 to 6 acres of land can give a living to a man, but in a place which is barren, even 30 acres of land will not give a man the wherewithal to earn for himself and his family. Then, it is necessary that we must see that we lay a ceiling in each State. We must say that henceforth so much of land only will be available for each individual or family, and so far as the extra land is concerned, that must be redistributed to the landless, or the State can take it over. We must release from agricultural occupation those people who are tilling the soil simply because they have nothing else to do.

Once you release those forces which are at present tied down to agriculture, what is going to happen to the surplus? That really is the basic point to my mind about this whole unemployment problem. When you release those people how are you going to give them opportunities to work elsewhere? Once you put a ceiling on land, how are you

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going to absorb those extra forces in other activities? So, the most important question, to my mind, is has our development resulted in a transfer of a part of our working forces from agriculture to secondary activities? Whatever we may have done in the last five years, have we been able to so adjust our economy that whatever additional forces were available in agriculture, we have taken them out of it simply to make agriculture more lucrative, because land is really the basic problem in India. Millions of our people live in villages. Have we been able to give these people who have been living on a very low level of subsistence, other opportunities? My view is that, looking at this Five Year Plan as a whole we have not been able to do so. Therefore, I am not at all hopeful that as the structure of the second Five Year Plan is before us we will be able to achieve that even in the second Plan period unless we work out a very precise data of agricultural holding in each State and lay down a ceiling on land in each State and provide opportunities in the secondary sector to those people who are not in agriculture and also make some provision for the extra population that is coming year after year. Unless we do that, the unemployment problem will not be solved.

Having said that I would like to say a few words about the administrative machinery which is necessary for working out the Plan. The administrative machinery is responsible for translating the policy of Government into actual practice. We draw up this plan, discuss it in Parliament and are willing to spend so many crores of rupees on it. But the question comes after the policy stage when it is put into practice. Is there adequate link between, our administrative personnel and its actual fulfilment? Is our administrative structure today geared to cope up with the execution of the plan? To my mind it is not. To my mind the administrative structure, our services, are today labouring under three chronic defects. Firstly, insecurity of service, secondly, absence of integrity and thirdly large-scale political influence. I have not the time to go into these in great detail.

**Shri B. S. Murthy:** Is not the third responsible for the second?

**Shri Anandchand:** I am just coming to that.

There is no doubt today that in the services at the State level—I do not know what the position today at the Centre is—political influences are playing a large part in their thinking and acting. I know—I cannot vouchsafe for it in other States—this so far as my area is concerned. I can give any number of examples to show that the services are losing not only their initiative, but also a will to work, because they are not allowed to work except in a certain way on account of political influences that comes into play. If they try to tackle a problem in a way which is free from political influences, those political influences see to it that either they do not function in the manner they are required to by law, or by Parliament and all of us here, or they have insecurity dangling over their head like Damocles sword. They are either transferred or put at a lower level; their seniority is not taken into consideration. So many other things go into the picture.

The other thing is the absence of integrity. I do not say that it is a disease, which cannot be cured. If it were so, then we could have said goodbye to all our development plans. But the disease exists. The Plan is there. The Plan has made provision for it. It says that there are agencies to check corruption. The Plan has made provision for the integrity of government servants. There are the Government Servants Conduct Rules according to which an officer cannot purchase property beyond a certain limit, and even if he does so he must report it to Government. But the checks are not enough. But here again somehow or other the political influences are working. This is a matter which, in my opinion, must be carefully analysed; this is a matter which must be taken up by Government here at the Union level, because I think this is the only structure which can rise above political thoughts and considerations. We must make it clear to the State Governments as well as to the administrative machinery that is functioning there in those areas that so long as an officer works honestly, as long as he works for the fulfilment of his task, he must not be hampered, he must not be hindered, or slandered. He must be kept away from these influences, so that he can put this Plan into operation and thereby bring happiness to millions of people who are in their charge.



Lastly about the district administration and I will resume my seat. The district administration is the pivot of the whole administrative structure in this country. On the efficiency of the district administration lies the success or failure of the Plan. I am glad that a lot of study has been made. We find it stated here that non-official opinion must be given more and more opportunities to come and coalesce with the administration at the district level and work as partners for the fulfilment of the objectives of the Plan for the raising of the standard of living of the people of this country. So far so good; but the question is, is the district administration, as it exists at present, fit to undertake this task: I was just looking through one of the books and I find—I am open to correction—that there are 319 districts in the whole of India—the total number of districts is 319. Now in many of these districts—at least I know about my part of the country—we still do not have district officers of the necessary calibre. So far as Part C States are concerned, I can say with certainty that there has been a lot of dilly-dallying with the integration of the services of these states with adjoining larger States so much so, that in certain of the States we have today got district officers who are neither of the Indian Administrative Service, what to say of either services? Sometimes, they are totally ignorant in law, or totally ignorant about financial procedure and so on. And here, we have crores of rupees put into their hands to execute these schemes, which in my opinion, they would find it very difficult to do, because they are not properly trained.

So far as the lower structure is concerned, namely the panchayat structure, unfortunately, enough emphasis has not been put on it so far. The Plan, of course, says that the panchayats must pay an increasing role in the district plan and the panchayats must be associated. But here also, we must have a uniform law for the election of these panchayats, and we must have a uniform code for the giving over of certain sums of money to these panchayats, whether they are percentages of the land revenue or other taxes. We must make these panchayats feel that as the representatives of the people their help is wanted in the district plan, and with them we must associate the other elected representatives also, thereby giving a fillip to

whatever is there. If that is done, I am sure this Plan would have much better chances of success.

**Swami Ramananda Tirtha** (Gulberga) : It is a proud privilege to participate in the debate on the Second Five Year Plan, because it is going to decide the destiny of millions of people in this country.

We have been supplied with ample information in a big volume and other ancillaries, and they form really an exciting reading and not a dull one. Within the short time at our disposal, we have been able to probe into the literature to some extent, and having done so, I stand here to give certain ideas and suggestions if possible to those who have laboured to make the Plan what it is.

The impression left upon me is that the planners have laboured hard; with all the expertness and the ingenuity, they have planned well. I take this opportunity of congratulating all those, including the Planning Minister, and also those who have helped him in bringing out before the people this scheme of future development.

But there is one small observation which I would like to make in this regard. We know that every plan which deals with the lives of millions has to have a perspective. So far as that perspective is concerned, it is clear that we want to evolve our own developmental schemes in a democratic way; and further, we want to minimise the disparities, remove the inequalities, and create a new social order where there will be no classes and there will be no distinctions. So far as that perspective is concerned, it is quite alright. In view of this perspective, we also know that the programmes to be initiated will have to be of a long-range character and also a short-range character.

However, there is one thing which I would like to bring to the notice of the hon. Members of this House. I quite agree that there is a development-sense or a development-consciousness generated amongst the people. That has to be admitted. You may go to any part of India, and you will find people there wanting something. That is there. But to call this a people's plan is to claim something which the Plan does not deserve, in the sense that this has not been planned at the lowest level, namely, the village level.

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Having been in close association with those whose task was to plan at various levels, I know that as compared with the First Five Year Plan, the Second Five Year Plan has been dealt with by various persons, bodies, representatives, organisations and at governmental levels also, and therefore, it is // the nation's plan. But so far as the people at the lower strata are concerned, I do not think they have been associated with the planning; they could not be, perhaps. But the Plan has to be for those people who are at the last rung of the ladder.

Planning as the scheme suggests to us, is to be a continuous process. It has to take into consideration the non-material aspects of life also, social, cultural and otherwise. If that is the conception of planning, if that is the conception of an integrated plan which touches life at all points, then, there is something wanting with this Plan.

I would just like to point out what I feel about the Plan as a layman. I am not an economist, though I have tried to study something of economics. I cannot claim therefore to have that fund of knowledge and information which an economist like Shri Mehta, possesses, though I could not follow all that he said, when he was speaking here.

The people today are in a mood of expectancy. They expect something and are waiting for what the nation or Government is doing. In this mood of expectancy, how do we touch the important cord of the human life? The other day, when I was reading a certain newspaper, though much reliance could not be placed upon it, I found one significant observation, namely, that production is growing. Yes. Who says it is not increasing? It is a great thing that we have added to the production, agricultural and industrial and so on. We have grown fat. But we are growing pale. There is not that glow of having advanced in those whose advancement should be assured.

If income has increased, I ask: Whose income has increased? If production has increased, in which sector has it increased? I would like to say this much. I know the Planning Minister very well, intimately well; he is more progressive in his outlook than many of us can claim to be. But there is something in the whole hierarchy on account

of which the progressive ideas have not made much headway in the actual planning, or implementation or even the results.

I would like to give just one small instance. I attach the greatest importance to it. I have had something to do with that problem, namely, the land problem of the agrarian problem. In all sincerity, I would like to plead with the Planning Minister, the Prime Minister and those who have something to do with this Plan, do not for God's sake leave the problem to the State Governments, because they are hedged in by various forces, and the most progressive laws visualised will be defeated by the conservative elements which have entrenched themselves into the State machinery. I say this with the fullest sense of responsibility. What has happened in Bihar? The land legislation seems to have evaporated there. Why? Cannot the Planning Commission, the Government of India or the Planning Minister say that the ceiling must be applied within a particular period, otherwise the man at the lowest rung of the ladder is not going to get any benefit after being promised, all these things? The Prime Minister said he was against a ceiling on income. Well, he feels that way. Nobody can stand in his way. But I say, why? Why do you refuse to impose a ceiling on income? This ceiling on income does not mean distribution of poverty. Ultimately, I say if India is poor, if poverty is there, if plenty is wanting, just as we want the people to share plenty, what is wrong, what is immoral, in asking the people to share poverty? Is it not moral? I say with all the sincerity in me that if India is wanting in something, it is this. Let the people feel that those who are well placed are prepared to share their wealth with those who are down-trodden, who are under-dogs. That moral tone is lacking in the whole economic structure, in the whole economic development, of this land.

The one man, the saintly Vinoba, has created it. Let us learn something from him. Let us learn why he is asking the whole nation to share whatever we may possess. After all, if India is to cut a new line, a new social order, if India is to give a new message to the entire humanity, it is only on the basis of sharing what you possess with the rest who do not possess. That is one point which I wanted to make in this regard.

Secondly, we know that the socialist pattern of society is not an institutional pattern like a democratic society. It is a way of life. Now, what is going to be the way of life? I have no quarrel with the private sector. Let it prosper, if it functions within the orbit of the national interests. But there cannot be any concentration of wealth over and above a certain ceiling. Why don't you plan to that extent? Why should there be a hesitation in regard? That is the complaint I want to put before the Planning Commission.

This is an ambitious Plan. I am not a cynic. I know, after having gone through these big volumes, as far as I could, that it is going to change the face of India; I have no doubt about it, that India will make tremendous progress. But what I am anxious is that that progress should not touch the person, the citizen, who is now the lowest, who has no wherewithals of life. Now, that seems to be absent in this. I know something of Hyderabad. As the President of HCC then, I said I could not shoulder the responsibility of the organisation unless the land problem in Hyderabad was solved here and now. But then what? The ceiling is there. It takes so much time for actual implementation. As my hon. friend, Shri A. K. Gopalan, said, it is quite true that there were divisions and divisions and divisions. The surplus land was something quite small, quite meagre. I do not know what the actual figure is. Even today the actual figure has not been arrived at. The process is continuing. Therefore, I say, do not leave this problem to the sweet will of the State Governments. I have no grudge or complaint against any State Government. But the progressive role that this House can play, and the Planning Commission can play, and the Prime Minister with his dynamic personality can play, is absent at the State level.

Therefore, I say that fundamental matters which are so vital for ushering in a just social order must be dealt with at the national level and not left to the sweet mercies of State Governments. I am quite definite about that.

The objectives have been very clearly set. But there is one thing which I would very humbly suggest. The question of unemployment is there. We are promised 8 to 10 million newly created

jobs. There is some element of uncertainty about this figure. I have no sense of complaint about the Finance Minister. I am not afraid of deficit financing; I am quite confident that in his hands the economy of the nation will have a smooth and safe sailing. But the problem is tremendous. The question of under-employment in the rural areas is also of equal importance. Now, how is it going to be solved? You have provided Rs. 200 crores for small-scale and cottage industries in the Second Five Year Plan, if I am not mistaken. I do not mind the amount also. But do you agree that in order to give substantial employment—I do not say full employment—to the rural sector, the pattern of the Plan is right? If you agree that cottage and small-scale industries are the only panacea and nothing else, then you have to change the pattern of your Plan to that extent. That is how I feel, and unless that is done, I say you will be creating, I do not say false hopes but hopes, which may not come true.

The question of employment is intimately related to the pattern of education. Here we want to solve the problem of unemployment and there the educational factories are throwing out people who will find no job or who are fitted for no job at all. This educational pattern must be closely related to the developmental pattern. The Plan admits it. Then why not gear it up? I say with the fullest sense of responsibility that the educational reorientation is as important as, even more important than, the addition of a few yards of cloth or a few tons of foodgrains. Let me tell you with all the emphasis at my command that I would like the educational pattern to be reorientated.

One thing more and I shall close. People's co-operation has been sought. Well and good. All political parties have come forward pledging their co-operation for the successful implementation of this Plan, though they may have got their own points of criticism. The point is, how is this enthusiasm going to be generated? I gave one suggestion. Let there be a feeling that those who are privileged are giving up their privileged position in order to uplift those who are un-privileged. That is the first thing. The second thing is this—it is a painful admission, not concerning one party, not the Government alone, but the whole nation, the

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whole public life. We talk of corruption; I know that there is ample corruption in the administrative machinery. Corruption is in the public life itself. I, you and others, who have to deal with the problems of the people must know clearly that it is purity of conduct, purity of the position you hold, whether as a Member of Parliament, a Minister, a member of the Planning Commission, a commissioner or a collector, that is demanded of you. It is an onerous task, and all that is expected of these positions is that every ounce of energy goes for the betterment of the downtrodden and the unprivileged. But we know that because of our positions we exert undue influence on the administrative machinery, we divert the programme from one part to another as that would benefit one particular constituency. I am speaking all this from experience and with fullest sense of responsibility. Then, those for whom the Plan is meant are disillusioned, frustrated or they lose faith in it. Losing faith in the democratic way of life is the most dangerous thing which we shall have to face. I remember that remark made by Shri C. Rajagopalachari, when he assumed the Chief Ministership of Madras some years back—"I shall have done my duty if I can give to the people a less corruptible machinery and a more efficient administration." Added to it, I say a more honest public life.

**Mr. Deputy-Speaker:** In addition to the amendments already moved on the 23rd May 1956, there are some other amendments also.

**Shri Sivamurthi Swami (Kushtagi):** I beg to move :

That in the resolution—

add at the end :

"but is of opinion—

- (a) that development programmes in rural areas should get priority over urban and industrial development so as to bring about economic stability in the country as a whole ;
- (b) That too much deficit financing will give rise to inflationary conditions which might become uncontrollable and smash the progress of the country ;
- (c) that backward areas and backward classes of people should get preference in the matter of

allotment of funds and various schemes in order to raise the economic standard of people to the minimum that is necessary to bring about equality in the country;

- (d) that cottage and small-scale industries should be made self-supporting by the creation of an economic market for goods manufactured by them; and
- (e) that the Service personnel should be engaged in various socio-economic activities of the country so that the idle man and machine power of military may be fully utilised."

**Shri N. Sreekantan Nair (Quilon cum Mavelikkara):** I beg to move :

That for the original resolution, the following be substituted :

"This House, while recording its general approval of the objectives contained in the Second Five Year Plan as observed by the Planning Commission, resolves that modifications be made on the following lines in order to improve upon the principles and programmes of the Plan :

(i) While tolerating the Private Sector in light and consumer goods industries for a short time to come, all private ventures in the basic and heavy industries should be nationalised.

(ii) Ceilings on total wealth, dividends, incomes, land-holdings etc. should be imposed.

(iii) The small man should get much better returns for his efforts and the rich should be taxed heavily on a graded scale in order to bring in the major portion of Rs. 4,800 crores required for the Second Plan.

(iv) The Plan should not at all place any reliance on foreign aid.

(v) The backward regions and thickly populated areas must get favoured treatment in the Plan.

(vi) The developmental and constructional activities should be so co-ordinated as to absorb all existing hands in the Damodar Valley Corporation and other Projects and in the Ordnance Factories without throwing them out of service even for a day.

(vii) Greater attention should be paid to solving urban and rural unemployment as well as educated unemployment."

**Shri Gadilingana Gowd** : I beg to move :

That for the original resolution, the following be substituted :

"This House while approving the objectives, principles and programme of development of the Second Five Year Plan is of opinion that the experience in working the First Five Year Plan has shown that implementation is not effective and that the schemes remain nice only on papers."

**Mulla Abdullabhai (Chanda)** : I beg to move :

That in the resolution—

*add* at the end :

"and calls upon the nation to take it as sacred duty to carry out the plan so as to achieve the targets before time."

**Shri S. V. Ramaswamy (Salem)** : I beg to move :

That in the resolution—

*add* at the end :

"and calls upon the Nation to strive its utmost to make the Plan an unqualified success."

**Shrimati Sushama Sen (Bhagalpur South)** : I beg to move :

That in the resolution—

*add* at the end :

"and further suggests that the Social Welfare Board should take necessary steps to solve the beggary problem which is growing at an alarming rate specially in urban areas."

**Shri Deogam (Chaibassa—Reserved—Sch. Tribes)** : I beg to move :

That in the resolution—

*add* at the end :

"but is of opinion that the Plan has failed—

(i) to fix the remuneration of teachers of all stages on par with the other services requiring equivalent qualifications ;

(ii) to provide for all possible steps to be taken by State Governments from within their resources for the improvement of the lot of the teachers ;

(iii) to provide for free and compulsory primary education ;

(iv) to take special measures designed for the welfare of the Backward Classes ; and

(v) to raise the lot of the common man in the villages."

**Mr. Deputy-Speaker** : These amendments are also before the House.

**Shri U. C. Patnaik (Ghumsur)** : After the attainment of political freedom, it was but just and proper that our country and government should interest themselves in planning for socio-economic improvement of the country, that is, in trying to plan for socio-economic freedom for the suffering masses. We are grateful to Government for the First Five Year Plan which, in spite of certain handicaps and shortcomings, should be treated as a landmark in our national history. The draft of the Second Plan that has been presented bears testimony to the thought bestowed upon it by the planners, to the interest in national uplift etc. But there is an important aspect of planning which has somehow or other been lost sight of by our planners, both during the First Plan and during the Second Plan. That is perhaps due to the fact that our administrative machinery during the British rule was accustomed to a particular approach. It was accustomed to think of the different wings of our national life as different subjects, as being in mutually exclusive air-tight or water-tight compartments. The two major wings of our national life, the civilian and the defence, were completely left separate. Defence was a non-votable subject and the other department had no business to pry into the Defence Organisation. You will find that every country, during recent years, which tries planning, which tries national reorganisation, tries to correlate the two wings of national life to ensure greater economy and greater efficiency in the execution of the different socio-economic plans. Not only in other countries, but even in our own country, during the British rule, when the two wings were separate, a great thinker, Shri Visveswarayya, thought in terms of the two wings being co-ordinated. Even in those days

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when the Britishers wanted these two wings to be kept in two exclusively separate compartments, Shri Visveswarayya conceived the idea of having a co-ordinated plan. He took the expenditure on defence to be part of the national expenditure. In the course of his plan, at the end, he says :

"If the operation of the plan system proceeds uninterruptedly for a couple of decades on the scale and in the spirit indicated, the three fundamental arms of the country, namely education, industry and military training will have been adequately supplied and very notable progress made towards economic recovery and nation building."

In every country, for instance, education in the Defence Organisation is treated as a part of national education drive, social education drive and technological education drive. It is the Defence Organisation with its disciplined forces, with its excellent facilities for educational training, that can do this. In every country there has been an attempt to correlate education in the army and other services with education on civil lines, general education and technological education. Here we are told that education is a State subject, and the Centre has very little to do with it. I do admit that education is a State subject, and except at certain levels and for certain purposes, the Centre is not interested in education. But it maintains a large army and a huge navy and an air force through which education and technological progress could be achieved. It does not debar the Planning Ministry taking into consideration how other countries have developed education through their Defence Organisations. In the U. K. the scheme for army education began in 1840 and army certificates of education were issued from 1860 onwards, and the efficiency with which cardinal reforms could be introduced was due to the fact that education was a programme of the army. A number of Commissions were established and they raised the army education standard to the standard of the civilian education so that certificates and diplomas from the Defence Organisation on education, technological and general, were treated as on par with similar certificate on the civilian side, with the result

that every Defence personnel, after a service of four to seven years, was anxious to go back to civilian life and get absorbed with the civilian life. They have got E.V.T. courses and some other courses ; in fact, a very large part of the Defence expenditure in U. K. is spent on army education. We are told that our Defence education was based on U. K.'s model. But at the same time we have not got an educational wing in the Defence Forces. You started a nucleus in 1939 and at that time a few professors and others were recruited. Then it was given up. Now you have got Havildars and others to go on with the education, which is of a nominal nature, with the result that a man having the so-called education in the Defence Organisation finds no suitable avocation in civil life. So, he tries to mark time till he completes his army period. In America, the education programme in the Defence Organisation is being given very high priority—the education and information programme, the informative motion pictures, radio programme and pamphlets, the army service school programme, the army areas school programme,—and thousands of service personnel are graduating every year. Similarly, the USSR initiated its adult education and technical and vocational training courses mainly through the defence organisation with its very first five year plan. A Russian conscript who entered the army course as an illiterate returned after 2—4 years to civilian life a new man, highly educated with a fund of general knowledge as well as specialised training. The Chinese People's Liberation Army—the CPL as it is called—started two non-military programmes in 1949—the education programme and the national labour programme. They started with five hours a week and they gradually increased it to twelve hours. That is a planned offensive against illiteracy through the armed forces with a three year plan and it claims to have achieved wonderful results. The work of the PLA as the labour force has ended in splendid results in the construction of dams, reservoirs, roads and bridges.

3 P.M.

I have given two examples from this side and two from the other side to show that the education programme is given the highest priority in the defence organisation because you have got trained and disciplined personnel. You have

also got facilities for training. Why should not the Planning Commission take advantage of the defence organisation which is under the Defence Ministry for furthering education in the country—social as well as technological education?

Similarly, in the defence organisation here, in the twenty ordnance factories, for the last three years, we are hearing people being declared as surplus though they have not been retrenched as the hon. Minister accused us. We have got twenty factories with wonderful machinery, most of them lying idle. Our strength has come down to fifty per cent of the war-time strength. Still, about 10,000 and odd have been declared surplus. When we are talking in terms of more employment for the people, why should our own factories, the biggest factory organisation in the public sector, be retrenching people and declaring them to be surplus though the percentage of workers has come down to fifty per cent as compared to the war-time strength? We have got an excellent art furnace and very high frequency electric furnace which are ten times more powerful than the similar one in Tatas. Still, it is lying idle. We have suggested that a number of things could be done in these factories—not merely toys but other things for civilian consumption. They can do, for instance, alloys which are required for defence as well as commercial purposes. They are necessary for the manufacture of arms and ammunitions and other weapons for the service requirements or for private purposes. They constitute an important requirement in the machine world. We can easily get that done in certain factories whose names I have suggested to the hon. Minister. Special mention may be made of stainless steel which is now supplanting various items in the metal world. It is also required for civilian and defence industries. There is a growing demand for it in the country. There was, during the war, production of a certain quantity of stainless steel in a particular factory under the Defence Ministry but this production was stopped in 1949-50. Similarly, nickel and chromium wire which is an important requirement of both the defence and civilian industries was produced. An attempt was made to produce it by the Britishers in a particular factory but it was stopped after the war. Why should not our Planning and Industries

Ministries be associated with the Defence Ministry in trying to produce them. The same is the case with non-ferrous alloys, aluminium alloys in particular. It is necessary for the civilian requirements and also for guns and other things. It can be produced here. Similarly, we are thinking of closing down a particular factory—cordite factory—in South India whereas we are importing firearms, dynamites, and commercial explosives which we can easily manufacture here and keep the factory going.

The Prime Minister has told us that certain industries are of basic importance for our defence requirements. Certain metals also are like that. But, here our factories are lying idle with fifty per cent of the war-time strength. Still, you are not able to think in terms of taking up certain new items of production which can be done. You can not only keep those employees. Here are twenty factories. If you draw up a scheme in each of these probably thousands of our boys would be trained every year in some important techniques. Our Planning Commission which is thinking in terms of new technological institute should also think in terms of utilising the existing twenty idle factories for the purpose of training.

Similarly, what about your engineering organisation? In every other country, the military engineering organisation is not only doing military work but it is also taking up a number of civilian items such as the execution of dams, etc. In America, for instance, the Alatoona dam was completed a couple of years ago by army engineers. In France, bridges and roads are built by army engineers. In our country too we have got a nucleus of the MES staff. Most of them are like the Major General who went back to England a short time back; they were all infantry officers with three to six weeks' training. We have got a total of about 600 men for the whole country in the three engineering centres. Over and above that, you have about 31 small units of 120 men each; they are specialised units. Still 98 per cent of the military work in this country is being done through contractors and there are reports of a lot of corruption, nepotism etc. in these contracts. You do not think of taking up civilian works; you are giving 98 per cent of the military works to the contractors with the result that even during the war emergency you

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will have to depend upon the contractors to take their people to places where you require strategic things.

All these different organisations in the Defence Ministry can be correlated with the nation-building. What I mean by correlation is this. Wherever without detriment to military efficiency you can do certain things, such cases, which are of the same type as defence works, could be taken up very easily by them. Our planners who are finding it very difficult to have a machinery to execute the Plan will have the right machinery if they can bring about co-ordination in these fields.

The times are gone when the Britisher wanted to keep our two wings separate. If our planners want the best machinery for planning, they must utilise the resources of the defence organisation. Fifty per cent of our entire expenditure is on defence. There are splendid men—trained and disciplined men and splendid machinery and installations.

We have got a number of depots where very valuable materials are stored. They lie exposed to the inclements of weather, without proper covering. They have been lying there for the last seven or eight years simply because the defence authorities have not been able to declare these as surplus and our planning organisation is not associated with them. Some of us had the privilege of seeing some of these depots and we believe that they are valuable assets. You have got Rs. 600 or Rs. 700 crores worth material lying without proper cover and without proper accommodation. Why should not the planners be associated with it? If your strategic maps can be entrusted to two Britishers on the Survey of India side and, in the engineering side, you can have 10 or 11 British officers out of 20 as superintendents in your ordnance factories, why should not our Planning Minister, why should not the members of the Planning Commission, why should not the officers of the Ministry of Planning be associated with the defence organisation?

Then our Planning Ministry is finding it difficult to organise a proper planning machinery in the whole country for the execution of our plans. Last time they tried through the Bharat Sevak Samaj and it has not been very successful. We have been suggesting all along from the Defence Study Group,

that you co-ordinate all the youth organisations, that you try to give a sort of military training to them, that you co-ordinate the Bharat Sevak Samaj with the National Volunteer Force or the present *Lok Sahayak Sena*, that you co-ordinate the Rifle Association, that you co-ordinate the scouts movement, put them all together and give them the basic military training. You should utilise the basic military training that has been given during the last one year to about one lakh of NVF or LSS personnel. You, Sir, and other Members of this House who were associated with the LSS organisation know with what enthusiasm this *Lok Sahayak Sena* was started and with what lead our Prime Minister wanted it to grow and to be organised. But, after one month's training, on which our Government is spending so much money, the men become useless. They go home and lapse into their cultivation or other things; of course, they have the advantage of having got the basic military training and nothing else, except probably a few new habits acquired during the training. There is no follow-up or continuation of the training. Why not the planners think in terms of utilising the five lakh National Volunteer Force that will be built up during the next five years? Why not they maintain records with a view to organise them in groups of villages and to have them subsequently absorbed in the nation-building organisation for various purposes? They can also be utilised again as some sort of pioneers or some sort of auxiliary sappers in emergencies and for other purposes.

Similar is the case with every other organisation. Co-ordination of defence and planning would result in many advantages. We have been suggesting for a long time that when you allot money for ship-building or for coastal shipping for merchants' navy, you should try to see that you give money on a nominal rate of interest and longer time of payment as is being done in America, provided the construction conforms to the specifications and designs given by shipping engineers. Sir, the technique of harbour defence has become a very complicated one and in other countries harbour defences are being organised by army, navy and the airforce with the civilian organisation co-ordinating their efforts. Here our harbour defence is entrusted only to the Transport Ministry with the result that



the army, navy and the airforce are not co-ordinated with it.

Similarly, the Grow More Food Scheme, which is being done very well in China and which was attempted some 7 or 8 years ago in this country, has been given up about 5 or 6 years ago. It is for the planners to consider why the Army Grow More Food Campaign was given up and why it has been found to be uninteresting. If, probably, you had done what China is doing, namely, given a part of the product to the jawans who are producing the things, then you could very well have had an Army Grow More Food Campaign going on throughly. But, here no part of the products is given to the jawans with the result that they lose all interest. Sometimes the Major Saheb would send them to Delhi with the result that the jawans had no desire to produce. Therefore, the Army Grow More Food Campaign was a failure. It is for our planners, who are thinking in terms of agricultural development, to think also in terms of reviving the Army Grow More Food Campaign.

On the navy side also, certain units may be utilised for the purpose of deep-sea fishing. Deep-sea fishing would get some more money for the navy and, at the same time, it can help us in building up naval auxiliaries. Some 10 years ago there was an Act passed in this Legislature for building up naval volunteers, reserves and auxiliaries. Till now you could not have them because there is not the right approach. You can have them only if the defence can be co-ordinated with planning.

Then, what about these *ex-servicemen* and *ex-service officers*. you have got in them officers with training in command of men. When they come after short service, they go home and lapse into idleness. You have to utilise them. You have to utilise your *ex-service men*. From that point of view the reorganisation of the *ex-service* organisation, the Soldiers, Sailors and Aviators Board, is also the concern of our planning organisation.

Therefore, from every point of view, I would submit,—later on with your permission, Sir, I would like to go into it when the details are examined—the industries, engineering services, education and other things can be accelerated through the defence organisation without much of expenditure.

**Shri Ramachandra Reddi (Nellore):**  
It is really heartening to notice that the

Government have been persistently and consistently pursuing the Plan and it is really laudable that they have been able to frame such a good Plan and place it before the House. No doubt, there may be a lacuna here or a lacuna there, but when the details of the Plan are discussed, probably some of these can be filled up.

One noticeable thing is that the Government does not hesitate to invite the co-operation of all people and all sections of people in the country, including the sanyasis for the propagation of the Plan.

When initiating the debate on this resolution day before yesterday, the Prime Minister has made a very significant statement in regard to this Plan. He said: "First of all, there can be no real, stable industrial economy in this country without a stable agricultural basis". I wish to dilate on this particular subject with a view to invite the attention of the Government to the great importance of the agricultural economy of the country in preference to any other development. I do not for a moment think that the industrial policy will have a secondary place at all. But, on the other hand, I would suggest and emphasise the fact that the agricultural economy for some time to come cannot be given a secondary place.

In fact, food being the mainstay of the economy of the country, greater attention has to be paid for the production of food in this country. No doubt, in the First Plan it has been noticed with great glee and gladness that we have reached the target even in the second year of the Plan. I do not hesitate to tell the Government that it is not Plan alone that is responsible for this reaching of the target so soon as that. The seasonal conditions were fair and happy and greater food production was made available through timely rains and timely action of the agriculturists. It is not the Government alone that is responsible for the production of food to reach the target so soon, but also the other factors like the nature as well as the capacity of the agriculturists are responsible for that. While it is so, and while it is very necessary that on the food front the fight has still to go on, secondary importance has been given to the development of agriculture and the wherewithal for the development of agriculture. There was, no doubt, slight increase in food production from 54 million tons to 65 million

[Shri Ramachandra Reddi]

tons under the First Five Year Plan. The target under the Second Five Year Plan is only 75 million tons. Evidently, the planners have not taken into consideration the vast growing population in the country and the low purchasing power which was not able to secure as much foodgrains as were needed. The price factor was one that made the reaching of the target more easy. There was a comparatively higher price when the First Plan started and as such, every agriculturist was able to put forth more and more energy towards producing more and more foodgrains. It is no doubt true that the supply of fertilisers, to a large extent, has been able to help the agriculturists with the wherewithal for improving agriculture. I would like to place greater emphasis not upon more agricultural operations, but on the need for the provision of irrigation facilities in the country to a larger extent than it has so far been possible to make.

The area under irrigation when the First Plan started, that is, in 1950-51 seems to have been 51 million acres. In 1955-56 it is expected to reach 67 million acres and in 1960-61, at the end of the Second Plan, it is expected to reach about 88 million acres. This is only a small area compared with the very large area which is still to be brought under irrigation. Apart from the dry and wet areas, according to the First Plan, there seems to be an area of nearly 98 million acres of cultivable waste in this country. This large area of nearly 10 crores of acres as well as the dry areas in the country have to be covered up by irrigation. While there is no plan for the reclamation of these cultivable wastes in the country, there is no bold plan for covering the uncovered portion in the country by providing irrigation facilities. In fact, unless irrigation is available and reclamation also goes hand in hand with that, the possibility of increasing our food production will have to wait. It is sometimes said by the spokesmen of the Government that production of rice in this country has not increased. They simply think of the traditional 800 pounds an acre. It should be an area where there is no irrigation possibility. In all places where irrigation facilities have been secured, the 800 pound figure has shot up to nearly a ton which comes to 2,240 lbs. Even in small irrigation projects where inten-

sive cultivation goes on, 3,000 to 4,000 pounds of rice are realised. Apart from intensive cultivation that is now being very much supported and helped, extensive cultivation on a large scale has to be taken up. Otherwise, the growing population will not be fed to the extent that it is expected to be fed by the Planners. As such, any attempt to stint by way of reducing the allotment for irrigation development would be an unwise thing. If you want to know the disparity in production, between an irrigated area and an unirrigated area. I would only advise the planners or the Planning Minister to have a few sample areas taken up at random and find out the disparity. With irrigation, affluence comes. With developed irrigation and a few acres of land in his possession, an individual becomes happy and probably well to do. In a dry area, the owner of 100 acres would not be equal to an owner of 10 acres in an irrigated area. That being so, greater attention has to be given for the development or irrigation in this country. In the First Plan, a sum of Rs. 384 crores was provided for irrigation, that is about 16.3 per cent. In the Second Plan, they have provided Rs. 381 crores, that is only 7.9 per cent, for irrigation. That shows that the Government has not taken nicely to the idea of providing greater and greater irrigation facilities. If irrigation is assured, foodgrains, rice and millets, and even cotton could be benefited. The improvement in the case of sugarcane will be noticeable. Vegetables and all those which constitute food for the man could be grown much more easily. Sometimes it is said that it might be possible to grow all this by lift irrigation. Whoever knows anything about agriculture will say that direct irrigation is less costly and the cost of production from lift irrigation will be higher by about 50 per cent. Electricity, no doubt, may help to some extent. But, it is not possible to take electricity under the Second Plan to every village that is backward in this country. While a sum of Rs. 381 crores has been provided for irrigation, it seems that some of the spill over projects are included in this amount. If that is so, new projects under the Second Plan will be very few. I, therefore, suggest rather seriously that every attempt should be made not to give a secondary place to irrigation projects, but to develop irrigation in the same way as industrial projects have been

thought of. Then, you could give enough food to the country. As has been pointed out by the Prime Minister there can be no real stable industrial economy in this country without a stable agricultural basis.

For finding funds for further development in irrigation works, one would say that we are already lacking funds, we are already running into deficit and deficit economy has become the order of the day. I am not an economist to discuss the wisdom or otherwise of a deficit economy. I would only suggest diversion of certain funds from certain other aspects to irrigation.

**Shri B. S. Murthy :** From what sections?

**Shri Ramachandra Reddi :** My hon. friend Shri B. S. Murthy will kindly wait for a minute and hear me. The amount that has been provided in the Second Plan for irrigation is Rs. 381 crores. It must be possible if proper attention is paid and proper anxiety is shown to provide more funds for that. In regard to the N. E. S. a sum of Rs. 200 crores has been provided. Everybody who is acquainted with the work of the N. E. S. would feel that the money that is provided for them may not be properly spent. With so many factors working there, with so many faulty ideas and thoughts prevailing there, with mere publicity-mindedness that is going on in those areas, it may be a waste if this sum of Rs. 200 crores is going to be spent on them. Perhaps it will be more profitable even to those areas to provide more of irrigation facilities and communications than mere national extension schemes.

**Mr. Deputy-Speaker :** Is the hon. Member likely to finish or he would like to continue ?

**Shri Ramachandra Reddi :** I would like to have five more minutes.

**Mr. Deputy-Speaker :** He may continue tomorrow.

Private Members' Business now.

#### COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

##### FIFTY-FOURTH REPORT

**Shri Negeshwar Prasad Sishu (Hazari-  
bagh East) :** I beg to move :

"That this House agrees with the Fifty-fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 23rd May, 1956."

**Mr. Deputy-Speaker :** The question is :

"That this House agrees with the Fifty-fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 23rd May, 1956."

*The motion was adopted.*

#### RESOLUTION RE. CEILING ON INCOME OF AN INDIVIDUAL

**Mr. Deputy-Speaker :** The House will now resume further discussion of the Resolution moved by Shri Bibhuti Mishra on the 27th April, 1956 :

"This House is of opinion that Government should take suitable steps immediately to fix a ceiling on the income of an individual."

Out of four hours allotted for the discussion of the Resolution, one hour and 29 minutes are still left. Shri N. Rachiah may continue his speech.

**Shri N. Rachiah (Mysore—Reserved—Sch. Castes) :** The other day I was speaking about the implementation of Panch Shila to external affairs. I wanted the spirit of Panch Shila to be implemented internally in our society by way of according equal economic justice to the citizens of our country. Article 38 of the Constitution says:

"The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life."

Further, sub-clauses (c) and (d) of article 39 state :

"(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment ;

(d) that there is equal pay for equal work for both men and women ;"

[Shri N. Rachiah]

I am quoting all this to show that the framers of the Constitution desired that in a poor country like ours there should be economic equality between man and man. It need not be absolute, but there must be an economic standard approved for all the citizens of the country, so that he should live peacefully and happily with a harmonious attitude towards his fellow citizens. And as such, apart from our Government and the Congress High Command declaring that there should be a socialist pattern of society, the Constitution itself aims fundamentally at the establishment of a socialist pattern of society. That means unless and until we achieve economic equality, our dream of realising a socialist pattern of society will be only in the air or in the document.

Next to that I would refer to page 32 of the booklet entitled "Indian Agriculture in Brief" issued by the Agricultural Ministry, where it deals with incomes and expenditure and indebtedness of agricultural labour families. The figures of indebtedness for a family are from Rs. 17 to Rs. 347. This debt is a burden on every agricultural family. The agricultural labourers form at least 50 per cent of our population. At least 18 to 20 crores of people are not earning enough to live upon, and they have to incur debts for their maintenance and livelihood.

In the Second Five Year Plan, while dealing with reduction in inequalities, it has been said :

"There are existing inequalities of income and wealth which need to be corrected and care has to be taken to secure that development does not create further inequalities and widen the existing disparities."

The process of reducing inequalities is two-fold : firstly to raise the income at the lowest level and secondly to reduce the income at the top level. My amendment refers to the latter part of this process. There must be a reduction of income at the top. My amendment seeks to reduce the salary of the officers in the country to only Rs. 1,000 per month. By all means the Government can pay Rs. 10,000 per month to them if the common man does not suffer. When the common man who is the source of all revenue of the country is not having even bare subsistence, with

what right or face can we pay Rs. 2,000 and Rs. 3,000 and sometimes Rs. 4,000 per month. Our own Prime Minister who is the head of the country, and who is very popular in the entire world, gets only Rs. 2,250 per month whereas some Governors get Rs. 4,000, Supreme Court Judges get Rs. 5,000 and even some I.A.S. officers, who might have failed several times in B. A. class, get Rs. 1,800 to Rs. 2,000 per month. Apart from that, they are officers. If I will not be mistaken, they are exploiters in our society. An officer should have a sense of self-sacrifice and service towards his fellow men. Simply because he is an officer, he gets such a high salary while millions of people are suffering for want of accommodation, employment etc.

In Mysore after the integration of the administrative and police services with the All-India Administrative Service and I.P.S., an officer who was getting Rs. 600 now gets Rs. 1,600 per month. An officer in the police department who was getting Rs. 500 now gets at least Rs. 1,200 per month. But he is doing the same work, and he is not even transferred from the State to another. I do not know what sort of all-India service it is. If it is an all-India service, he must have been transferred to some other place, because we must inculcate in the mind of such an officer that he belongs to the entire country and he must be prepared to go to any part of the country and serve. But an officer is kept at the same place, doing the same work, exploiting the poor people and he is being paid higher salary and increments and all that. What is this? If the national income is Rs. 4,000 crores instead of Rs. 400 crores, by all means let the officers including the I.A.S. be paid Rs. 2,000. I do not grudge. But we must look into the condition of the common man, the worker, particularly the agricultural worker, and as such I appeal to the Government to accept the principle of this Resolution. It is a very good Resolution.

In England, Germany and other countries, an agricultural worker is assured of employment all through the year except on Sundays and declared holidays. In England and Germany he gets Rs. 3 an hour and he has work for at least 9 hours. That means not less than Rs. 27 per day he gets there. In our country the vested interests are exploiting the poor people who form

the bulk of the nation. There is everything for one's greed. But we find nothing for one's need in our country. Here there is forced labour. There is free labour prevalent in our country; there is no minimum wage fixed for the agricultural labour. As such, while recognising the *per capita* income or the standard of living economically we must base our calculation with reference to the common man. When the people are suffering in this way, I am sure no officer should be paid more than Rs. 1,000 per month. The Mysore Assembly has passed a resolution that in Mysore State no officer should be paid more than Rs. 1,000 per month. That is a resolution passed by an elected representative assembly, and as such I very strongly support the resolution moved by Mr. Mishra and I hope the Government will accept the principles underlying this resolution and accept the spirit and the principle of it with immediate effect in the best interests of the country and the poor man of our society, or, I regret the Government to accept my substitute resolution.

**Shri Radha Raman** (Delhi City) : May I seek your permission to move an amendment which I have tabled to this resolution ?

**Mr. Deputy-Speaker** : It is too late now.

**Shri H. N. Mukerjee** (Calcutta North-East) : Mr. Deputy-Speaker, it is with great pleasure that I rise to support the resolution which has been moved by my hon. friend Shri Bibhuti Mishra. On the last occasion when this resolution was discussed, I could not be present, but I have read carefully the proceedings of that day and I found that Shri Mishra had given quotations galore from Gandhiji's writings and at the same time he had shown in his attitude a down-to-earth realism which we have come to associate with those who have done work for the national movement in the countryside. I could not agree with all his suggestions as being immediately realisable, but, on the whole, I feel that he has done a service by bringing this resolution and trying to pin down Government to a definite statement in regard to the position.

I notice also that members from the Congress Benches like my hon. friend Shri Satyendra Narayan Sinha had

referred to the very heartening phenomenon that on this resolution there was something like unanimity in the House and I am sure that if we can deduce from previous debates of a similar character like the resolution on a second Pay Commission demand which was brought forward by my hon. friend Shri D. C. Sharma and was unhappily defeated by a certain combination of circumstances, if we can deduce from previous resolutions of a similar nature, I can take it that on this occasion also there would be unanimity in the House. And that is why I want the Minister to come forward and tell us very definitely what steps, if any, Government are going to take.

I notice that questions have been asked in this House in recent months on two occasions : on the 23rd of November last year when the Minister of Finance replied that the recommendations of the Taxation Enquiry Commission regarding the fixation of a ceiling on individual incomes had not been taken a decision upon by Government up to that time; and then on the 2nd of March this year the Deputy Minister of Finance said that Government have accepted in principle the desirability of reducing the disparities in incomes and wealth and appropriate fiscal and other measures have been taken and will be taken from time to time in pursuance of this objective. Since then we have got the report of the Planning Commission and we have also got the speech of the Prime Minister in the other House.

It was rather surprising that in the other House the Prime Minister made, what he called an unpremeditated speech. He found that everybody who had spoken in the other House, with one minor exception, had supported a resolution substantially similar to the one before us, but he intervenes unpremeditatedly only in order to see that the resolution was withdrawn. I consider this kind of thing to be moral coercion. I consider that it is up to Government to tell us what concrete measures are going to be taken when there is so much feeling in the House and in the country and if the Finance Minister is serious, he has got a number of amendments also suggested on this occasion, he might tell us which of the amendments, perhaps with some

[Shri H. N. Mukerjee]

little modification, he can accept. I want Government not to get away from this responsibility. It is very important that on this issue a definite decision is taken by Government and announced to the country. As far as I am concerned, I would like not only a ceiling on income but also a floor.

The House is very well aware of the demand of industrial labour that no worker should get less than a wage of Rs. 100 a month. We all know also the distressful conditions of primary school teachers who get hardly Rs. 40 to Rs. 50 per month, for whom the Education Ministry in spite of a great deal of consternation can hardly find the necessary money. The Prime Minister told us only the day before yesterday that the road to equality is not by some artificial fixation, but by a hundred paths which gradually bring that about. He opposed the idea of an automatic ceiling. Now, if we are not going to have an automatic ceiling, let them let us know what exactly are the concrete measures they propose to take like capital gains tax, or the mopping up of dividend beyond a certain limit and that sort of thing. It is no good saying :

ज्ञानं पन्थाः ज्ञानं कन्या ज्ञानं पर्वतलघरा ।

How long are we going to move in this absolutely slow snail's pace, which will get us nowhere, and in the meantime all kinds of things are happening? The Prime Minister speaking in the Rajya Sabha said that it may be psychologically satisfying to see that some people who flaunt their wealth in a vulgar manner do not do it, but you have to raise the level of the people as a whole. And how can you do it? Only by much greater production of wealth in the country. I consider this harping on greater and greater production of wealth as the be-all and end-all of our activity to be a dangerous formulation.

Ever since we have read about socialist theory we have found vested interests coming forward to say that socialism is a system which removes all incentives towards production and since we cannot have a dead level of poverty, socialism is taboo. This is the classical argument against socialism. And now we find the Prime Minister, who is the exponent here of the idea of socialistic pattern of society, harping

merely on production. But he has to conceive that it would be psychologically satisfying to see that the vulgarity of wealth and the disparities of income are removed. Let us do something about that here and now.

The Pay Commission reported in 1947—my hon. friend Mr. Gadgil is there to give us much more information of a first-hand nature—that our services need not be paid more than a maximum of Rs. 2,000 a month. Now, what do we find? I looked up the Budget papers supplied by our Finance Minister this year and I looked up the Commerce and Industry Ministry and I found one Secretary gets Rs. 48,000; one Joint Secretary Rs. 36,000; five Deputy Secretaries 79,700 making a total of Rs. 1,63,700 for seven persons. And I found that 314 Assistants, Clerks, etc., get Rs. 6,45,700 and 137 Class IV establish get Rs. 59,100. Now, I may be told that they get a lot of allowances, but we know from the Audit Report which has come to us lately, how allowances are received by the higher officers and how the privilege is abused in so many flagrant cases. We find, therefore, that the Secretary gets Rs. 4,000 a month, while a Class IV servant gets a salary of less than Rs. 40 per month on an average. It is a ratio of 1: 100. This is vulgarity. This is something which gives rise to ostentatious living. How can we tolerate this kind of thing?

I know we have been told, and the Prime Minister has said that merit has to be rewarded properly. I know we have been told that if we want the right type of public servants, we must give them the proper kind of inducement. What is the kind of inducement which is necessary for the right type of public servants in our country? We do not want an approximation to what the British introduced in this country as a heaven-born service, and we do not want people with overweening ambition in monetary matters becoming high-up officers in our State. We want people who would consider service and recognition of their service as their real reward. We have been told that many officers of Government run off to the private sector, where they are much better paid. I would say it would be good riddance if those officers run away, because those who do not

have that kind of social responsibility have no business to function as the officers of the kind of State which we want to have. Our officers, even those who are high up the ladder have no right to anything more a comfortable living. And if in 1947, the Pay Commission could suggest that we should not pay our higher officers more than Rs. 2,000 at the maximum, then there is no reason why today a gesture is not made. It would be psychologically satisfying, to quote the words of the Prime Minister himself, and the main problem of the prosecution of the Plan is this question of psychological satisfaction. The Finance Minister may dismiss me as a person who talks all kinds of nonsense in an emotionally surcharged manner. But Shri Bibhuti Mishra is a highly respected member of the Congress Party, with direct contact with the people, and a long record of service to the people, and he comes and tells us...

**The Minister of Finance (Shri C. D. Deshmukh):** The hon. Member also is highly respected by me.

**Shri H. N. Mukerjee:** I feel that after all when we find this demand being put forward from different angles by different sorts of people, Government should come and tell us what exactly is proposed to be done about it. I find that Professor Kaldor, whom presumably Government had invited to give his views in regard to the financial position of our country calculated that there is income-tax evasion to the extent of about Rs. 300 crores. Now, this might be a figure on which there would be controversy. Then, he suggested reduction of luxury goods consumption. He suggested that there was sufficient economic potential in India, and if only the tax-structure was modified, and if only the kind of imposition by way of excise duties, which the Finance Minister seems to be fond of, was altered altogether, then, we can have a very different kind of society.

We have tried to point out on many occasions how from different angles we can bring about a better redistribution of wealth, and how we can try to aim at having both a ceiling as well as a floor. It may be that we cannot have a ceiling fixed here and now straightway, but here and now, Government have got to make certain very definite decisions. In view of all these

things, I suggest that this resolution is taken more seriously than it has been. I wish also to refer to the glee, the jubilation, with which big business regarded the virtual renunciation by Government of the idea of ceiling on incomes. In the *Special Budget Number of The Eastern Economist*, there was a chapter entitled 'The taxes that failed'. They were expecting certain taxes to be imposed, but they were not. Then, there is another chapter called 'Ceilings on incomes'. It says in the first sentence:

"Among other things which failed to turn up in the budget..."

It was expected to turn up—

"...is the question of ceilings on incomes, which has almost become an accepted part of the programme of the socialist pattern to emerge under the Second Five Year Plan."

Then, it goes on gleefully to say how the arguments of the private sector have been accepted, and how Government are now behaving in a very different way.

I therefore wish to request the Finance Minister to be good enough to consider very seriously what are going to be the psychological repercussions on the country, if Government merely dismisses this kind of resolution. That is the most important part of it. It is no good merely having paper plans. You have got to get them executed through the co-operation of the people. You cannot enthrone the people, unless the people get the idea that something really serious is being done. And surely, there must be an attack on the vulgarity and ostentation which goes with the kind of income-making which prevails in certain sectors of our society.

We remember very well when a leading financial wizard was suddenly in the bad books of the Finance Minister and a warrant of arrest was issued, and then he was taken to jug, what happened? His son-in-law suddenly popped up from somewhere, and he produced Rs. 2½ crores as security for that person's being out on bail. This kind of things happens. We do not know the amount of capital gains which these people are stowing away, heaven knows where: we do not know. This kind of thing is going on.

[Shri H. N. Mukerjee]

We must do something in order to bring about a redistribution of the assets in our country. That is why I suggest that if the Finance Minister cannot accept the resolution—I do not think he can accept the resolution just as it is—there are so many other amendments, let him suggest a slight alteration perhaps in some of these amendments, and let him accept it. Let him come forward to make a gesture, without which the consequences on the country would be disastrous.

**Shri Gadgil** (Poona Central): I thought that no argument was really necessary for supporting this particular resolution. As stated by my hon. friend Shri H. N. Mukerjee, Government are practically committed to the principle of putting a limit or a ceiling on individual income.

The Taxation Enquiry Commission also had made certain suggestions. Perhaps, the House remembers that in 1953, 1954 and 1955, whenever I had the opportunity to speak on the budget and the financial proposals of Government, I insisted on this particular point. The general atmosphere in the country was so conducive that *The Eastern Economist* really felt surprised when it found that there was no mention of ceiling on individual income.

The House and the country have already voted the major premise of socialism. They have also voted the minor premise that inequalities in income are inconsistent with that high ideal of socialism. Courage and consistency require that effective steps should be taken to achieve this. Socialism is not a philosophy, so far as I am able to understand it. It may be philosophy in the initial stage, but today it is a programme.

Therefore, it is necessary that you must say that by these following methods, you are going to achieve it substantially year after year. Whether your annual plan is flexible or inflexible, I am not concerned with. It is dangerous, having once accepted the principle of socialism, to allow it to hang in the air, and allow greater and greater expectations of prosperity and a general feeling of equality in the country to grow up. That is what has exactly happened.

In the first place, it is not that Government or those who are responsible for economic thinking in this country

do not know how to effectuate it. It is not that at all. But somehow or other, some people, at any rate, are obsessed with the idea that if a ceiling is accepted, then the production will be affected, and they think that it might affect capital formation, it might affect incentive and so on. I have got a feeling, that whether consciously or unconsciously, the planners are trading social justice for capitalist production.

4 P.M.

The primary concern is social justice. And when I say that they are trading social justice for capitalist production, I hope that the House fully realises the implications of what I say. As regards the Plan, about which I shall speak tomorrow if I get an opportunity or later on, the fact remains that the common man is still confused and thinks that if the result of the First Plan is that the poor have at least remained poor or have become poorer and the rich have become richer—that is a certainty—he has no interest in it. Now, if the Second Plan is going to be the same, then what interest has he? If I find that I am where I was, that I was born with poverty, I live in poverty and if I am to die in poverty, what concern have I in this country and its prosperity, when it means the prosperity of the few? Out of the income tax-payers round about 6 lakhs in a population of 34 crores, about 160 or 200 earn so much that there is no limit. I cannot understand socialism except in terms of equality not only of opportunity but substantial equality of earning. This is exactly what is being prevented from effectuating in the present economic dispensation that has been, so to say accepted by the Government.

Is it impossible to put a ceiling on income? I suggested on one occasion Rs. 30,000 exclusive of taxes. Now, to that extent, Rs. 30,000 is itself an incentive. How many people are there in this country who are earning more than Rs. 30,000? Might be two lakhs or three lakhs out of a population of 34 crores. Therefore, do not make much of the proposition of incentive. Therefore, the approach must be two-fold. First, create conditions in which in the economic sphere of the country, there will not be concentration of wealth in a general way. The second approach is that individuals will not get beyond a certain limit, for any economic power or surplus in the hands of an individual is definitely anti-social. A rupee



surplus is, so to say, an order cheque on the labour of the community. If I have a rupee, to that extent I can order my hon. friend, Shri C. D. Deshmukh, to work as Finance Minister. If I have a rupee, I can ask a taxi-driver to run his taxi for me. In other words, this money is the power over social labour and in 99 cases out of 100 excess of it is used to the detriment of social welfare as a whole.

I am, therefore, submitting that in the Resolution which has been moved by Shri Bibhuti Mishra, he has just asked Government to take some effective steps. He has not said that Government should take this step or that step. But I am suggesting a little more than that. You must nationalise the main instruments and means of production. Otherwise, there is no meaning in socialism. It is no good telling me that they are old junk. If they are old junk, pay them compensation at that rate or no compensation at all. If they are really self-paying, take them over. I do not think there is a single industrialist who will run a junk concern unless he is certain that he is getting quite a lot out of it.

Vidoor, a well known writer, wrote only two days ago in the columns of the *Times of India*—I know him personally; he is not a socialist; if possible, I would describe him as completely indifferent to socialism—but a realist has come to the conclusion that the time has now come to have strategic industries, main industries, under national ownership and control; otherwise, what you have promised in the Constitution, what you have promised from time to time by various statements from Official Benches and from party platforms will never be performed.

Individually, therefore, you have to control, dividend, you have to control wages, you have to control rent. These are the three normal sources, as an economist would tell us. So far as rent is concerned, the problem of the landlord is being solved, though not very satisfactorily. So far as wages, earnings and salaries are concerned, I had the opportunity, while I was a member of the Central Pay Commission, just to see that some advanced thought, some progressive thought, was embodied in the recommendations of the Central Pay Commission. We, therefore, laid down that there should be a limit beyond which the government servant ought not

to get. What happened to those recommendations is certainly well known. But the time has come to revise that, not only in the interest of those who man the services, but in the interest of the whole country, in the context of certain ideals and certain principles which we have accepted in the Constitution and of certain moral responsibilities which are now laid on our shoulders.

We talk of our great preamble. May I tell you, Mr. Deputy-Speaker, that the latest book on political science by Sir Edward Barker has praised our preamble to the skies? We feel proud of it, that after two years of discussion in the Constituent Assembly, we could evolve a preamble to our Constitution which should be the object of respect and adoration all the world over. Now, let us implement that. If we are serious about implementing that, it is impossible to avoid nationalisation of most of the industries.

Therefore, when such a humble Resolution is put before the House, when the Government are morally committed to this principle, we should implement it. I was very sorry to read the speech of my great leader in the other House. I do not want to comment on it. Shri H. N. Mukerjee said that it was delivered just on the spot. Again, I should like to assure Shri H. N. Mukerjee that he is not dogmatic in the sense that he does not say that there should be no ceiling. He said it should come under the circumstances here and there and gradually. But the time has now come when from nebulous thinking, we must come to some precise statement so that people will have faith in our promise. We promised them this, we promised them that. After 8 years of independence, hundreds of villages are there without adequate drinking water supply. As regards literacy, we have done very little, though we have undertaken the responsibility to provide free primary education within a period of 15 years. Most of the period has gone. We are just a little ahead of what we were in 1947. Here is a test of earnestness of the Members of this House, whether they want to give a fair deal to the population which has remained in poverty over ages.

Asoka came and he built *stupas*; the people continue to remain poor. The Mughals came and they built the Taj

[Shri Gadgil]

Mahal and red fortresses; the poor continued to be poor; The Britishers came; they built highways and railways with the result that poverty travelled from Bombay to Delhi, from Madras to Calcutta and so on, but poverty remained. Now, having given them franchise, having made every one of them politically equal to the other, are you going to tell them, 'You are equal when you cast your vote, but you are not equal as soon as you leave the polling booth?' Let us credit them with some sense of consistency; let us credit them with some political consequences. They are gradually awakening to the power they have. When they find Gadgil going to them, when they find the great Prime Minister going to them, when they find the great Finance Minister going to peasants at Roha and asking them, "Will you kindly vote for me, so that I may become a Minister?" it means that the power to make Ministers remains with them, with the electorate and not with anybody else. They have really become the masters of this country. How are you going to deny them their birthright of a decent living? That is for you to decide. Give them at least a proof that the tall poppies will not grow taller. I am non-violent enough not to say 'cut them off'—I do not want to say that especially in the context of the Buddha Jayanti celebrations. But the process of levelling up is so slow and there is no bar, no ban, on the other hand on accumulations by the rich that they continue to grow while there might be a little addition here and there at the lowest level. We are told that in the next five years Rs. 50 will be added to the average national income of the individual. As I have worked it out, it comes to half anna a day. This is the average. A considerable portion of the population is far below the average and a small portion is so much above the average that if you work at this rate, socialism will not be realised not only for 20 years but for 200 years. How long are you going to keep them in this way? Give them at least this little proof that you mean business, that whatever happens, we will put a ceiling. I have not suggested now that it should be Rs. 30,000, or anything else. While talking on one occasion, the Finance Minister stated that we have already taxed 14½ annas in the rupee. Why not tax a little more and make it 15½ annas?

**The Deputy Minister of Finance (Shri B. R. Bhagat)**: How does the figure of Rs. 50 a year work out to half an anna a day? It comes to 2½ annas, according to me.

**Shri Gadgil**: Rs. 50 is for five years, which comes to Rs. 10 per year, that is, 12 annas a month. If the hon. friend will work it out further, he will get my figure. I am not a great mathematician, but I am fairly accurate in this. The hon. Prime Minister stated the other day that the average national income will go up to Rs. 331 from Rs. 281. The main point is that the people want convincing proof that you mean business, that you want to give a fair deal and that you see that the economic institutions and political institutions in this country are not to work in such a way as to make the rich more rich and the poor, if not less poor, keep them as they are. That is the test.

This resolution is very simple and, particularly, the amendment of Shri Bhagwat Jha Azad is so accommodating for the Government that they can just think about it. It is necessary that they must give up nebulous thinking and come with a definite statement and a programme when this will be implemented and how this will be implemented.

**Shri B. S. Murthy (Eluru)**: I rise to support this resolution. In supporting it, I want to tell the Minister and the Government that the time has come when they should be bold to take courage in both hands and say that they are prepared to put into force the professions they have been making all these years. It was many years ago that the Congress passed a resolution in Karachi stating that nobody should get more than Rs. 500 a month. After having got our Independence, many of us thought that this resolution in some modified form will be brought into force. But unfortunately, as Shri Gadgil has now been telling us, the rich are being helped to become richer, and the poor are being repressed to become more poor. After all, the resolution does not ask for anything spectacular, anything grand. It only says "take suitable steps immediately to fix a ceiling on the income of an individual". In one sector, the agricultural sector, the Government has come forward asking all the State Governments to fix a ceiling for the ownership of land. Many

State Governments have already fixed the ceiling on land. Having asked the State Governments to proceed to fix a ceiling as far as ownership of land is concerned, Government, I do not think, will be justified in trying to skip over the other important sectors—trade and commerce. Therefore, having committed themselves to this principle of fixing a ceiling in some form or the other, as far as the cultivator, as far as the landlords are concerned, Government must do something as far as the other spheres of industry and commerce are concerned.

Again, in this country, we have poverty, disease, illiteracy and casteism—the most irrepressible enemies to human happiness. All these are due to the fact that there are 90 per cent of the people who are poor. My hon. friend, Shri Gadgil, was telling us that there are people who have not even two square meals a day. I say there are people in India today who are not even having one meal a day and not even a raiment to cover their shame. If this is the state of affairs, I do not know how the Finance Minister will be able to tell us that on the one hand they want us to work for more production and more employment in the Second Plan. We want more production, no doubt, and more employment also, but what is the idea of the Government? How are Government prepared to see that poverty is rooted out? Unless the ceiling is fixed, poverty cannot be rooted out; unless poverty is rooted out, disease cannot be rooted out. Again in India, casteism is being nurtured on capitalism. Therefore, somehow or other we must have an axe laid at the very roots of capitalism, and I hope that the Finance Minister will be able to tell the House, and through this House the 36 crores of people, who are looking to what sort of socialist pattern we are going to have, that Government are prepared to take courage in both hands and fix a ceiling. That ceiling must be such that in the course of the Second and Third Five Year Plans, people will not be beggars, but will be wage-earners, the wage being such that the worker in the factory and the labourer in the field will be feeling that they are not only in a free India but also have a real socialist pattern of life. I think Government should be prepared to come forward and say that what they meant about the First Five Year Plan and about the Second Five Year Plan was

not mere words but translating them into deeds. And the proof is by taking the decision to fix a ceiling on the individual income.

**Shri C. D. Deshmukh :** I think it was necessary to have a perspective for a consideration of a resolution of this kind, and fortunately that perspective is furnished to us by the presentation of the Plan. What exactly is the Plan? It involves a process of production and investment, and a process of development, that is to say, the functioning of social services to the community in general and to the disadvantaged section of the community in particular.

Fortunately, we have been able to preserve the percentage of the Plan that is to be spent on social services, round about 19 or 20, although in absolute figures, 20 per cent of the new Plan will mean very much more than 19 or 20 per cent of the old Plan. To the extent to which we are able to devote sums to development, obviously we are taking positive measures to remove disparities of income, wealth and opportunity. That leaves us with the question of production. I think it is very necessary that we should discuss this question in an atmosphere which, as far as possible, is free from sentiment or undue zest or obsession; because, it is frightfully important that we do not make a mistake in regard to the processes of production that we intend to adopt during these next five years—taking the view only of the near future, so to speak, apart from any perspective that we can have.

It is in this context I think it is necessary to deal once for all with the various methods that have been advanced by my hon. friend, Shri Gadgil. The best thing to bring about equality of income and of opportunity is to nationalise most of the instruments of production. That means the socialism of a very very advanced kind in deed. We have given reasons in the plan why at the present moment we do not consider that it is practicable and why we feel that an integrated operation of the private and public sectors is the one that the country seems to need. That is a proposition which seems to have been accepted even by some of the Members on the opposite side. Therefore, I think for the purposes of this discussion, it is irrelevant to suggest that we better start on the high road to socialism and that everything will wall into its proper place. Obviously

[Shri C. D. Deshmukh]

it will be because then almost everybody will be a government servant of some sort or the other. In the other words we shall have a very extensive bureaucracy and a salaried class generally is more amenable to fixation of their emoluments than the class which operate in the private sector. But that is not the problem that we are dealing with today.

Incidentally, so far as salaries are concerned, there was some reference of the Central Pay Commission and some figures were given of extra-ordinary high salaries drawn by certain Government servants. The hon. Members are aware that the pay scales recommended were for new entrants and those have been adopted by the Central Government. It just happens that we have the residue and the remnants of the old service and they furnish these awful examples, so to speak, to Members of the Opposition. But, one should not lose sight of the fact that by and large the recommendations of the Pay Commission have been accepted and Rs. 2,250 is the highest pay, apart from the pay of Secretaries which is going to be about Rs. 3,000—I think so. According to the Central Pay Commission, Rs. 3,000 is the limit of individual pay or salary that has been recommended.

Here, as I said, we are not really dealing with the problem of salaries. As the hon. Members have pointed out, even if you fix a pay ceiling and an income is left after taxation, I doubt, whether there will be any salary in the public sector which will come within the purview of that kind of ceiling. Because, in order to get your Rs. 30,000 or Rs. 36,000 or Rs. 40,000 you should have an income of Rs. 60,000. I do not know the exact figure. Therefore, I do not think we should draw a red herring across the path and discuss the salaries of public servants here.

There was a resolution in the Rajya Sabha which coupled this recommendation of fixation of a ceiling with another recommendation that the salaries of government servants should be fixed at a particular level. But that is not what we are dealing with here. Considering that our chief source of concern is production, we have to give all our thought to this particular problem. By what means shall we succeed in increasing production, is the first step, the

second being of course, distribution of the incomes and the amenities. Therefore, references to social justice, feelings that the common man has for capitalist production and incentives, appeals to the electorate, reference to tall poppies, appeal for a precise statement of what we are going to do, lack of earnestness or otherwise, our moral responsibility, our partiality to private enterprise or private uplift, are all really un-businesslike aspects, if I may say so. We should convert ourselves into a committee where all of us are of one mind that we want to maximise production and to maximise the equality of its distribution. If that is so, let us forswear all these suggestions and insinuations and so on. We are trying to address ourselves to this basic task with as much earnestness and certainly with greater fervour than the people who are not charged with the business of the executive Government. Because, after all the House will look to us for the implementation of the Plan. The House is certainly entitled to criticise the lines on which we propose to go but speaking on subjective attitudes, no one can be more anxious than ourselves to deliver the goods. Therefore, I would appeal to the House not to indulge in the suggestions that somehow or other we are partial or are overinfluenced by private capitalists.

It is in this light that I would like the House to read very carefully what the Planning Commission has said in detail under this head: 'Reduction in Inequalities' on page 32 in this full edition of the Plan—paragraphs 19 to 29. It is too long a section for me to go through but I am quite certain that some of the difficulties which the hon. Members have felt in this connection will be cleared if they read this impartially.

The next issue is this. If our pre-occupation is with production, necessarily we are concerned incentive. Whether you call that incentive or whether you call it material interestedness, it does not matter; it is the same thing. It is there that psychological considerations come in. Whether they apply to the rich or to the poor, that is equally the same thing. I am at one with the hon. Members when they say—I think Shri Mukerjee said—"consider the one fact which will have a psychological satisfaction on millions of our countrymen, that they are having a fair, square

deal". Certainly, that will lead to production and so on and so forth. Nevertheless, that does not absolve you from the duty of throwing incentive in the sector in which private enterprise operates. You must satisfy yourself that the sort of incentive that you leave there will be enough to draw the best of the men whom—if you like—reluctantly you are allowing to operate in the private sector. That is not a matter which can be decided by mathematical formulae, nor can it be decided once for all. It may be that their expectations of material reward are very important in the light of their past experience and as one goes along, as taxation measures develop, they themselves will learn to expect a lower order of reward. What is not possible today—I am talking of the possibility only in the light of incentive and production—may be possible two, three or five years hence. This is the principal difficulty in the way of our spelling out more elaborately what exactly we are going to do in order to lop off the tall poppies, if I may borrow that metaphor—in other words, what one is going to do in regard to taxation and, in particular, direct taxation.

One hon. Member—I think Shri Mukerjee—demanded that, in view of this near unanimity that is prevailing in regard to this Resolution I announce, concretely, here and now, what steps Government are going to take in order to remove inequalities. With all the experience that I have had of fiscal administration for the last six years, I cannot for the life of me think how I can satisfy the House in regard to all those measures that have been adumbrated in those pages by the Planning Commission. How do I tell them what exactly is the form that the taxation of wealth will take? How do I tell them what I propose in regard to capital gains? How do I tell them what amendments I may have in view in regard to the Estate Duty Act? Then, somebody complained—I think it was in the debate on the Plan—that no reference was made to the excess profits tax, tax on gifts, tax on expenditure and a hundred and one other forms of taxation. I consider, since we are dealing with a planned economy, there are proper occasions on which one elaborates one's ideas and puts forward concrete measures—and by 'concrete measures' I understand the Finance Bill. Do I put about 12 Finance Bills in

the course of my reply before the hon. Members of this House? That is not possible. The House will recall that in the course of my observations in the general discussion on the Budget, I said that it is not possible for me to sketch out very much in advance what the Government is going to do in regard to the modes of direct and indirect taxation. A statement was made this morning. . . .

**Shri H. N. Mukerjee:** May I ask a question, Sir? In view of certain doubts having arisen in people's minds on account of the Government's emphasis on production at the cost of a comparable emphasis on distribution, could you take the House into confidence regarding those steps which you have in mind and, could you from that point of view accept some of the amendments which are worded in such a fashion that you can conceivably accept them?

**Shri C. D. Deshmukh:** Those amendments are not concrete proposals for taxation. The point I am developing is, we are all at one in wanting to maximise production. As far as I can see, distribution may be a direct distribution—that is not very much under our control except that incomes flow and transfers and exchanges take place in the community—but in addition we wish to spend moneys, which we take from those who can afford it, on those who need the amenities which we can provide out of those funds and those development expenditures.

**Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareilly Distt.—East):** How would increase in income-tax affect the salaries of Ministers in Uttar Pradesh who get a salary of Rs. 1,250 free of income-tax, plus a car, plus a free driver, plus a cleaner, plus free petrol, plus a free house and another house free in Naini Tal?

**Shri C. D. Deshmukh:** Well, it is a minor matter against this major perspective; nevertheless, this matter also. . . .

**Shri Feroze Gandhi:** Same is the case with private concerns.

**Shri C. D. Deshmukh:** . . . . . has been brought to the front now by the Comptroller and Auditor General in regard to taxation on perquisites in general and, sometime or other, a reply is due. I should say, generally that there is a way now of assessing perquisites also. In other words, one can. . . .

**Shri Feroze Gandhi :** Tax would be paid by the State from the public Exchequer. The Ministers in U. P. do not pay out of their pocket. Whatever is assessed is paid by the Exchequer. Therefore, he gets what he used to get, no matter how much the tax may increase.

**Shri C. D. Deshmukh :** I have not quite studied the Ministers' Salaries and Allowance Act in Uttar Pradesh. If what the hon. Member says is true, my only answer . . . . .

**Shri V. G. Deshpande (Guna) :** What about the Central Ministers ?

**Shri C. D. Deshmukh :** I cannot answer another question before I have answered the first one. What I was going to say is that the State Legislature is supreme in its own field. The Central legislature is supreme in the field which has been allotted to it by the Constitution and it would be improper for me to criticise any legislation passed by a State legislature in regard to the salaries of its Ministers. That is all the answer that I can give and the same sort of answer applies to this legislature also, that constitutionally I cannot go into that particular question.

What I was going to say is—I have lost the thread because I was going on answering questions so long—that there is one thing that has been brought in forcibly as a conviction to my mind and that is, that this House, the legislatures in the States and the electorate, to which Shri Gadgil referred, will now be imposing a very very severe criterion indeed in regard to taxation. I am free to admit it. I can see the task of future Finance Ministers getting increasingly difficult only in this sense that they will have to make sure that they do not put a pie on indirect taxes, if there is any possibility of that same pie being recovered through direct taxation. Therefore, it is all a question of considering in the future how one would behave or how one would arrange these fiscal matters.

It is also true, what Shri Asoka Mehta said, that most processes of development lead initially to disparities of income. They have a tendency of making the rich richer and the poor poorer. Therefore, unless the Planning Department and the country are wide awake all these results will follow. It

follows even in socialist countries like Sweden. I am told—I think there is a reference to it in Prof. Kaldor's report—that is the case in socialist countries. Therefore, I realise the necessity of keeping a very wide eye open on how wealth is accumulating and how it can be tapped for purposes of better distribution among the community.

So, if hon. Members agree on two things : firstly, that we should maximise production, and, secondly, that on every occasion on which a taxation measure comes forward they will be entitled to ask what measures we propose to take in regard to the profits that are going to this first category of profits—that is, dividends, and not wages and rents—then certainly the Finance Minister concerned will have to give a satisfactory answer.

The reason why all these have not been brought in today is (1), that we only needed a certain sum of money, and (2) there are certain forms, I understand, which have still to be examined. It is quite certain—if I may refer back to Prof. Kaldor—that it is at our instance that Prof. Kaldor was asked to come to this country. We knew he had written a 'Minority Report' in the Taxation Enquiry Commission. He was placed for convenience in the Indian Statistical Institute, but he has submitted a report to me, to the Finance Minister, and it is my intention to place that report before the House before the end of this session, because I am anxious that hon. Members should consider everything that that report contains and be prepared with their observations when we take up the question of Plan. I am sorry this debate is getting mixed up between the Plan and the ceiling. Both things are one, practically parts of the same discussion. That is why I am saying, I am anxious that hon. Members should share the burden of consideration with me. I am considering Prof. Kaldor's report and I would like suggestions of hon. Members. I am quite certain that we shall be able to hammer out something which will give some little satisfaction to the House, to all sections of the House I should say, when the time is ripe for bringing forward further measures of taxation. That is all in a general way that I can say in order to allay the anxiety of the House that, somehow or other the Finance Minister has sworn himself only to raising revenues

by indirect taxation. I have never said so. What I said was that one will have to remember all the time that the people who have incomes over Rs. 4,500 in this country are, say, 1 per cent or a little less than 1 per cent. People who have incomes of over Rs. 60,000, after payment of taxes, would hardly exceed 450. We can deal with them. Therefore, I say, that after we have done all we want to do with these people, who are, so to speak, our commission agents in increasing production, it may be that in view of the large volume of taxation that we have to raise, we may have to ask the common man to spare some promised current consumption in the way of either taxation or borrowing or saving. That is all I have said. I have never said that we shall confine ourselves exclusively to indirect taxation and that I feel that the limit of direct taxation has been reached. In my own mind, there is not even a vestige of feeling of that kind. I very readily accept the fact that there will be larger and larger surpluses in the hands of the well placed and advantaged individuals, companies and firms which the community is entitled to tax.

While I have the opportunity, I might say that so far as the method of raising surpluses is concerned, it is no good deluding ourselves with the feeling that if some gets into the hands of a few people as surpluses, or if it gets into the hands of a few people as surpluses, or if it gets into the hands of a very large number of people in small dribbles, both are the same thing. They are not. So far as surpluses are concerned, it is easier (a) to locate them and (b) to tap them if they go into the hands of a few persons. Therefore, the process that I have indicated should not be difficult. If, on the other hand, surpluses or these additional incomes—these get distributed in very small doses or dribbles or thimblefuls all over the community, it is almost certain that it will be absorbed in additional consumption. Therefore.....

**Shri N. B. Chowdhury (Ghatal):** Monopoly should be developed.

**Shri C. D. Deshmukh:** That is not the argument. The argument is, therefore, one should not have an oversimplified feeling in regard to this tragic dilemma to which the hon. Member referred. One should take steps. If incomes or amenities are being distributed, to that extent, one should make up

one's mind that it will be almost impossible to tap them except through small savings or voluntary acts of self-abnegation on the part of the holders of these incomes. But, so far as these surpluses are concerned, I say that I do not anticipate any great difficulty in either locating them or devising suitable measures, if a little time is given to us, to tap them for the purposes of the community. This is the general philosophy of this matter.

In view of this, my difficulty is, I cannot accept the resolution in the form in which it has been put forward. I need not make it clear, I hope, that Government wholeheartedly accept and intend steadily to pursue the objective which underlies the Resolution namely a progressive reduction in economic inequality, and if there is any satisfaction to the House that we should give at least token indication that we are at one with them in spirit, I am prepared to accept the amendment which has been suggested by Shri Bhagwat Jha Azad so that we at least stand committed to the principle. The gap has been narrowed a little, shall we say, between the advanced thinkers and ourselves.

**Shri Gadgil:** I will still go ahead next time.

**Shri C. D. Deshmukh:** It is possible to spin out this matter and go into platitudes which are well known as to what planned development means what capital formation means, and how man was not born equal, how his capacity, etc., are unequal and so on. But, I shall not take the time of the House by stating most of these platitudes. Nor shall I mention, except very briefly, the steps that have already been taken by the Government in the same direction: land reforms, although many hon. Members find fault with them, regulation of rents, control of money-lending, re-organisation of rural credit, amendment of the Company law, nationalisation of the Imperial Bank, life insurance and so on.

The only other issue is this question of the expansion of the public sector or expansion of state-trading and so on in order to tap some of these profits. There, again, dimensionally, we may not be able to satisfy the House. I am a great believer in Chanchupraves, in making a small beginning which

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could be broadened and widened as opportunities offer themselves—thin and of the wedge. There has been some reference made to the Taxation Inquiry Commission's report. I do not think hon. Members have really studied it because, otherwise, they would not use the word immediately. I would like to read—I do not know how much time I have.

**Mr. Deputy-Speaker :** His time is up.

**Shri C. D. Deshmukh :** In that case, I would not read. I would only say when I place the report of Professor Kaldour on the Table, which I hope to do in about two or three days, hon. Members should study not only what he says about taxation, but also what he says about ceiling on income. I have no time to read it today. When they read it, I think they will agree with me more than ever that all that we need do at the moment, is to accept the amendment moved by the hon. Member Shri Bhagwat Jha Azad.

**श्री विभूती मिश्र (सारन व चम्पारन) :** मैंने जो प्रस्ताव पेश किया उसका जिन माननीय सदस्यों ने समर्थन किया है उनको मैं हादिक धन्यवाद करता हूँ और साथ ही मैं अपने वित्त मंत्री जी को धन्यवाद देता हूँ कि उन्होंने इस समय जो उनकी वानप्रस्थ की जिन्दगी है उसके अनुसार उचित कारवाई करने का बीड़ा उठाया है और जो उन्होंने चंचु प्रवेश न्याय की बात कही यह गांधी जी के शब्दों में अहिंसात्मक न्याय है। गांधीजी भी धीरे धीरे काम करते थे। जब गांधी जी चम्पारन में गये तो उन्होंने कोठी वालों से २६ परसेंट और २० परसेंट मुआवजे में कमी कराई थी। उस समय आज जो हमारे राष्ट्रपति हैं उन्होंने कहा था कि “यह आपने क्या किया”। गांधी ने जवाब दिया था कि मैंने किया तो थोड़ा है परन्तु इसका परिणाम यह होगा कि अंग्रेज लोग चम्पारन से चले जायेंगे। वही बात हुई। वित्त मंत्री जी ने जो चंचु प्रवेश न्याय की बात कही है उससे असमानता धीरे धीरे ही दूर होगी, और मैं समझता हूँ कि जो काम धीरे धीरे होता है वह माकूल होता है। परन्तु एक बात मुझे कहनी है। हमारे प्रधान मंत्री जी ने दूसरे हाउस में कहा और हमारे वित्त मंत्री जी ने इस हाउस में कहा कि प्रोडक्शन बढ़ाइये। मैं इनसे कहता हूँ कि आप मेरे साथ देहात में चलिए और देखिये कि प्रोडक्शन (उत्पादन) बढ़ाने के लिए देहातों

में बांगड़ और दूसरे लोग आज इस कड़ी धूपमें कितना परिश्रम करते हैं। ये लोग हल चलाते हैं और दूसरे काम करते हैं और सुबह से शाम तक प्रोडक्शन बढ़ाने का यत्न करते हैं। लेकिन इतना सारा काम करने के बाद उनको शाम को खाना नहीं मिलता। इसका आपको कोई उपाय निकालना होगा। आप बार बार कहते हैं कि प्रोडक्शन बढ़ाइये, प्रोडक्शन बढ़ाइये। लेकिन डिस्ट्रीब्यूशन (वितरण) करने का भी तो कोई तरीका निकालिए। प्रोडक्शन तो बढ़ रहा है। अगर यही हालत रही तो मैं आपको बतलाना चाहता हूँ कि हम लोग गांधी जी के शिष्य हैं और प्रधान मंत्री के सिपाही हैं, हमको कोई दूसरा रास्ता खोजना पड़ेगा कि क्या करें।

मैं अपने वित्त मंत्री महोदय से कहना चाहता हूँ कि साहब यह प्राइवेट सेक्टर और पब्लिक सेक्टर बड़ा घोखा है। मैं आपसे पूछना चाहता हूँ कि प्राइवेट सेक्टर के अधीन आज जितनी फॅक्टरीज और कल कारखाने व उद्योग हैं और उन उद्योगों से जो फायदा होता है, उस मुनाफे का आपने जनता में वितरण कराने के लिये क्या व्यवस्था की है? आज हम देखते हैं कि इस सेकेंड फाइव इयर प्लान (द्वितीय पंचवर्षीय योजना) में प्राइवेट सेक्टर को प्रोत्साहन देने के लिये सरकार ने २३ अरब रुपये के खर्च करने की व्यवस्था रखी है लेकिन दूसरी तरफ हमारे देखने में आता है कि इन प्राइवेट उद्योगपतियों द्वारा सरकारी टैक्सों (करों) का दर्वजन (अपवंचन) किया जाता है और मैं आपसे यह प्रार्थना करना चाहता हूँ कि इस प्राइवेट सेक्टर के लिए कोई इतजाम कीजिये और याद रखिये जब तक यह प्राइवेट सेक्टर अपने वर्तमान रूप में विद्यमान रहेगा, यह देश का नाश करता रहेगा। जिस तरह से एक घर में दो, तीन भाई एक साथ रहते हैं और अगर किसी एक भाई का अपना प्राइवेट मनी होता है तो वह भाई अपने काम पर ध्यान देता है और वह दूसरे काम पर ध्यान नहीं देता है, वह घर के इतजाम पर ध्यान नहीं देता है और उसका सारा ध्यान अपने प्राइवेट मनी को आगे बढ़ाने में लगता है और इसके कारण घर का नाश हो जाता है, उसी तरह से जब तक आपके घर में यह प्राइवेट सेक्टर रहेगा, तब तक आपके देश की उन्नति नहीं हो सकेगी। असल में यह प्राइवेट सेक्टर ही सब झगड़े फसाद की जड़ है और जब तक यह प्राइवेट सेक्टर मौजूद रहेगा तब तक यह आपके आफिसर्स (अधिकारियों) वगैरह को करप्ट (अप्ट) करता



रहेगा। मैं अपनी ही बात बतलाऊँ कि अगर मैं पालियामेंट का मेम्बर न होता तो मैं दिल्ली न आ पाता और एक मामूली किसान होने के नाते दिल्ली आना मेरे बूते की बाहर की बात थी, दिल्ली आना तो दूर रहा मेरे लिए अपने खर्च से डिस्ट्रिक्ट टाउन पहुँचना मुश्किल होता था और पैसे की किल्लत की वजह से साइकिल की शरण लेनी पड़ती थी, लेकिन चूंकि अब पालियामेंट का मेम्बर हो गया हूँ इसलिये दिल्ली आ गया। कहने का तात्पर्य यह है कि मामूली किसानों की आप तक पहुँच नहीं हो पाती जब कि हम देखते हैं कि प्राइवेट सेक्टर के बड़े बड़े पूँजीपति लोग बड़ी आसानी से प्राइम मिनिस्टर (प्रधान मंत्री) और वित्त मंत्री महोदय के पास पहुँच जाते हैं और दूसरे बड़े सरकारी अधिकारियों के पास उनकी पहुँच हो जाती है जब कि गरीब किसान की पहुँच आपके दरवाजे पर नहीं हो सकती और अगर हिम्मत करके वह वहाँ पहुँच भी जायगा तो दरवाजे पर बंदूक लेकर पहरा देने वाला सिपाही उसको वहाँ से हटा देगा.....

**Shri C. D. Deshmukh :** During the last month or so, about a thousand peasants have been to me and I do not believe that a single captain of industry has been to my place.

**उपाध्यक्ष महोदय :** मंत्री महोदय ने बंदूक वाला सिपाही नहीं रक्खा होगा।

**श्री विभूति मिश्र :** मैं वित्त मंत्री महोदय को इसके लिए धन्यवाद देता हूँ कि उनके दिल में गरीब किसानों के लिए इतनी जगह मौजूद है।

प्रधान मंत्री महोदय ने राज्य सभा में सीलिंग (आय की अधिकतम सीमा) के ऊपर बोलते हुए जो अपने विचार प्रकट किये, उसको अखबार वालों ने कुछ इस तरह से पेश किया है कि सहसा उस खबर को पढ़ने वाले को भ्रम सा हो जाता है और चूंकि यह अखबार वाले घनिक आदमियों के हाथ की कठपुतली बने हुए हैं इसलिए उन्होंने प्रधान मंत्री महोदय के वक्तव्य में से इधर उधर से निकाल करके अपने मन की बात लिख दी लेकिन प्रधान मंत्री महोदय ने जो यह शब्द कहे थे कि आज देश की भवस्था यह हो रही है कि कुछ लोग तो बहुत दरिद्रता और कष्ट का जीवन बिता रहे हैं जब कि कुछ लोग बहुत लक्ष्मरी (ऐशोइशरत) में रहते हैं, यह आर्थिक असमानता है, उसके बारे में कुछ

नहीं लिखा। मैं अपने उन अखबार वाले भाइयों से निवेदन करना चाहता हूँ कि उनको देशहित का ध्यान सर्वोपरि रखना चाहिये और उन्हें देश के गरीब कास्तकारों का साथ देना चाहिये। आज पूँजीपतियों का पैसा खाने से उनका दिमाग बिगड़ गया है और जिस गलत तरीके पर उन्होंने प्रधान मंत्री महोदय की राज्य सभा की स्पीच को कोट किया है, उससे एक गरीब कास्तकार यह समझेगा कि हमारे प्रधान मंत्री के दिल में गरीबों के लिए कोई दद नहीं है। हालाँकि मैं समझता हूँ कि प्रधान मंत्री जी के दिल में हम गरीबों के लिए जितना दर्द है उतना हिन्दुस्तान में किसी के लिए नहीं है। मेरा उन अखबारी बंधुओं से अनुरोध है कि वे अपने कर्तव्य का ठीक ठीक तरह पालन करें और पालियामेंट में जो कुछ कहा जाय उसको ठीक ठीक उसी रूप में आप अपने अखबारों में उद्धृत करें।

सेक्रेट फाइव इयर प्लान की रिपोर्ट में यह जो कहा गया है कि : “Ceiling on incomes in the end-product rather than the beginning of a process.” मैं इससे सहमत नहीं हूँ और मैं चाहता हूँ कि तीन हजार की सीलिंग काफी ऊँची है और उसकी बजाय २,२५० रुपये की सीलिंग फिक्स (निश्चित) कर दी जाय।

आज लोगों में इंसेंटिव (उत्साह) पैदा करने की बात कही जाती है, ठीक है लोगों में इंसेंटिव पैदा करने की जरूरत है ताकि वे अधिक मेहनत से काम करें और देश की सम्पत्ति बढ़ायें लेकिन इंसेंटिव बढ़ाने के साथ ही आज देश में इस बात की बड़ी आवश्यकता है कि हमारे व्यापारियों में नैतिकता का भाव आये, हमारी इस प्लानिंग (योजना) में देश में नैतिकता कैसे लाई जाय, इसका कहीं कोई जिक्र नहीं है, आज इस बात की बड़ी आवश्यकता है कि हमारे देश और समाज में नैतिकता का भाव आये और इसके आने पर हम देखेंगे कि हमारा देश काफी प्रगति करेगा। आज यह बड़े खेद का विषय है कि हमारे व्यापारी समाज में नैतिकता का संबंध आभाव है और याद रखिये जब तक हमारे बीच में अनैतिकता कायम रहेगी, तब तक देश का कल्याण नहीं होगा।

आज हमारे देश में दो महान् शक्तियाँ देश का उद्धार करने में लगी हुई हैं। एक है हमारे प्रधान मंत्री महोदय श्री जवाहरलाल नेहरू और दूसरे आचार्य विनोबा भावे। पंडित जवाहरलाल नेहरू सरकारी स्तर पर देश का उद्धार करने

[श्री विभूति मिश्र]

का काम कर रहे हैं और आचार्य विनोबा भावे गैर सरकारी स्तर पर गांव गांव घूम कर देश उद्धार का काम कर रहे हैं। उन्होंने "भूदान यज्ञ" नामक अखबार में सामूहिक चिंतन की आवश्यकता पर इस प्रकार लिखा है: "यहां के लोग अपनी अपनी चिन्ता करते हैं, दूसरों की नहीं। यह एक बड़ा भारी दोष है। सामाजिक चिन्ता का अभाव हमारे यहां है। इसलिए आज आवश्यकता इस बात की है कि लोगों को सामूहिक चिन्तन की सीख दी जाय...

एक माननीय सदस्य : अभी चिन्तामणि उषर हैं।

श्री सी० डी० देशमुख : हम तो मन भर चिन्ता करते हैं।

श्री विभूति मिश्र : आगे विनोबा भावे ने लिखा है: "वस्तुतः मनुष्य का सारा ध्यान प्रेम संपादन करने में लगना चाहिये। लेकिन लोग कमाते हैं पैसा और परिणाम में पाते हैं एक दूसरे का द्वेष। कोई किसी की परवाह नहीं करता। विनोबाजी ने देशवासियों को सलाह दी है कि लोग बांट बांट कर खाएं और अगर लोग इस भाईचारे की भावना से मिल कर रहेंगे और ईमानदारी से मिल कर बांट कर खायेंगे तो कोई झगड़ा पैदा नहीं होगा और इस सम्बन्ध में उन्होंने एक सत्पुरुष की कहानी भी उसमें लिखी है जो इस प्रकार है। एक सत्पुरुष की महान् कहानी है। एक छोटी सी जगह बहु सो गया और बाहर जोरों से बारिश आ रही थी। ठंड में ठिठुरता हुआ दूसरा मनुष्य वहां आया और उसने आश्रय मांगा। एक ही मनुष्य के सो मकने की जगह वहां थी। सत्पुरुष ने कहा, "आ जाओ दोनों बैठ तो सकते हैं"। फिर एक तीसरा शख्स आया और उसने भी आश्रय मांगा। तीनों बैठ नहीं सकते थे, लेकिन खड़े तो रह सकते थे। उसे भी बुला लिया गया और तीनों ने खड़े खड़े रात बितायी। सार यह है कि तकलीफ भले ही हो, लेकिन सहूलियत सबको होनी चाहिये।

यही मुझको कहना है कि जो कुछ भी हमारे पास हो उसको बांट कर खाना चाहिये, यह नहीं कि एक आदमी को ज्यादा मिल जाय और दूसरे आदमी को कम मिले, मेरे प्रस्ताव का यही मतलब है कि आप आमदनी के ऊपर एक नियंत्रण कीजिये कि उसके ऊपर किसी की आमदनी नहीं होनी चाहिये। हमारे वित्त मंत्री महोदय ने उसको इस तरह से नहीं माना लेकिन उन्होंने

यह बतलाया कि हम बहुत से टैक्स (कर) लगाने जा रहे हैं और सिद्धान्त : हमारे श्री भागवत झा आजाद का जो अमेंडमेंट (संशोधन) है उसको कबूल किया है। मैं इसके लिए वित्त मंत्री महोदय, प्रधान मंत्री महोदय और सरकार को धन्यवाद देता हूँ। राज्य सभा में जो हुआ सो हुआ लेकिन यह हमारी लोक सभा है और यह जनता के चुने हुए प्रतिनिधियों की सभा है और यहां ऐसा सुधार करके हमने बिलकुल ठीक काम किया है और यह हमारा कार्य लोक कल्याणकारी सिद्ध होगा। मैं अपने मित्र श्री एच० एन० मुकजी से कहना चाहूंगा कि देखिये हमारे इस प्रस्ताव के अन्दर जो सिद्धान्त निहित है, उसको सरकार ने किस खूबसूरती के साथ माना है। चूँकि आप लोग जो बात कहते हैं वह सच्चे दिल से नहीं कहते और आपके मन में और बात रहती है और मुंह से दूसरी बात कहते हैं, इसलिए सरकार आपको बात को नहीं मानती है। आपने देखा कि सरकार ने हमारी बात को किस तरह से माना।

Mr. Deputy-Speaker : Now there is the main Resolution and there are the amendments. I am going to put amendment No. 3 standing in the name of Shri Bhagwat Jha Azad, and if this is carried, perhaps there would be no need to put any other amendment to the vote of the House.

Shrimati Renu Chakravarty (Basirhat) : This is absolutely different from the Resolution.

Mr. Deputy-Speaker : But this is in substitution of the original one, and if this is accepted....

Shri V. G. Deshpande : On a point of order. The amendment which is substituted for the Resolution should have some relation to the original Resolution. The original Resolution refers to ceiling on income, and this refers to only the removal of disparities. I think this is a separate Resolution and not an amendment.

Mr. Deputy-Speaker : This question cannot be raised now. The Speaker has accepted it and it is too late now for me to give any ruling. It has already been accepted : therefore that question does not arise.

Shri U. M. Trivedi (Chittoor) : The fact that the Speaker has admitted the amendment as an alternative does not in any way commit him ; nor does it mean that it is in order.

**Mr. Deputy-Speaker :** Not only has the Speaker admitted it; the various amendments were moved and the one that was out of order was ruled out as such.

**Shri Nambiar (Mayuram) :** Generally such motions or amendments used to be admitted subject to further scrutiny. Now, on scrutiny, we find that it cannot be admitted as an alternative resolution. Therefore, you can give your ruling at this stage.

**Pandit Thakur Das Bhargava (Gurgaon) :** My first submission is that when the mover of the resolution himself says that it is quite germane and he is prepared to accept it as an alternative, who are the others to say that it is not germane?

Secondly, when a resolution is moved that a ceiling should be fixed, in essence it means that the disparities in income should be removed. It is on the same plane with the resolution.

Thirdly, whenever an amendment or a resolution is moved, the proper time to object is at the time, is moved. When it has been moved, discussed and a reply has been given, it is not correct to say that it is not in order at the final stage.

**Shri U. M. Trivedi :** My contention is briefly this. The original resolution has been moved by the mover and it is in possession of the House, though the mover may desire to withdraw it, it is for this House to allow him to withdraw it or not. If the House is not prepared to agree to that, it is none of his concern to say that he would like to have this amendment. We also feel that the amendment that is sought to be moved today is different in nature entirely from the main resolution which has been moved by the mover. In these circumstances, the House is not prepared to agree to this proposition that the mover may be allowed to withdraw the resolution. We do not agree to that course.

**Mr. Deputy-Speaker :** Enough discussion has taken place. The first objection is that, ordinarily we admit these amendments subject to their admissibility otherwise. This is not the case in the present instance. The Speaker applied his mind, as it appears from the record, and one that was out of order was ruled out of order. Therefore, that objection does not hold good.

The second objection is that the original resolution was quite a distinct one and the amendment should have some relation to the original resolution. This is also not of much importance, because one that substitute another must certainly be distinct. Then again there is relation. It was intended by the original resolution that a ceiling should be placed on income; the amendment that is before us, the substituted resolution, though it does not go to the whole way is a step in that direction, but seeks to narrow down the disparity. Mr. Azad's amendment wants that we should move in that direction, though we may not reach the goal immediately. Therefore, it is a step in that direction and certainly germane to the resolution that we have been discussing.

Thirdly, the mover also accepts that it satisfies him to some extent. Therefore, I rule that this is perfectly justified and in order and I am going to put it to the vote of the House.

The question is :

That for the original Resolution, the following be substituted :

"This House recommends to the Government to take appropriate measures to reduce the disparity in income prevailing between the different sections of society in the country."

*The motion was adopted.*

**Shri Nambiar :** The 'Noes' have it.

**Mr. Deputy-Speaker :** So half-hearted was the voice, that it cannot be taken seriously. At any rate they are not against reducing disparity.

All other amendments are banned. Now we pass on to the next resolution.

#### RESOLUTION RE ENQUIRY INTO WORKING OF INCOME-TAX DEPARTMENT

**Shri Kamath (Hoshangabad) :** Mr. Deputy-Speaker, a curiously unexpected thread of harmony has run, Sir, through this day's proceedings, right from the official resolution on the Second Five Year Plan, through the earlier resolution on the ceiling on incomes and now, Sir, this last one of the day.

**An Hon. Member :** I hope the harmony will continue !

**Shri Kamath :** Yes, but not hundred per cent. There is a harmony running through all the three resolutions of today. Before I go further I shall move the resolution on the Order Paper.

I beg to move :

“This House recommends that a Committee consisting of seven members, not less than four of whom should be members of Parliament, be constituted to enquire into and report within six months about the working of the Income-Tax Department, with recommendations to improve the efficiency in the administration of the department leading to quick assessment and better results in revenue collections.”

It is said, mysterious are the ways of God and I from my experience as regards this resolution think that equally mysterious are the ways of the ballot, I mean ballot in Lok Sabha. This resolution was sponsored, as the *Bulletin* would show, by nearly 46 Members, representing all sections of the House. Twenty-three, nearly 50 per cent, of the sponsors are my hon. friends on the other side, Congress Members themselves. Among the others are included hon. Members belonging to my own party, the Praja Socialist Party, the Communist Party, the Member who shines in solitary splendour of the Jan Sangh (*Interruptions*),—my hon. friend Mr. Trivedi—and seven or eight independent Members of this House. Therefore, this responsibility has fallen on my shoulder; I have been chosen by fate to be the spokesman of all parties, groups and sections of this House. Such a responsibility has not been shouldered by any hon. Minister of the Treasury Benches, because whenever they speak, they speak for their party, not for any other party. But today I am luckily speaking on behalf of the whole House, entirely.

**An Hon. Member :** Unique honour indeed!

**Shri Kamath :** Therefore, I regard it as a unique privilege that has fallen to my lot.

May I, by your leave suggest that income-tax is, if I may so put it, the ‘it’ of the taxation world. So, I.T. is very appropriate; it is the ‘it’ of the

taxation world. It has proved attractive to many dodgers and evaders; it has proved dangerous to others. This income-tax affair claimed as its first victim in free India no less a person than the first Finance Minister himself.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Of course, my right hon. friend the Finance Minister now—I do not know whether I am right in saying ‘right hon. friend’ was perhaps manning or governing the Reserve Bank at that time, that is, in 1948 August, when this first casualty owing to income-tax took place in this House, not in this very House, but in the Constituent Assembly of India (Legislative).

On the 17th August 1948, Mr. Shanmukham Chetty resigned because of some developments in connection with the withdrawal of cases to be referred to the Income-tax Investigation Commission. I do not want to go into the details of this matter. You are very well aware of what happened at that time. There was an impression left that he was more or less a scape-goat for something, some decision which Government as a whole had taken, which the Cabinet as a whole had taken. And you might remember that there was a stormy Congress Party meeting. My friend Mr. Goenka is not here today. But you might remember the part he played in the stormy debate at the Congress Party meeting. I do not wish to go into the details of that Party meeting, and so I do not want to dwell upon it any further.

Again, the historic division, the first division in this House, since 15th August 1947, in free India, in the Central Legislature took place on this income-tax affair. The very first division in free India took place on the Income-tax Investigation Commission (Second Amendment) Bill piloted by my hon. friend Shri Tyagi. He is not present here now. That was no division of the type we often have now a days. The House actually divided, and there was not this standing up in one’s seat and all that sort of thing. The House divided actually, and the division took place on this Bill on a clause which referred to concealment of names or some similar provision in the Bill.

Now, this last part of the story is this resolution itself, which, I understand, has no parallel so far in the history of resolutions tabled in Parliament. I was out of Parliament for three years, and so I do not know, and I have not the fullest knowledge, but so far as I am aware, no resolution has been supported by as many as 46 Members of the House, and consisting of all sections of the House.

The last aspect of this matter is that it has fallen to a non-expert like me to pilot this resolution. I do not claim to be an expert in this matter. You, Sir, are much more competent in this matter, and I am sure you will deal with this matter in the next session of Parliament. I am not at all an expert, but I shall deal with the general features of this particular resolution.

The Finance Minister has seen finance, I suppose, for the last twenty years or more. Ever since he was in Madhya Pradesh as Secretary to the Government there, he has been conversant with the Finance Department, and he has seen finance from various directions, from good, bad and indifferent. And he knows it inside out, so to say. If you will permit me, I shall read out a little Sanskrit poem I have composed for the occasion.

**An Hon. Member :** By you?

**Shri Kamath :** Yes. This afternoon, I sat down and wrote it. The poem is addressed to the Finance Minister.

**Shri D. C. Sharma (Hoshiarpur) :** Composed by you?

**Shri Kamath :** Yes, by my humble self.

The *sloka* is as follows :

“मंवादेव्या अषिष्ठानं महाराष्ट्रे सुशोभनम्  
संकल्पोऽयं दृढीयस्य हे चिंतामण मेऽश्रु  
There might be some slight grammatical error here, but the sense is clear.

“निश्चयं श्रूय मे अत्र नेह संशयः किञ्चन  
संकटं करपातेन समृद्धिः करधारणात्”

‘ कर ’ means tax

“ मंवादेव्या अषिष्ठानं महाराष्ट्रे सुशोभनम्  
संकल्पोऽयं दृढीयस्य हे चिंतामण मेऽश्रु  
निश्चयं श्रूय मे अत्र नेह संशयः किञ्चन  
संकटं करपातेन समृद्धिः करधारणात् । ”

There is an old *Hatayogadeepika sloka*, and this latter part is an adaptation from that *sloka*.

**An Hon. Member :** What is the meaning of this *sloka* ?

**Shri Kamath :** This means in brief—the first two lines are addressed to the Finance Minister—

“Oh Chintaman, whose *samkalpa* is to see that Bombay is included in Maharashtra, to see that Bombay adorns Maharashtra, listen to me, hear me, lend me your ears, listen to what I have got to say....”

**Shri A. M. Thomas (Ernakulam) :** How is that all relevant to this resolution ?

**Shri Kamath :** There is no doubt about what I am propounding.

The next two lines of the poem are :

“निश्चयं श्रूय मे अत्र नेह संशयः किञ्चन  
संकटं करपातेन समृद्धिः करधारणात्”

This means :

“The evasion of tax or loss of income-tax leads to crisis. If you gather your collections, if you gather your tax properly, that will lead to prosperity.”

**Shri T. B. Vittal Rao (Khammam) :** It is very good.

**Shri Kamath :** The last line, namely :

संकटं करपातेन समृद्धिः करधारणात्

is the most important. It can form a motto for a thesis by an expert, or for a monograph.

Today, the report of Mr. Nicholas Kaldor has figured right from the forenoon up till about half an hour ago. Answering a question in the House on the 21st of May, the Minister of Revenue and Civil Expenditure, Shri M. C. Shah said :

“Attention is invited to the reply given to the starred Question No. 2023 dated 8th March 1956. Steps are being taken to publish Mr. Kaldor's Report and it will be misleading to disclose certain figures out of their context, until the Report has been published.”

[Shri Kamath]

The question was by my hon. friends Shri Madiah Gowda and Shri N. B. Chowdhury, who wanted to know whether the tax evasion in India was of the order of Rs. 200 to Rs. 300 crores. That was the question. I am glad to find that the Finance Minister also, in the course of the discussion on the last resolution, has promised to place the report on the Table of the House, so that a full discussion might ensue on that report.

Before Mr. Kaldor brought out his report, there was an equally serious observation of grave import made in this journal, the well-known commercial journal, called *Commerce*, which is, I suppose known to the Finance Minister and to my other hon. friends also. I am quoting from *Commerce* dated the 24th September 1955. Mr. Kaldor made his report some time later, that is early this year. But *Commerce* writing on this subject on 24th September 1955 said—I shall read only one brief extract from that—

“Political considerations apart, it is no secret that India is already one of the most heavily taxed countries in the world. If the actual receipts are not as high as they ought to be, it is because of the low national income and the enormous evasion of taxes. Perhaps, nowhere in the world is the failure of the income-tax authorities to check evasion so glaring as in this country.”

This is what appeared in *Commerce* of September 1955. I do not wish to go into the details of the matter. But I shall only stress a few points to drive my thesis home.

In England, some years ago, there was a commission appointed to go into the matter of this income-tax administration, and that was the Colwyn Commission. The Colwyn Commission in their report said :

“A considerable part of the evidence we have taken has been directed to the administrative side of our enquiry. We have given much time and thought to the possibility of improving the machinery by which the taxing statutes are put into force, and as a result, it will be seen that we have several important recommendations to make in this connection.”

Here in India, unfortunately no Commission or Inquiry Commission has gone into the administrative side of this matter at all.

**The Minister of Finance (Shri C. D. Deshmukh) :** The Income-tax Investigation Commission.

**Shri Kamath :** I am coming to that. The other Commission which was appointed, the Matthai Commission, did not bother themselves about this matter at all. They confined themselves to certain other matters like principles and structure of taxation and all that, which is not germane to the Resolution which I have moved.

The other Commission, the Varadachariar Commission, have themselves referred to this matter. In paragraph 393 of their Report, they observe :

“We must say that we are not much impressed with the necessity of routine scrutiny of Inspecting Assistant Commissioners’ inspection reports by the directorate. Three checks are too many.”

This is one of the recommendations made by them. Another observation which they have made in paragraph 393 of their Report is that no Commissioner should be appointed to the post who has not had five years’ experience as Inspecting Assistant Commissioner. These are only a few of the points I am reading from the Commission’s Report. I think this principle has been honoured more in the breach than in the observance.

The structure of the income-tax administration apparatus is well known to hon. Members, and I need not in detail refer to it. The Central Board of Revenue is at the top. Then comes the inspection directorate and the Commissioners, Assistant Commissioners, income-tax officers and then inspectors, supervisors, then of course, head clerks, clerks etc.

**Shri U. M. Trivedi (Chittor) :** Class IV officers?

**Shri Kamath :** They are everywhere. I said ‘etc.’

**Shri U. M. Trivedi :** They are big bosses.

**Shri Kamath :** I will take the income-tax officers first. An hon. colleague of mine here, because I am dealing with

this aspect of efficiency in this matter, told me just ten minutes ago that he had some additional source of income and he wanted to fill a return so that he could be rightly assessed to income-tax. It appears he wrote to the Delhi Circle over one and a half months ago for the forms which were to be filled in. Up to the time of my speaking, he has neither heard from the Delhi Circle nor has he got the forms which could have been filled in, adding a few more rupees to the national exchequer, if that had been done.

That is only one, I suppose, of the myriads of instances which go to show that the efficiency of this department is at a very low ebb, and unless something is done to improve the efficiency of the department, I am afraid that more than Rs. 200 crores, which have been mentioned by Prof. Kaldor, might be lost to the national exchequer per year.

We are now on the threshold of the Second Five Year Plan and the Finance Minister has already told the House that there will be deficit financing to the tune of Rs. 1,200 crores. If Professor Kaldor's estimate is correct, that is, there is tax evasion to the tune of Rs. 200 per year, and if that could be collected by your income-tax department—with the lynx-eyed vigilance of the Finance Minister, it has got to be done—I am sure there will be no need for deficit financing with the accompanying danger of inflation. Therefore, it is more necessary today, when we are entering on the Second Five Year Plan, that we should tap this particular source by way of income-tax, plug all the leaks and catch all the tax evaders.

Shri Tyagi, when he was Minister of State for Finance, launched a scheme in 1951, the voluntary disclosures scheme. I believe that that brought in about Rs. 30 crores or something of that order.

**Shri C. D. Deshmukh :** Rs. 10 crores.

**Shri Kamath :** Rs. 10 crores only. That is only a mere drop in the ocean, and I do not know of how much more the national exchequer has been defrauded. This evil became very rampant in the second world war, and Government were in active collusion at that time with the big tax-evaders because they wanted to finance their war effort **यैन केन प्रकारेण ।**

**Mr. Chairman :** The hon. Member's time is up.

**Shri Kamath :** Half an hour. I started at 5-05 P.M.

**Mr. Chairman :** He started at 5-02.

**Shri Kamath :** I was looking at the clock. I started at 5-05. I will stop at 5-35.

**Shri U. M. Trivedi :** He started at 5-05. I raised an objection also then.

**Shri Kamath :** As I was saying, if that could be done by the income-tax department, there will be no need at all for deficit financing.

As regards the efficiency, or lack of it, in the department, a question was asked here on the same day by my hon. friends, Sardar Iqbal Singh and Sardar Akarpuri. It was about complaints of corruption received about officers of the income-tax department, during the last year, 1955. The question related to the number of complaints which had so far been enquired into and finalised and the number of officers punished as a result of those complaints. In reply, a statement was laid on the Table of the House. The statement shows that during the last year, 1955, the number of complaints of corruption against officers of the income-tax department is 159.

**Shri U. M. Trivedi :** Only?

**Shri Kamath :** Of these, only 57 have been inquired into so far. And the last, and most important, the number of officers punished as a result of these complaints is the grand total of 1. **Unity. एकमेवाद्वय ।**

**Shri C. D. Deshmukh :** How unfounded those charges were? Is it not?

**Shri Kamath :** Whether the charges were flimsy or whether the investigation of the complaints of corruption was flimsy or slipshod or whether there were some other factors governing this affair, we do not know. It is widely accepted in the country that the honest taxpayer is squeezed dry in this process, and the big tax-evader does scot-free. That state of affairs must be put an end to, if the Government are sincere about what they say, if they mean what they say, the socialist pattern of society, egalitarian society, paying of homage to the Buddha and Gandhiji and all that.

[Shri Kamath]

After all, the Buddha all his life fought against social inequalities based on the vulgarity of wealth, the ostentation of office and the pomp of power. Now the Government play second fiddle to the big money-bags. All the favourites of our friends on the opposite side are invited always to the Rashtrapati Bhavan Rajya Bhavan, etc. They are first in the list of invitees, while the real fighters of freedom get some back positions.

**An. Hon. Member :** Back seats.

**Shri Kamath :** I will not take up the time of the House by going into details. I shall have another chance on this resolution and I will come to those things if time permits then.

Now I will stress just one point, and leave the subject to be explored by my more expert colleagues of this House.

I have said that the entire administration needs to be enquired into and overhauled. For instance, there are, in some Circles, income-tax officers, I am told, who do not know the language of the Circle to which they are posted. There are in Bengal perhaps officers whose mother tongue is Tamil or Telugu or Marathi and who have got only one or two years experience! They are not able to learn the language as fully as is necessary in order to examine the accounts kept by the *marwaris*. The *Bada Bazar* accounts are all in *marwari*. I want to know how many officers working in the Bengal Circle are conversant with the *marwari lipi*.

**Shri V. G. Deshpande (Guna) :** Does he want a *marwari* income-tax officer?

**Shri Kamath :** If Shri Deshpande could train up some officers in *marwari*, it will be a service to the country. I hope he will take up that task. I myself had an occasion to look at *marwari lipi* in another connection—not in connection with income-tax—and I could not make head or tail of it. I can read Hindi written in a bad hand, but could not read the *marwari lipi*. I am told that those officers working in Bengal are not conversant with the language of that Circle. Similarly, in Madras, they may post officers from the U. P., Bihar or Bengal, who do not know Tamil and

Telugu. So, we must seriously consider whether these income-tax officers should not belong to the various provincial cadres under the supervision of the Central Board of Revenue, so that officers in the provinces who know the language and can read the other documents necessary may work there.

**Shri Nambiar (Mayuram) :** There will be corruption because the same language is there.

**Shri Kamath :** Corruption is not due to the language; it comes out of the heart and the mind. I do not think that my hon. friend is right there with all his experience in this matter of corruption.

Before I close I would only refer to the very serious matter revealed by Kaldor's report, a resume of which was published in the *Hindustan Standard*, Delhi Edition, on two days, that is on the 4th May and the 6th May, with very extensive extracts. I do not know how they got hold of it. Though the Minister has said that the report is still with them, and it is going to be published later on after examination, this paper has got hold of it. It is a good scoop of the paper; they have done it any how. I would only say that this report must be fully debated and discussed by the House so that if that allegation is true, namely, that Rs. 200 crores are evaded, a committee of this House should find out how this has happened, what are the defects of the department, etc. If an investigation has not so far been made, then this committee should go into the gamut of the administration from top to bottom. The Varadachari Commission was there, but an independent committee of enquiry like the commission suggested by me, consisting of Members of Parliament and others should be appointed to go into this matter. I would only say that so far as the working of the Department is concerned, the motto '*Satyameva Jayathe*' is discounted. The Deputy Minister, referring to this motto, raised by me in connection with coinage—, said why have this slogan or motto on our mere mundane, money affairs? They actually voted against it. But here all the Income-tax Department officers use this motto *Satyameva Jayathe* on their letter heads, their stationery and many of their communications, I am



sure are anything but *Satyameva Jayathe*. That sort of thing should not continue.

I can assure the Finance Minister that if he accepts this resolution about the committee of enquiry and if the House assents to this resolution,—I have no doubt the House is very keen to—then I can only say adopting\* the words of the *Gita*.

क्षिपही आर्थिके लोके वृद्धिः भवति मैश्वरान् ।

I have the honour of moving the resolution and commending it to the acceptance of the House.

**Mr. Chairman :** Resolution moved :

"This House recommends that a Committee consisting of seven members, not less than four of whom should be Members of Parliament, be constituted to enquire into and report within six months about the working of the Income Tax Department, with recommendations to improve the efficiency in the administration of the department leading to quick assessment and better results in revenue collections."

**Mulla Abdullahhai (Chanda) :** I beg to move :

No. 1. That for the original Resolution, the following be substituted :

"This House recommends that a Committee consisting of seven Members, not less than four of whom should be members of Parliament, be constituted to enquire into and report within six months about the working of the Income Tax Department, with recommendations to improve the efficiency in the administration of the department, to remove the corruption and save the assessee from harassment—thus leading to quick assessment and better results in revenue collections."

**Shri D. C. Sharma (Hoshiarpur) :** I beg to move:

No. 2. That for the original Resolution, the following be substituted :

"This House recommends that a Committee consisting of seven members, two of whom should be members of Parliament, one of whom should be Inspector General

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of Police, one of whom should be a retired Judge of the High Court, one of whom should be a representative of business-men, one a representative of salaried classes and one a retired Income-Tax Commissioner, and presided over by the Finance Minister, Government of India should be constituted to inquire into the working of the Income Tax Department and submit its report within eight months."

**Mr. Chairman :** The two amendments are before the House.

**Shri U. M. Trivedi :** This is a very important resolution affecting the country, and if this resolution is accepted, I think all other ideas about Plans and raising money for the Plans will become secondary. We will have absolutely no difficulty in raising enough money to meet all our demands.

I do not agree with Mr. Kaldor when he says that the leakage of revenue is only to the extent of Rs. 200 or Rs. 300 crores. I say that the leakage of revenue exceeds Rs. 1,000 crores; that is my estimate. My estimate is that of a man with personal experience of the Income-tax Department, and if I narrate to you a particular instance of how this evasion takes place, you will all feel surprised. Most of you, who may have had the occasion to appear before the Income-tax Department, would be at one with me when I narrate this incident that the evasion is very very great.

I remember—I will not name the particular Income-tax Officer, although he is dead—that the officer had always the habit of inviting the assesses to him, telling them not to engage a senior counsel or to bring any type of counsel to him but to engage persons whose names he would give, that is, the old type of so-called income-tax experts, the real touts, and it is only such fellows whom he would like to have before him. They would negotiate with the Income-tax Officer, sometimes making a gold necklace of five tolas for his daughter, sometimes of ten tolas for his wife, and sometimes of 20 tolas for himself. The income-tax department would suffer. The assessee would pay the amount. The senior counsels will not be allowed to appear before him. He will make the adjustments *pucca*. In this manner, our revenues suffer, I

[Shri U. M. Trivedi]

do not want to generalise that every officer is like that. I have come across good and honest people also, honest to the core. But the work in the income-tax department has increased to such an extent and the number of officers has also increased. They are not able to do one-tenth of the work that is given to them. Our *per capita* income has increased by leaps and bounds. I know of so many Brahmins who were earning Rs. 20 or Rs. 30 a month. During the hay-day of this marriage season, they were earning about Rs. 1,000 per month. (An Hon. Member: in Rajasthan?) Yes, in Rajasthan, Gujarat, Bengal, everywhere. They are not being taxed. The income-tax officer would never think of reaching him. There are also the petty traders who make enormous profits. I come to the agriculturists also, and the middlemen there. They are making tons of money. With bangles loaded on their bodies, they go. (Interruptions.) I am talking of other middlemen; not like you. The womenfolk go about with loads of silver and gold. They are not being taxed. Why? A particular pattern has been evolved. You have got the salary circle. That is a vicious circle; it must begin and end there. Similar is the business circle; it must begin and end there. You cannot go beyond those circles. These handicaps in the administration and working of this department make tax evasion easy. People feel like this. Whatever happens, let us not go to the income-tax office. Once you go there, income-tax begins. There are some people who are prepared to make any amount of charity provided they are not dragged before the income-tax officer. That is the reason. The moment he goes there, certain things happen. He has no objection to pay the tax. But the income-tax officer considers everybody who comes there to be a dishonest rogue. Therefore, he thinks that he must start with that sort of an assumption. Whatever figure he gives, he adds his twenty per cent. Unless his palm is greased, he will not care.

Only yesterday, while taking instructions from a particular client, I found that his accounts were peculiarly kept. I myself am an accountant of some repute and as a lawyer of some standing could not understand it. The main item entered was Rs. 18,000. The sub-items, when added up, came to Rs.

38,000. How did the income-tax officer pass your accounts? I asked. He said that he added up to 38,000 and subtracted Rs. 9,000 and so it came to Rs. 18,000. Subtraction and addition on the same side? I do not understand the manner in which that income-tax officer had worked. I further enquired into the rotten way in which the accounts were kept. I told him: 'You must have failed in your suit because of this'. He said:

नहीं साहब, यह तो उल्लू बनाने का तरीका है।

He evaded the whole of the income-tax on this item. There is strong reason to believe that the income-tax officers are not discharging their duties in a proper manner.

Shri Kamath in his opening speech while moving this Resolution gave some illustrations. Some illustrations are given in this book, published by one Mr. Nakuleshwara Nandi. (Interruptions.) I would recommend the hon. Finance Minister to devote sometime in reading that.

An Hon. Member: He has read it already.

Shri U. M. Trivedi: He must have read it. So, these ills are there. We should improve the working of this department to the advantage of our country.

What is happening is this. The powers that are vested in the income-tax officer are very great while the powers of the appellate authorities are very small. The appellate authority cannot pass any stay order. If an officer wants to harass somebody, he can do so in no time. I remember the instance of an income-tax officer who wrote a small chit to one big merchant asking him to send his car to receive him at the station to let him down at a particular place, about twelve miles away from the station. I do not vouch for the honesty of the merchant but the merchant was of an obstinate type. He said: 'Nothing doing. The income-tax officer is no boss of mine'. So saying, he did not send any car. Within ten days, when his assessment proceedings were going on, some dates were changed here and there and the man was assessed at Rs. 8 lakhs, to be paid immediately. He had to do any amount of running. It was only when it reached the tribunal, it came down to about Rs. 1,79,000.

**Shri C. D. Deshmukh :** Will the hon. Member prepared to give me details, at least privately ?

**Shri U. M. Trivedi :** I will give you the details. I will write to you, if you like. Such things created bad blood between the assessee and the income-tax department. By knowing such cases, the assessees get frightened out of their wits ; they are not prepared to place their facts properly. There is a wholesale fear. However truthful and honest one may be, one must be able to convince the income-tax officer. The income-tax officer also is conscious of the fact that he has got this oppressive machinery in his hand so that he may do whatever he likes at the next moment. On account of this, so many people who may be prepared to pay their tax most willingly are not coming forward. By their behaviour, the officers are not only bringing themselves to ridicule but are affecting the revenues of the State very seriously. We are trying to make a welfare State. The enquiry that is demanded by Shri Kamath is in the interests of the country and also in the future interest of the revenues. I hope there will not be a single voice coming in the way of this enquiry being made and a committee of the Members of Parliament being formed, to go into all the pros and cons...

**An Hon. Member :** Members of all sections.

**Shri U. M. Trivedi :** Yes, all sections. As Shri Kamath has put it, I am all alone in Jan Sangh and so I may be dropped out of it because I need not be put into it. But let the PSP, the Communist Party and all others be represented in it, I am conscious of it. एकोऽहम् बहु स्यात् That will be next time, but for the present let me be left out.

**Shri Kamath :** Shining in solitary splendour, I said.

**Shri D. C. Sharma :** Mr. Chairman we are on the threshold of the Second Five Year Plan where we are going to give a new outlook to all the fields of activity in our country and I do not see any reason why the Income-tax Department should not be reconditioned and why the officers of the Income-tax Department from the smallest to the highest should not be re-modelled and re-shaped.

Sir, I am not a lawyer not a poet nor....

**An Hon. Member :** But you are a professor.

**Shri D. C. Sharma :** The lawyer who has spoken just now has given the legal aspect of the question. Mysterious are the ways of Shri Kamath. Today he blossomed out as a poet in competition with the Finance Minister who also recites some poems.

**Shri Kamath :** Not in competition.

**Shri D. C. Sharma :** I hope the Finance Minister in his closing speech will beat him so far as writing of poetry is concerned.

**Shri Kamath :** Next time. In the next session.

**Shri D. C. Sharma :** As I said, I am neither a poet nor a lawyer. But I cannot move about in my constituency without coming across complaints made by businessmen and others against the revenue officials of our country. When I go to the some of the places and meet businessmen and high salaried persons, they tell me that the Income-tax Department is not doing its work justly. It is possible to patient the Income-tax Department as black as possible, but I am not going to do so because I know there are good officers and also incompetent officers, honest officers and also dishonest officers, I am not going to tar all of them with the same brush. But I want to say this much that the Income-tax Officer has to be psychologically re-made.

The impression which an Income-tax Officer gives to the assessee is this : he behaves like Charles II. Charles II had a very poor view of human nature and the Income-tax Officer also has a very low and sordid view of human nature. In the ordinary sense we say that everyone is a gentleman unless he proves himself otherwise, but I should like to say without fear of contradiction that the motto with most of these income-tax officers is that one is not a gentleman, and, do what he may, he cannot prove himself to be a gentleman. That is the motto to which most of these officers are pledged. Therefore, I say that they have to be given a new outlook.

Again, when you go about in your constituency or elsewhere you find that the people tell you many tales of the rude behaviour of these income-tax

[Shri D. C. Sharma]

officers. They are not giving a proper deal to the assessee. Of whatever category he may be, they do not give him that amount of courtesy which he deserves. Not only that, they keep him hanging around themselves.

People have complained about delays of justice. Of course, the machinery of justice in our country is such that delay is inherent in it. But I can assure you that so far as the Income-tax Department is concerned, it is also making an art of delay. The assessee has to go to these income-tax officers so many times and go back without having their accounts looked into. They are asked to come the next day and then the day after. I can give any number of instances like that. It is for this reason I say that we should try to bring about a change in the Income-tax Department.

Sir, who is there in this House or outside it, who does not know that tax-evasion is one of the happy past-times of some of the persons in our society. I know there was a gentleman who belonged to the Finance Ministry and who made a name for himself—and he did so rightly—by un-earthing some of the incomes which had not been disclosed. He was a wizard and he was able to bring to light some of those incomes which had not been accounted for in the income-tax books. This only shows how much tax evasion is practised in this country. This is done either deliberately by those persons or with the connivance of the income-tax people. It is not always done by the income-tax officer turning a blind eye on it. But why is it done like that? Why does it happen? It is because the income-tax officer is living in a world which is almost dead. The business men are living in a world which is up-to-date and up to the minute. The business men are more shrewd, more intelligent and more resourceful. I would also say, they are more inventive. They know how to hoodwink the Income-tax Department. I know, when I came to this House in the first session, one hon. Minister, a member of the Cabinet, said on the floor of this House that our business men keep double accounts. It was stated on the floor of this House and I think it is part of our proceedings. He was complaining that some businessmen who belonged to foreign countries

at least have this advantage that they do not give two sets of books, one set of books for the Income-tax Department and the other set of books for themselves; of course some keep even three sets of books. I am talking only of those who keep two sets of books. Why does it happen like that? It happens like that only because our income-tax officers are trained in some old school of assessing income, in some old school of auditing, in some old school of going into these cases.

**Mr. Chairman :** Order, order. I think the hon. Member is likely to take some more time. He may continue his speech on the next day. We will now go to the next business on the agenda.

### SUGARCANE

6 P.M.

**Dr. Ram Subhag Singh** (Shahbad South) : Sir, I wish to draw the attention of the Government and the House towards the grave injustice that has been done to cane growers of Bihar, U. P. and Punjab.

The profit-making mentality of the mills and in-alertness of the Government have created conditions in which over 350 lakh maunds of sugarcane are still standing in the fields for crushing, the crop is losing its weight daily and it is drying up and it is also losing all prospects of its ratoon crops. Besides, the growers are incurring heavy expenditure in harvesting in cartage, etc. They are also asked to pay more for irrigation charges. On top of all these difficulties, the cane growers of Bihar have been ordered by the Government to take three annas a maund less for the cane supplied to the mills. In the U. P. and Punjab also Government has proposed to link the price of sugarcane with its recovery with effect from the 8th of May, the date when the price cut was announced in Bihar.

This practice of linking sugarcane price with its recovery came into existence in 1951-52. In that year, the cane price was reduced by eight annas per maund from 1-5-52 and Rs. 0-11-6 from 1-6-52. The mills crushed in these two months 11·13 lakh maunds in U. P. alone. Because of this, the cane growers of the U. P. were made to suffer losses to the extent of Rs. 2 crores. This disheartened them and in that year less cane was planted. A little

later in November 1952, the cane price was reduced by 25 per cent. At that time, the Government did not take into consideration the cost of production of the cane growers. Nor did it make any proportionate cut in the price of sugar which the millers had to sell. All these factors combined virtually crushed the cane growers and naturally, the production of cane went down considerably during the following year, 1953-54. In the year, as a result of the going down of cane production the Country had to import sugar from foreign countries. In 1951-52 we were self-sufficient in sugar. In 1952-53 because of these cuts and loss of production of sugarcane, we had to import .59 lakh tons of sugar from foreign countries. In 1953-54, we had to import sugar and raw sugar to the extent of about 7.16 lakh tons. Raw sugar was imported especially with a view to keep the mills going on because otherwise they would have been closed down. At that time, the Planning Commission also reported that the country ought to be self-sufficient in sugar. Government also realised the difficulty of sugar scarcity. The owners of mills also realised that they will have to close down their mills if cane production should go down so progressively. Therefore, all combined and sugar cane price was increased by two annas.

It was obvious from the report of the First Five Year Plan that the country required increasing cane and sugar production and the rate was increased by two annas. At that time, it was announced that the minimum price of cane will be announced about a year ahead of the harvesting season so that the cane grower may know at the time of the sowing of cane what price it will get. Because of all these factors, cane production increased in 1953. In 1953-54, import went down and it came to about 5.68 lakh tons. In 1954-55, it further went down and came to .59 lakh tons.

In 1955-56, during this season, cane production has further gone down. It is estimated by the Government that the production of sugar will be about over 18 lakh tons and our import figure will further go down, and virtually nothing will be imported from foreign countries. It is obvious from these data that the cane growers have done their part of the job in increasing the production of the country, but the millers and the Government have not come up to expectations because large quantities

of sugarcane still remain in the field for crushing. In Bihar alone, the growers have produced during this season about 9 crore maunds of cane. The total daily crushing capacity of all the sugar factories in Bihar is 27,865 tons, which comes to about 780,000 maunds. If the Government were alert and had the Government ordered the mills to utilise their full capacity of crushing, all the sugarcane in Bihar could have been crushed in 120 days. So, for instance, if the season commenced from 1st December 1955, the mills would have crushed all the sugarcane before the 31st March, 1956. They could have even crushed more; they could have crushed 9½ crore maunds of sugarcane. But, that fact was not foreseen either by the Government or by the millers. The mills were interested in their profit and where there is profit mentality, nobody can blame them. The Government failed to notice how the mills crushing capacity is utilised.

The result is, the mills went on delaying crushing in order to get further concession. The Government gave that concession. I was surprised to hear today that the Government intended to reduce the price by 9 annas per maund. They think that it is a matter of farce that it has been reduced by three annas per maund. What has been done in Bihar is going to be repeated in the U. P. In the U. P. and Bihar today about 21 lakh maunds of sugarcane is in the field. In the U. P. the estimated quantity according to the Government figure is about 289 lakh maunds. The Government has accepted the millers' point of view in introducing the price of cane on recovery basis. I want to know what is the machinery to determine this recovery basis. Though this practice has been in existence since 1952, at no time has it been authoritatively stated that the sugar content goes down by such and such percentage in the months of May and June. How are the quality of the cane and the recovery of sugar determined? Besides, in the reserved areas, the growers are required to hold on their cane for supply to particular mills. Now, the millers are indulging in another practice. They are crushing their own cane. Under the Second Five Year Plan, though we have abolished the zamindari, we have given a lease to the factory-owned farms. Exemption has

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been given to them. Now, 4 million cane growers are going to be eliminated because of the competition of the mills.

Another point is this. The sugar factories are existing today because of the physical protection that was given to them in 1932 and in the following years. They are just like public utility concerns. If they are not crushing the sugarcane which still stands in the field, they should have been ordered by the Government to crush all the cane, and the Government should have taken the precaution to see that all the mills are running at full capacity. They could have doubled their shifts. Rather than doing that...

**The Minister of Food and Agriculture (Shri A. P. Jain):** They work for 24 hours.

**Dr. Ram Subhag Singh:** But I have seen myself, and I know how they are working and how the sugarcane is standing, and I have seen that 500 bullock carts are standing at a particular station. In all the factories you go and find that there is nobody to give water to the bullocks, and the bullocks and the men also, the *gadiwans* etc., are not having anything to eat. They bring something from their homes to eat, but they are not having water. Wherefrom should they get water from the railway station? All these difficulties they are experiencing because all the factories encourage production of sugarcane. They distributed pamphlets also for producing more sugarcane, and after the growers have produced more, now they are not lifting the cane in order to get some more concession and to get the price of cane reduced. I think it was within the competence of the Government to have taken action against all the mills who indulged in such practices, and because the Government did not take such action, I think, and I feel compelled to say, that the Government have thrown the cane growers of all the areas at the mercy of the mills.

**Shri Sarangadhar Das (Dhenkanal—West Cuttack):** May I ask a question?

**Mr. Chairman:** Order, order. Questions cannot be put in this way. Questions ought to be put to the Minister, not to the Member.

**Shri Sarangadhar Das:** I wanted a clarification.

**Mr. Chairman:** Let me first of all exhaust the list of persons who have given notice.

**Shri Sarangadhar Das:** I have not given notice. I am not speaking.

**Mr. Chairman:** He cannot speak in this way.

**Shri Sarangadhar Das:** I wanted to ask a question.

**Mr. Chairman:** Of course, questions are to be put by all the other Members who have given notice. No speeches are going to be made.

**Shri Gopala Rao (Gudivada):** May I know how the system of the formula has been working in the South for the last so many years? Is it a fact that certain mill-owners refused to respect the formula that has been agreed upon, to implement it in their areas and to do justice to the peasants? If so, what steps have the Government taken to do justice to the peasants in those areas?

I want also to know whether the Sugarcane Expert Committee appointed by the Central Government has submitted its report, and if so, what are the main recommendations made regarding this fixation of sugarcane price.

I also want to know whether Government are aware of the huge profits made by the mill-owners in the last three or four years? I may mention for the sake of information that in my constituency for the last five or six years, a mill according to its own balance sheet has been making a profit of Rs. 2 million, Rs. 1 million, Rs. 7 lakhs etc., not less than Rs. 7 lakhs for the last six years and a total of Rs. 21 lakhs for the last two or three years. May I know whether this aspect has been taken into consideration in evolving a correct and reasonable price policy?

I also want to know whether the Government have reviewed the policy adopted during the last three years which ended to the detriment of the sugarcane growers in particular and to the sugar industry itself as my hon. friend was saying just now, resulting, in the import of sugar from outside?

**Mr. Chairman:** Shri Sarangadhar Das wanted to put a question.

**Shri Sarangadhar Das:** I just wanted to know if the mills did not crush in the first week of December. At what time did they actually begin crushing this season?

**Pandit K. C. Sharma** (Meerut Distt.—South): One question. May I know...

**Mr. Chairman:** I have not called the hon. Member, and he has begun putting a question. First of all, let me exhaust those who have given their names. Sardar Lal Singh.

**Sardar Lal Singh** (Ferozepur-Ludhiana): It had gladdened my heart to hear the Prime Minister saying the other day that we must increase food production not only for being self-sufficient, but also to earn foreign exchange. I only wish that these sentiments are translated into action. In every country, whether it be a totalitarian regime or a democracy, it has been recognised that food production requires the greatest incentive.

**Mr. Chairman:** May I request the hon. Member not to make a speech, but to put any questions if he wishes?

**Sardar Lal Singh:** I do not have any questions. I want to speak on the subject.

**Mr. Chairman:** I am sorry I cannot allow him. Only questions can be put by those Members who have given their names. When I found there was some time, I wanted to accommodate other Members also. If any question has to be put by him, he may do so. He cannot be allowed to make a speech at this stage.

**Sardar Lal Singh:** Can I not refer to the cut in the price of cane?

**Mr. Chairman:** Certainly a question can be asked in respect of any cut also.

**Sardar Lal Singh:** I wish to know whether Government have allowed these factories to reduce the price of cane or to link the price with the recovery of sugar? If that is so, that is going to hit hard the cultivators.

I wish also to enquire from the hon. Minister whether he has taken into consideration the fact that the cane-grower by late supply of cane is going to lose in any case even if he is given the full minimum price? Firstly, because of the late supply of cane, there is a heavy loss in the weight of the cane and the grower has to lose to the extent of 25 per cent. Secondly, by cutting the cane so late in the season,

he loses his crop for the next year which is a heavy loss. Thirdly, he has got to pay very heavy labour charges for cane cutting at this time of the year due to harvest of rabi crop. Before the hon. Minister gives permission to the factories to give lesser price, may I know if he will take into consideration all these factors? And thirdly,....

**Mr. Chairman:** No 'thirdly'. The hon. Member has given all his points, and the question is more than complete. I allowed a question only. He is effective in making a speech. I think now he will allow me to give a chance to the other Members. Shri N. B. Chowdhury.

**Shri N. B. Chowdhury** (Ghatal): In view of the fact that there has been a systematic increase in sugarcane production except for two years in this country, and in view of the fact that there is also an idea of increasing sugarcane production during the Second Five Year Plan, how is it that it was not possible for the Government to plan the utilisation of the sugar mills in such a way as not to create such difficulties for the sugarcane growers?

Another question. In States like Bihar and U. P., according to their State Acts after a certain date the State Governments are authorised to reduce the price of sugarcane. In view of this provision in the State Governments, do not the Government think it necessary, particularly in view of the target for the Second Five Year Plan and the difficulties that the growers are facing, to come forward with certain powers either under the Industries (Development and Regulation) Act or in some other way to put certain obligations on the sugar mill owners so that they may not create such difficulties for the growers?

**श्री सिंहासन सिंह** (जिला गोरखपुर-दक्षिण): जिस प्रकार काश्तकार अपने गन्ने को बाहर नहीं भेज सकता है और वह अपने क्षेत्र की मिसल को गन्ना देने के लिए बाध्य है, क्या उसी प्रकार गन्ने की प्राइस (मूल्य) मुकरर करते समय काश्तकार को यह बता देना और यह निश्चित कर देना मनासिब नहीं होगा कि उसके क्षेत्र का गन्ना जिस मिसल को जाता है, वह मिसल उसको लेने के लिये बाध्य होगी? अन्यथा काश्तकार को भी अपना गन्ना बाहर देने का आश्चकार होना चाहिये।

[ श्री सिंहासन सिंह ]

जिस वक्त गवर्नमेंट कोई प्राइस फिक्स (मूल्य निर्धारित) करती है, तो वह यह एनाउंस (घोषणा) नहीं करती कि अमुक दिन के बाद गन्ने की कीमत कम हो जायगी। अगर यह व्यवस्था कर दी जाय तो काश्तकार कम गन्ना पैदा करेगा और उसको अपने माल को बेचने की चिन्ता नहीं करनी पड़ेगी।

**Mr. Chairman :** All that is not to be said now. Only questions are to be put. The other Members also are waiting to put questions.

**Shri Sinhasan Singh :** I shall put the question presently.

**Shri A. P. Jain :** I also need some time for reply.

**Mr. Chairman :** If there is such a large barrage of questions, how will the Minister be able to answer?

**श्री सिंहासन सिंह :** सरकार यह व्यवस्था क्यों नहीं करती कि हर एक मिल नवम्बर से चालू की जाय और ३० अप्रैल तक चलने और मिल को कम कीमत देने की नीबत न आयें ?

**श्री विभक्ति मिश्र (सारन व चम्पारन) :** क्या यह सही नहीं है कि नार्थ (उत्तर) बिहार में और खास कर चम्पारन में बहुत सी चीनी मिलें बन्द हो गईं और उनकी ओर से कहा गया कि जो मिलें चल रही हैं, उनका सरप्लस (अतिरिक्त) गन्ना हमको दे दिया जाय, परन्तु इस सम्बन्ध में सरकार की ओर से किसी योजना के अभाव में गन्ने को तीन आना कम करके लेना पड़ता है ? अगर केन्द्रीय सरकार और प्रान्तीय सरकार और मिल वाले अपने टैक्स और मुनाफे को कम कर देते और किसानों से जो तीन आने काटे जा रहे हैं, उनको शायर करते, तो क्या किसानों को रिलीफ (सहायता) न होता ? क्या यह सही नहीं है कि सरकार की ओर से कोई योजना प्रस्तुत न होने के कारण ही उनको यह हानि उठानी पड़ी है ?

सरकार कहती है कि ८ मई के बाद रीक्री (उत्पादन) कम हो जाती है। क्या यह सही नहीं है कि गन्ने के ऊपर पानी देने से रीक्री (उत्पादन) कम नहीं होती है ? सरकार की ओर से ऐसा इन्तजाम क्यों नहीं किया गया है ? अगर ऐसा किया जाता तो सरकार को मिल वालों को यह कहने का मौका न मिलता कि रीक्री (उत्पादन) कम हो गई है।

**Mr. Chairman :** Already, so many questions have been put that it will be very difficult for the Minister to reply to all of them. I thought that each Member would put only one or two questions. But now so many questions have been put. We have already spent 22 minutes on this. After all, this is only a half-an-hour discussion...

**Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareilly Distt.—East) :** We can sit for five minutes more. May I put one question.....

**Mr. Chairman :**.....and the Minister also must get some time for reply.

**Shri Feroze Gandhi :** We can sit for some more time. He can speak as long as he likes.

**Mr. Chairman :** That means that we shall have to extend the period from half an hour to one hour. We have spent 22 minutes out of the half an hour already. Only eight minutes are left now. The Minister also should be allowed to reply to the discussion. Otherwise, what is the use of this discussion? Now, the hon. Minister.

**Shri A. P. Jain :** I am highly grateful to my hon. friend Dr. Ram Subgh Singh for affording an opportunity to discuss this question.

There is a lot of misunderstanding about the sugar industry and the crushing of sugarcane. Hon. Members should not forget that the laws of economics are inexorable. You may suppress them for some time, but if you suppress them a little too much, they will reassert themselves with a vengeance.

So far as the sugar industry is concerned, it has got certain peculiarities. It is a seasonal industry. It cannot be made to operate over an unlimited period.

We have collected figures in regard to the recovery in the early period, in the peak season and in the late season. Ordinarily, the economical crushing season for the sugar factories in northern India, and particularly in U. P., has been reckoned at 120 days. In Bihar, it is much less. In the early stages, the recovery of sugar is comparatively less.



In the second half of October, the recovery of sugar in Bihar is only 7 per cent. In November, it ranges between 8 and 9 per cent, and the average works out to 8.22 per cent. It has also been found that when the heat increases, the sucrose content of the cane goes down, and the recovery is diminished. Generally, after 30th April, the recovery of sugarcane goes down. These are the hard facts which nobody can deny. No amount of giving water can avoid the diminution of recovery. That is one aspect of the sugar industry which has to be borne in mind, namely that it is a seasonal industry.

The first point that I want to make out is that it is not in the national interests to crush sugarcane except during the proper season when proper recovery can be made. The sugar industry is a highly controlled industry. The price of the sugarcane is fixed; the working cost is fixed; the millowner's profit is fixed. Everything is regulated by rules and regulations.

**Shri Feroze Gandhi :** Is the cane price fixed at all places ?

**Shri A. P. Jain :** Yes, in all areas.

**Shri Feroze Gandhi :** Even where it is not grown?

**Shri A. P. Jain :** There is no place where it is not wanted.

**Shri Feroze Gandhi :** Even in the case of the Dehra Dun mill where the millowner refuses to run the mill unless the cultivator is willing to sell the cane at a reduced price ?

**Shri A. P. Jain :** I shall answer that question in regard to Dehra Dun later on. The hon. Member may have a little patience.

The break-up of the costing of sugar in Bihar is as follows. At the rate of Rs. 1-7-0 per maund, the sugarcane-grower gets Rs. 14-0-10. The manufacturing expenses on one maund are Rs. 6-15-0. The excise duty is Rs. 4-2-1. The cane cess is Rs. 1-13-4. The co-operative societies' commission is Rs. 0-3-6. The profit is Rs. 1-0-1 per maund. That makes a total of Rs. 28-2-10.

**Shri Sinhasan Singh :** May I know how the cost of production has been worked out at Rs. 16 and odd ?

**Shri A. P. Jain :** I never said Rs. 16. I said Rs. 6-15-0.

The cost recovered from the sale of molasses is Rs. 0-1-6. Therefore, the net cost of sugar at this rate comes to Rs. 28-1-4.

Hon. Members would remember that if sugar sells at a higher price, then according to a working formula which has been worked out, which for the south is known as the Sisma formula and which for the north is known as the profit-sharing formula, any excess which the millowner gets on account of the sale of sugar at a higher price is equitably distributed between the millowner and the cane-grower.

From these facts—and I say that these are undisputable facts—it is clear that the share of the cane-grower, the share of the millowner, the excise duty, the cess etc. are determined. The cost of production has also been worked out. It therefore follows now—and this cost has been worked out on the basis of 10.23 per cent recovery—that if the recovery is less than Rs. 10.23 per cent, it does not pay to manufacture sugar when it sells at Rs. 28-1-4.

**श्री विभूति मिश्र :** अगर इससे ज्यादा हो ?

**पंडित के० सी० शर्मा :** उसमें हिस्सा मिल जायगा ।

**Shri A. P. Jain :** I am sorry for these interruptions, because the hon. Member is not at all trying to understand me. I have said that if the sugar sells at a higher price, then any price which the mill gets is shared on the basis of the Sisma formula in the south, and the profit-sharing formula in the north, and is distributed between the two. Therefore the cost structure of sugar is so fixed that if the recovery is less, then somebody must suffer. There can be three parties. One is the cane-grower. The second is Government which recovers excise or cess. The third is the millowner.

**Shri Feroze Gandhi :** Never.

**Shri A. P. Jain :** So far as the millowner is concerned, he has the capacity to bear only a small portion of the loss because his profit is only Re.1-0-1 per maund, that is, 3.5 per cent of the entire cost. You cannot expect much from him. He has, in fact, to suffer when he manufactures sugar at a time when the recovery is less.

So far Government are concerned, you have prepared the Second Five Year Plan. Every pie of the taxes

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which are raised either by the Central Government or by the State Governments has been accounted for in planning. Government have allocated a sum of Rs. 5 crores for the development of sugarcane. It is up to him—particularly as the question has been raised by an hon. Member belonging to the Congress Party—to persuade the Finance Minister and tell him, 'We do not want to carry on with the Five Year Plan. Let there be loss. Let there be loss of revenue. But we want to pay for sugarcane at the full cost. Surely the excise duty can be reduced'.

So far as I am concerned, I took up that question on a certain proposal which came from the U. P. Government. It was found that it was not possible to reduce the excise duty. Therefore, this practice has been followed not for the first time—of course in Bihar, practically it has been followed for the first time—in U.P., as the hon. Member Dr. Ram Subhag Singh has said. It was followed in 1951-52, 1952-53, 1954-55 and this year.

I said that the laws of economics are inexorable. If the millowner cannot make any profit or loss, you cannot compel him to work. If the recovery goes down, you may do anything, you may pass any laws, you may send him to jail, but you cannot make the factory run. (Interruptions). I will answer questions in the end.

Therefore, the position is this. In view of this cost structure, a time arrives when we are faced with two alternatives: either we reduce the cost of the sugarcane or the mill closes and the sugarcane is burnt in the field. We have always found it more profitable, and for over a number of years we have adopted the practice of linking the price of the sugarcane with the recovery after a certain date. Now, this seems to have hurt the hon. Members of Bihar, because practically, it is for the first time that this formula has been applied in Bihar. In the past, this was not applied because in Bihar there was not sufficient sugarcane to go after the date when it starts deteriorating. This year the Government of Bihar made a recommendation that the price of the sugarcane should be reduced by 3 annas. Our view was that the U. P. formula should be applied that is, it should be linked with the recovery, because that would have been more profitable to

different types of sugarcane growers. In some cases, it worked out to less than 3 annas; in some others, to more than 3 annas. But the Bihar Government said that their cane growers were not used to it. Therefore, they preferred a flat reduction of 3 annas. We have accepted it.

Now another question which has been raised by the hon. Member, Dr. Ram Subhag Singh, is that millowners did not start crushing early.

**Dr. Ram Subhag Singh:** Not early. The full crushing capacity was not utilised during the season.

**Shri A. P. Jain:** I have explained that it is not profitable to crush sugarcane when its recovery is low, either in the early part of the year or in the late part of the year. What I propose to do in future is this. I will find out a formula whereby there is neither early crushing nor late crushing.

**Shri Sarangadhar Das:** My question is not answered.

**Shri A. P. Jain:** I have not finished answering all questions.

The difficulty is that Members do not allow me to proceed.

**Shri Sarangadhar Das:** When did they actually crush?

**Shri A. P. Jain:** That is one part of it. The sugar mills of Bihar misbehaved this way. In 1953-54, only 17 sugar mills started crushing sugarcane before the 15th December. In 1954-55 only nine mills started crushing sugarcane before the 15th December. In 1955-56 as many as 26 mills out of 28 started crushing before the 15th December, and 11 mills started crushing before 30th November. If anything, the mills have started crushing earlier this year than during the last two preceding years. There is not a single mill in the whole of Bihar which has not started crushing earlier this year than what they did last year.

So far as the reduction in prices is concerned, out of these 28 mills, as many as 10 had stopped crushing before the 30th April, 7 mills stopped crushing between the 30th April and the 8th May, that is, 17 mills have not been affected, and it is only 11 mills that have been affected. Six mills have

stopped crushing by the 15th May, three mills—I have not got the final information, but provisionally we are informed—stopped crushing by the 25th, and only two mills at Riga and Samastipur may have to crush after that. The total quantity of cane crushed last year up to the 7th May was 22·01 lakh tons. This year the total quantity crushed during the same period is 31·58 lakh tons. The quantity which has been left over is 75 lakh tons, which is 2·2 per cent of the total cane that will be crushed in Bihar. I have tried to understand how the millowner is the villain of the piece, but I must confess that in the face of these facts which I have stated before the hon. Members, I could not say how he could be blamed for what has happened in Bihar. Actually what is happening is this. The price of sugarcane is the most profitable price which a farmer earns. It is more profitable than other commercial crops and foodgrains. Therefore, that is confined only to the factory areas. Even today when a man gets Rs. 1-7-0 per maund from the factory, and when the same man crushes sugarcane and prepares *gur* out of it, he gets only 13 or 14 annas. It is an anomaly and tragedy that a cane-grower who supplies sugarcane to a mill gets Rs. 1-7-0 and another cane-grower who in same pains gets only 13 or 14 annas for manufacture of *gur*. Therefore, sugarcane growers in the area have been growing more and more cane.

Another question asked by Shri Sinhasan Singh was . .

**Shri Feroze Gandhi :** One by me also.

**Shri A. P. Jain :** I can answer many of his questions.

**Mr. Chairman :** It is already 6-40. The rule is that when a discussion is raised, the questions asked must be germane to the question discussed and must be relevant to the very matter which is the subject of discussion. Here I find Members putting all sorts of questions. It is already more than half an hour. I think the hon. Minister need not answer all the questions and he may confine himself to the particular matter in question.

**Shri Kamath (Hoshangabad) :** A few minutes more may be given for the

hon. Minister ; this is an important matter.

**Mr. Chairman :** I have no objection if he needs it.

**Shri A. P. Jain :** I have already advised them that they should revise the zones so that the zones will be limited to such an area as will produce just sufficient cane for the mills to crush. I am sorry for the fact that some of the cane-growers are getting some annas less on the cane crushed after 8th May, 1956, but they will actually be getting even less than what they are getting by manufacturing *gur*. I have advised the U. P. Government and I am going to advise the Bihar Government to revise the zones so that that area may produce just sufficient cane for the mills to crush though it may not be totally in the interest of the cane-growers. In view of the strong feelings, perhaps that is the only alternative left to us.

**Mr. Chairman :** Would it not be advisable to have larger zones so that factories may have an ampler supply of cane ?

**Shri Feroze Gandhi :** My question has not been answered.

**Shri A. P. Jain :** If you permit me, I will reply to his point. He referred to the case of Dehra Dun. It is not a good area for sugarcane growing. There is a mill. That millowner gave a notice. It is an old type of mill, an inferior mill. That mill owner gave a notice this year that he would not crush the sugarcane ; he gave notice to the U. P. Government. Dehra Dun is an area where *gur* is never manufactured and people do not, therefore, know the process. The U. P. Government asked him to come to a compromise but he said he was not prepared unless the price of cane was reduced by two annas. The U. P. Government sent the recommendation to us. Our officer was deputed to find whether there was an alternative. The alternative was to allow the cane to go to a waste or to accept the reduction and make the mill start. We selected the wiser of the two. My hon. friend may not agree with me but the sugarcane grown there was crushed because we gave that reduction. I may inform the hon. Member that mill has again given a notice, one

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year in advance, that it is not going to start crushing next year. I am only feeling very inconvenient as to what I should do next year.

**श्री विभूति मिश्र :** सरकार इसको ले क्यों नहीं लेती ?

**Shri Feroze Gandhi:** Take it over.

**Shri A. P. Jain :** I am prepared to run the mill provided the cane-grower agrees to get the price on the basis of recovery and it is to be run on a no-profit, no-loss basis. It may be much less than Rs. 1-5-0.

6-44 P.M.

*The Lok Sabha then adjourned till Half Past Ten of the Clock on Saturday the 26th May, 1956.*

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DAILY DIGEST

9569

[Friday, 25th May, 1956]

9570

COLUMNS

COLUMNS

CALLING ATTENTION  
TO MATTER OF  
URGENT PUBLIC  
IMPORTANCE . . . 9417-19

Shri A. K. Gopalan  
called attention to the  
Lock-out in Cashew-  
nut Factories

The Deputy Minister  
of Labour (Shri Abid  
Ali) made a brief  
statement in regard  
thereto and promised  
to make a further  
statement after recei-  
ving a report from the  
Government of Travan-  
core-Cochin.

GOVERNMENT RES-  
OLUTION UNDER  
DISCUSSION . . . 9419-35,  
9438-9501

Further discussion on  
resolution *re:* Second  
Five Year Plan mo-  
ved by the Prime Mi-  
nister and Minister  
of External Affairs  
(Shri Jawaharlal Ne-  
hru) was continued.  
The discussion was  
not concluded.

REPORT OF COMMIT-  
TEE ON PRIVATE  
MEMBERS, BILLS  
AND RESOLUTIONS  
ADOPTED . . . 9501-02

Fifty-fourth Report  
was adopted.

PRIVATE MEMBER'S  
RESOLUTION ADO-  
PTED AS SUBSTITU-  
TED . . . 9502-34

Further discussion on the  
Resolution *re:* ceiling  
on income of an in-  
dividual moved by  
Shri Bibhuti Mishra  
was continued. A  
substitute Resolution  
moved by Shri Bhag-  
wat Jha Azad was  
adopted.

PRIVATE MEMBER'S  
RESOLUTION UN-  
DER DISCUSSION. 9534-52

Discussion on Shri Kam-  
ath's Resolution *re:*  
enquiry into the wor-  
king of the Income-  
Tax Department was  
commenced. The dis-  
cussion was not con-  
cluded.

HALF AN HOUR DIS-  
CUSSION . . . 9552-68

Dr. Ram Subhag Singh  
raised a half an hour  
discussion on points  
arising out of answer  
given on the 10th May,  
1956 to Starred Que-  
stion No. 2105 re-  
garding Sugarcane.

The Minister of Food  
and Agriculture Shri  
A. P. Jain replied to  
the debate.

AGENDA FOR SATUR-  
DAY, 26TH MAY,  
1956—

Further discussion on  
Resolution *re:* Second  
Five Year Plan.