

[Shri Samar Guha]

Rahman is in the hands of the people of India and Ceylon.

SHRI RAJ BAHADUR : We are second to none in regard to our anxiety about this situation.....[Interruptions]**

MR CHAIRMAN Nothing will go on record. Nothing that is being said now will go on record.....[Interruptions]**

The Minister has already taken note of what has been stated. He has told you categorically.

SHRI RAJ BAHADUR : This is a sensitive issue in a sensitive region and for the sake of freedom and democracy, we would have to proceed with due care and caution. We will certainly make a statement, after going into all these things

MR. CHAIRMAN : Mr. Narain Chand

14. 18 hrs

GENERAL BUDGET, 1971-72-GENERAL DISCUSSION AND DEMANDS FOR GRANTS ON ACCOUNT (GENERAL), 1971-72- *Contd.*

SHRI NARAIN CHAND (Hamirpur)
Sir, I want to congratulate the Finance Minister on the bold incentives he has offered in regard to the economic life of our country. There are certain new incentives. One significant thing is the awareness of the seriousness of the problem of the unemployed. A provision of Rs. 50 crores is being made for the programme of creating employment opportunities. This is a welcome step. There is an assurance of immediate implementation of this programme. The scheme will start in right earnest

from the next month. There is compassion for the poor, for the unemployed.

Certain elements in West Bengal have been whipping up regionalism and parochialism shouting

“आमार देश तोमार देश, बंगला देवा,”

‘आमार नाम तोमार नाम, बियतनाम’

Whereas, it should have been

“आमार देश तोमार देश भारत देश”

There is provision in the Budget for setting up a new industrial Corporation in Calcutta, for that Calcutta where the industry is withering away wherefrom the capital is flying to Haryana and Punjab, for that part of the country, there is a bold provision of an Industrial Corporation. I welcome this step, and I support the Finance Minister and the Government of India on this step. I am sure that this step will stay the flight of capital and check the outflow of money from the State of Bengal which has been reduced to an utter state of dejection and depression where there is economic depression because of regionalism and parochialism and a kind of ideology that cuts across the barriers and where some anti-national elements draw inspiration from a country where even the telephone calls are answered in Chinese with the reply “Power flows out of the barrel of a gun” I have studied a few books in the Chinese language and literature and I know what sort of people they are. I know certain anti-national elements derive inspirations from them and following them, there are cries of

Amar Desh, Tomar Desh, Bangla Desh

—not Bharat Desh, but Bangla Desh—
‘Amar Naam, Tomar Naam, Viet Nam’

**Not recorded.

This is highly deplorable. I am grateful to the Government for having made some provision for setting up the Industrial Corporation there so that Bengal does not wither away, so that the Bengal of Subhas Bose does not wither away and the Bengal of C. R. Das does not die out and this Bengal comes into its own and stands on its own legs in the economic sphere.

Then, there is the problem of deficit financing. I am aware that deficit financing is going to be of the order of Rs. 240 crores and it is a realised fact that a country on the verge of economic development can absorb a dose of deficit financing because of the green revolution that is taking place in the country and because of the increased input in the industrial sphere. Therefore, deficit financing is not something which is to be abhorred, criticised and condemned. Rather, it is a step which should be welcomed.

Then, I come to bank nationalisation. From the figures available from the Finance Minister's speech, we find that during the period following July, 1969 when the banks were nationalised, 145 new branches per month have been opened in the rural areas, whereas the figure was 47 in 1968 and about 80 in the first six months of 1969. This shows that bank nationalisation has raised hopes for the vast millions who are living in the villages; where there are no roads, no post offices and no railway connections, the people are having banking facilities. This is a direct outcome of bank nationalisation which was introduced by the Prime Minister of India, Shrimati Indira Gandhi. I hail this step, and I am sure that the benefits will accrue in the years to come, and will lead to legislative and other measures which would bring richness and better ways of life and some new hope for the people in those areas where there is darkness, for the cottages where there is no light and for the areas which are inaccessible now to the common man.

Sir, I am more concerned with my own State. Coming as I do from Himachal Pradesh which borders China, I would

like to highlight some serious problems which we are facing. I represent the Hamirpur constituency here and it has a voting population of 4.22 lakhs. But not even a single metre of railway track is there. There is the famous temple of Jwalamukhi of old and the modern temple of Bhakra Nangal dam. But the railway line just stops short of the Bhakra dam. I wish it could be brought to Una by extending it by just a few miles into Himachal Pradesh so that the people could be saved from the heavy octroi duties that they are obliged to pay when the trucks are unloaded near the railway station in Punjab and then the goods are brought into Himachal Pradesh.

There is also the famous place of Buddhist note, namely Reivalsar where Padmasambhava did his penance and wherefrom he carried the message of the Buddha, the Light of Asia to other countries. Lakhs of people from all over India come to visit that place, but there are no proper railway connections. Even in regard to the temple of the fire-eating Goddess Durga, Jwalamukhi; the railway station is actually 12 miles from the temple on the Kangra Valley railway. I hope the Railway Minister would take note of this and connect the Jwalamukhi temple with the Jwalamukhi Road railway station. Though the names are somewhat confusing, yet they are 12 miles apart. If this convenience could be given, people from Madhya Pradesh, Vindhya Pradesh, Bengal, U. P., Maharashtra etc. could visit that temple in comfort every year.

I am sure that as soon as the importance of Mahayana is accepted—Bodhi Gaya will have its own importance—Riwalsar will have an equal importance for Europeans and Americans. I am aware that some missionaries are working there. I have visited some cave temples where Padma Sambhav prayed. People from Ladakh, Kinnaur, Lahaul, Spiti and other areas bordering China come there for praying and worshipping. I wish there are some facilities for them.

[Shri Narsain Chand]

The most important problem there in the Himachal Pradesh is the acute scarcity of drinking water. It is an irony of fate that Himachal Pradesh which is a land of perennial snow and gushing rivers, which are responsible for the green revolution in Punjab, Haryana and Rajasthan, should have within its fold many areas where people have to walk for miles for their drinking water. Ladies have to walk on naked foot for miles for bringing pitcher of drinking water. In Tehsil Hamirpur, which is my Native Tehsil, there are villages where water has to be stored during two months of the rainy season and with this supply they have to make do for the whole of the year. There is no water available anywhere else.

I request the Central Government to take this problem in their own hands, realising the gravity of the situation and take urgent steps and solve it, because the acute shortage of drinking water has reduced our life to one of misery and penury. People go to the border to shed their blood fighting the Pakistani and other elements. They go to the Wagah border where the Dogras rise, the Paharis-weave and the senas go. They shed their blood in the border lands, in NEFA and other places. But their wives, sisters and daughters have to walk for miles for a drop of drinking water. They shed their blood for the defence of the country, but there is no provision for this elementary need. I have visited these areas. For miles and miles there is not a single well or a fountain or a river or brooklet. There should be some provision for these people whose men are fighting in our forces, who are on the battle front for months and years together. Their wives, mothers, sons and daughters should at least have this relief.

The problem is so huge, the expenditure involved so large that the State Government, with its limited resources, is unable to tackle it. I would call upon the Central Government to take this in hand. The armed forces, and men who

in arms, require help not only on the front and in the barracks and in the cantonments, but their families have also to be helped, their wives, sons, daughters and mothers and helpless widows have also need our help. I wish some serious thought is given to this problem.

Then there is the problem of school-going children. They have to walk for miles carrying bottles of water, sometimes 5-6 or 7-8 miles. There is no jeep, railway or bus which they can use. If the boy drops the bottle on the way, he does not reach the school. If he reaches home, he is cursed by the parents. So he just loiters on his way and there gets the kind of education which we can call the education of nature, of which Wordsworth was so fond. But we do want of our children to have the proper type of education in order to enable them to take their place in society at the proper time. So immediate attention has to be paid to this acute problem of drinking water for which something has to be done immediately.

There are some other problems in our area which have to be taken up by us. Our area is an area from where people are going out. The brain-drain is the maximum in Himachal Pradesh. As soon as a boy does his matriculation, he goes out to another school or college in Punjab or somewhere else and then hankers after a job. I wish some sort of industries are set up there. Hamirpur is a place where we have enough of resin, pine and other resources. Paper mills can be set up there; cement factories can be established. I wish the Central Government in the next budget makes some provision for drinking water, for extension of railway connections and for the establishment of some industries in Himachal Pradesh.

SHRI VIRENDRA AGARWAL (Moradabad): At the outset, I congratulate the Finance Minister for displaying a sense of realism and pragmatism to the problems facing the country. The Finance Minister has reiterated the Government's resolute

for eradicating mass poverty and unemployment. His whole Budget speech is punctuated with emphasis on effectiveness, determination and speed. The common man is so much fed up with pledges and promises made during the last 23 years that he is no longer interested merely in reiteration of the Government's policies. He is now interested to judge every action by the performance in terms of exactly how it helps in raising his living standard. Therefore, the whole Budget is to be viewed from the common man's view point which remains to be the corner stone of any democratic functioning.

Mass poverty is directly linked up with the question of price stability. The Finance Minister has rightly laid greater emphasis on the economic policies having bold re-orientation towards growth with social justice. But to the common man social justice essentially implies price stability. As soon as Mr. Y. B. Chavan had assumed the charge of the Union Ministry of Finance, he had declared that he would give the top most priority to the stabilisation of prices. It is rather unfortunate that he has now learnt easy ways of explaining away the phenomenon with expert advice from his senior officers. As he has already conceded, that the prices are constantly rising though he has found consolation when he described it as a world phenomenon. What we need today is a definite policy for holding the price line. It is widely recognised that if we are genuinely interested to hold the price line, then there must be in evidence a significant improvement all round in production. Who can afford to disagree that higher production is the only solution to the problem of spiralling prices? Monetary and fiscal policies can have only a marginal impact on prices. It is a matter of gratification that our revered President has also conceded in his Presidential Address that all such obstacles placed for curbing the production should be removed in both public and private sectors. What we need today is a reassessment of policies and systems with a view to introducing selective controls aimed at stimulating develop-

ment rather than acting as 'drill sergeants' of the economy. So long we do not succeed in reviving the industrial investment activity we cannot ensure either price stability or social justice. It is a matter of satisfaction that the Finance Minister has conceded that the overall growth in money supply has also been larger than what is warranted by the growth in production. Deficit financing within certain limits, if employed for productive purposes, can also help in augmenting our resources.

The Finance Minister may be required to impose additional taxation when he presents his regular Budget in May. But I would like to assure him that any rise in tax rates will only help in raising prices. Certain Tax relief to the productive apparatus seems to be absolutely essential if the Government is genuinely interested to hold the price line. To neutralise the ill effects of rising prices on fixed and salaried income groups, I would suggest that the recommendation of Bhoothalingam Committee needs to be accepted for exempting the tax limit upto Rs. 7,500 so that the lowest income group could have a little sigh of relief and may appreciate that really a new era of socialism has commenced.

The Finance Minister has rightly emphasised that the problem of unemployment is too serious to be ignored or treated lightly. He has shown a greater realism when he made it clear that the twin problems of mass poverty and unemployment today remain as acute as ever. In large pockets, there has perhaps been a worsening of conditions. He has commended the fifty crores schemes for creating more employment opportunities with a productive bias. It is rather naive to assume that Employment is created by allocating funds in a Budget. Provision of dolls to unemployed will simply create a nation of beggars. The crucial question today is how to create large jobs which can absorb 28 million-unemployed persons at the end of the Fifth plan. There are already 15 to 16 million people who are unemployed in the country. The only way to increase employment is to increase the size of the cake so that more can partake of the slice. The employment

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must aim at increasing the production of goods and service of the maximum rate.

It is estimated that more than 25 million will be added to the existing labour force of 190 million during the Fourth Plan period. The Fourth Plan is expected to generate 18.5 to 19 million new job, unemployment will increase by a further six to seven million. Adding to the present backlog of 10 million, it will make a total unemployed force of about 16 to 17 millions. Another estimate is that the present backlog of 13 million will exceed 27.4 million by the end of 1971-72. According to the figures of registration with the employment exchanges there were 18.75 lacs matriculates, 1.86 lacs Graduates and 53,118 Engineers last year. When the Growth rate of productive employment falls far behind the national output, the process of planning is not only distributed but becomes worsend for execution. It is a wrong assumption that a target out lay for meeting financial requirements of the Fourth Plan meant for expansion of basic industry in the public sector can either accelerate the growth rate or generate employment opportunities. There is no demoratic Government in the world which can take upon itself the task of creating employment opportunities for the total unemployed. It is always the concept of self-employment which helps in solving this gigantic problem. Modern technology if applied to smaller units of production can convert every house into a workshop, but it needs close and effective coordination between the big and small sectors of industry. Japan Offers an inspiring example of a country surmounting every type of obstacle to industrial growth and having provided the right planning technique to suit one's own conditions. The situation has already become so explosive that if it is not tackled soon then the whole process of Parliamentary democracy may get endangered. The economic policies have already proved so faulty that it can never provide jobs for all the unemployed nor it allows the people to

engage themselves in gainful employment. This nation wide Rs. 30 crores programme can pay rich dividends if it is linked up with certain nation building activities as rural works, road construction etc. Public sector may expand but it is doubtful if it can ever absorb 48,000 frustrated, angry, unemployed engineers in the country.

The Fourth Plan had emphasised the need for a 9 percent rate of growth in industry. But during the year as a whole the industrial production is expected to increase by roughly 6 percent. Let the Finance Minister ask why it is that despite this heavy investment and considerable industrial growth the problems of the common man have remained unsolved. Is the direction of our investment in tune with the needs of the Indian economy? It is often not realised that the nature of investment itself often serves the cause of growth and social justice. Unless the question of misdirected investment is tackled boldly, both the Government and the people will continue to witness economic stagnation leading to an atmosphere charged with social tension and violence.

Let us clearly understand that threats and name calling neither produce goods nor social justice. Every additional curb either on starting or expanding an industrial unit has direct repercussions on prices and employment. You are following exactly a contradictory policy but expect prices to be stabilised and employment potential to be increased. We have created so many hurdles to exports that the target of 7% which alone can sustain the Fourth Plan of the size already proposed, can never be achieved. If you increase the size of the plan then the gap in export earnings will widen further leading inevitably to another devaluation of the rupee. The public sector enterprises have claimed Rs. 30 crores more to cover their losses than the Budget provision. They have so awfully failed because they are not working according to their installed capacity and because of managerial inefficiency with the result the resources expected to be

generated are going down and will have to be made up by deficit financing. It is obvious that our economic policies can never succeed in stabilising the prices if you allow the nation's hard-earned resources to be squandered on such bottomless pits.

The Finance Minister has commended the functioning of the nationalised banks, that it has opened on an average as many as 145 new branches per month as against 80 per month during the first six months of 1969 and 46 per month during 1968. Is it not a fact that it has further added to the cost of administration while the record of the new branches opened in mobilising local deposits and utilising them for productive purposes has not yet shown satisfactory results? The aims of bank nationalisation such as to improve the living standards of the masses and to accelerate the country's economic growth by providing credit to the priority sectors such as agriculture, small industries, exports and self-employed people are laudable enough. But the crucial question today is whether the nationalised banks have been able to fulfil the expectation of their customers and whether they have succeeded in improving their services to them. The most essential thing to ponder over is how far bank credits have gone to finance productive schemes and have helped to augment production in both forms and factories. I understand that the nationalised banks are only accumulating bad debts. Let the Finance Minister take the House into confidence on the extent of the rise in the proportion of bad debts since nationalisation.

The interim Union Budget at the moment is simply an accounting formality. The overall deficit of Rs. 230 crores in the current year inspite of the additional taxation last year, and the substantial shortfall in plan expenditure shows that in fiscal discipline, profession and practice are still far apart. The Finance Minister has not yet indicated whether the deficit is to be covered by additional taxation or deficit financing. It is widely known that

there is a point beyond which the "Deepening of the resource base" becomes a counter productive in term sof taxation. Our tax rates have reached a saturation point when they have begun paying diminishing return. Tax Rates are producing inhibiting effect on the investment and growth. High rates of tax with high rates of evasion ultimately result in a diversion of legitimate savings to speculation and consumption in a parallel blackmarket economy. What we need today is certain tax relief in the form of excise duties as well as on personal income so that the common man could have certain reserves for investing in industrial activity. Broad-based democratisation of industrial structure is absolutely essential if we are keen to accelerate the growth rate.

Presenting the Budget for 1970-71, the Prime Minister had raised the tax exemption limit on dividend incomes upto Rs. 1500 but this limit needs to be further raised to Rs. 3000 so that the lower middle class could participate rather effectively in the industrial activity of the country. This sense of belonging can go a long way in broadening the entire industrial structure.

MR. CHAIRMAN : Since it is his maiden speech, I did not want to ring the bell. But the hon. Member must remember that he has taken 15 minutes. Please conclude.

SHRI VIRENDRA AGARWAL : I shall conclude within a minute. Political stability and economic equality reasonably demand decentralisation of economic and political power in the state and a guarantee of national minimum by 1975-76. Democratic socialism will have little meaning if the consumption rate of the common man does not constantly rise. It is no use building false hopes that there would be better performance in the future. When we exhort the people for social justice and economic equality, it becomes our responsibility to see that they are not required to shoulder heavy burden in the form of punitive taxation structure and soaring prices. Otherwise the people will have no other choice but to believe that

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eradicating poverty and unemployment is merely a full proof slogan for befooling them. It is a challenge to the present Leadership, and the earlier they show definite results the better it is for their own future.

SHRI K.G. DESHMUKH (Amravati) : Sir, the budget presented by the hon. Finance Minister, though interim, gives us a clear indication of the progressive and socialistic policies of our Government. For instance, he said, there will be employment-oriented schemes, schemes for giving credit to relatively weaker sections of the community and special schemes for the benefit of small farmers and farmers in dry farming areas. It is a matter of great satisfaction that our Government has taken a decision to implement new employment oriented schemes with a view to provide employment to at least one member in each family. I am thankful to the Government for this scheme, but I have seen that in many families, two or three members are employed while in other families, even though there are girls and women who are educated and who have the potentiality of service, they are not able to get employment because there are some recruitment rules and systems which do not permit them to be given service. I would request the Finance Minister to make the rules in such a way that at least one member from each family would be given employment and families where more than two or three members are employed are discouraged from getting more employment. Care should be taken to give employment to people in rural areas where unemployment is prevalent on a large scale. I am very thankful to the minister because they have asked the State Governments to chalk out a scheme in each district and I am hopeful that within a few months, this type of scheme will be chalked out and employment provided to such families.

Another notable feature of the budget is about the nationalisation of banks, which has brought about a greater change in our banking credit system. The ag-

gregate number of borrowers has risen from 3 lakhs to 11 lakhs and the assistance given is also double. But much remains to be done in this sphere also. We find that the structure of the banking system and the machinery is the same. I have received many complaints that agriculturists are not getting credit and when they go to commercial banks for credit, they are asked to give another security. When the agriculturist possesses land in his name, credit should be given on the land itself. But in addition to mortgaging his land, he is asked to furnish security also for the loan. This is an anomaly. In the case of business, loans are given on the security of the shares. There additional security is not asked for. This anomaly should be removed.

Thirdly, coming to cotton, it is said in the budget speech by the Finance Minister -

“The production of commercial crops, notably cotton and oilseeds, has been inadequate and this had adverse effect on industrial production and prices.”

In the case of cotton we are the sufferers for a long time. I have brought it to the notice of the Foreign Trade Minister many time and I have suggested the formation of the Cotton Corporation of India and the fixation of prices. I am thankful to him that two months back he has formed the Cotton Corporation of India. But except the formation of the Corporation nothing more has been done. Even though the import and export has been taken over by the Cotton Corporation, nothing has been done about the price of internal cotton and the purchase of internal cotton.

Though the target of cotton production was fixed at 80 lakhs bales it is worth noting that instead of achieving the target we are going down and down. In the year 1965-66 we achieved the figure of 86.6 lakhs of bales. Since then we are going down. Last year we produced 65

lakhs bales and this year we have gone down to 60 lakhs bales. So, we are short by 20 lakhs bales. That is why we are importing something like 15 lakhs to 20 lakhs bales from America, Egypt and Uganda by paying exorbitant prices. The price which we are paying for the American Cotton is Rs. 2,200 per two bales and its staple length is 33/32. We are producing the same variety of cotton in our country in Gujarat and parts of Maharashtra but for this our traders are paying only Rs. 800 to the growers. When this is the position, how can you expect our producers to produce more and achieve the target of 80 lakhs of bales

I will give one example to show how the cotton grower is harassed and exploited by our traders. At the beginning of the cotton season the cotton price in the market was Rs. 320 per quintal. During the busy season, when the season was in its full swing, the price began to decline. Now it is being said that in all the cotton markets of India they are receiving only Rs. 220 per quintal, that is, Rs. 100 less per quintal. In such conditions how can you expect the farmers to grow more cotton ?

This year there is scarcity of cotton because of excessive rains in the cotton zone. At such a time, instead of giving him more price, instead of giving him atleast the cost of production we are giving him less than what we paid him last year, which was a better year for cotton, when we were paying Rs. 290. Though complaints have been made to the Minister of Foreign Trade many a time nothing has been done in this direction. So, I would take this opportunity to request the Minister of Foreign Trade through the Finance Minister to look into this matter.

The Finance Minister is also responsible, to some extent, for the decline in prices. The traders are saying that the credit which was given to the cotton purchasers has been reduced from 60 to 25 per cent. If that is so, if the reduction

is to such a great extent, then it will also result in decline in prices. I would request the Finance Minister to look into the matter.

Today there is a deadlock in the cotton market. When the cotton growers are going to the market there is nobody to purchase cotton. There are several complaints from the cotton merchants, co-operative societies and ginning factories that they have so much cotton and nobody is lifting them. At the same time, the mills are short of cotton and they are threatening to close the mills. The mills are also importing cotton from Uganda and other countries at high prices.

Something like 5-6 lakh bales of cotton have been imported during the last three to four months. This is an anomaly. So, I would request our Finance Minister and, through him, the Foreign Trade Minister to look into the matter and to do some justice to the cotton growers. Only by saying that he should grow more cotton will not solve the problem. This has brought in demoralisation and this has doomed the cotton grower this year and, next year, he will be thinking of growing other commercial crops rather than cotton. So, this will lead to serious conflict next year in the textile industry. So, I would request you to look into the matter and do justice to the cotton growers.

SHRI MADHU DANDAVATE (Rajpur) : Mr. Chairman, Sir, I quite realise that it is too early to assess the economic policies of the Government before a fullfledged Budget has been presented to the House. But even then I feel that the interim Budget also reflects the economic thinking of the Government and the party in power.

For sometime the cardinal principle of our economic development has been "growth with stability" and now it has been stressed that the guiding principle of our development will be "growth with social justice." In broader connotation,

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It cannot mean anything else but growth with a radical social change or a social transformation. If this is to be the perspective, the immediate by-product of this perspective will have to be the eradication of poverty and also the liberation of our economy from the strangle-hold of monopoly. If these twin objectives are to be fulfilled, it should be absolutely clear that within the framework of the present structure, it will not be possible for us to achieve these objectives at all. These objectives are quite laudable. In order to accomplish them through necessary measures, fiscal and others, it should be necessary to get rid of all the hurdles in our Constitution which might come in the way of implementation of progressive policies and programmes. It is with this constructive approach that I am myself seeking leave of the House to introduce the Constitution Amendment Bill and, I hope, the ruling party will consider all its aspects in order to speed up the economic programme, and enable this House to bring about necessary changes in the Constitution.

One of the most important aspects of development should be to socialise the commanding heights of our economy. If that is to be done, a radical approach to our economic planning will be required. The most urgent problem before our country is inadequacy of capital. It has been clearly established that private savings have not been able to provide the necessary capital. We will, therefore, have to rely more and more on institutional savings. Thus, the credit institutions, their pattern and their control pose problems of a very significant order.

We no doubt have the nationalisation of Banks. But mere nationalisation of banking will not be adequate. There are credit institutions like the general insurance which also will have to be socialised. Let me make it explicitly clear that socialisation does not mean mere nationalisation of these institutions. We must see to it that these institutions are brought in public sector and the popular image of the public sector is improved. The opponents of

the philosophy of the public sector have made up their mind to undermine the prestige and popularity of the public sector in the eyes of the people. If the image of the public sector is destroyed, then, probably, people will persuade themselves to believe that in the interest of efficiency, we cannot have expansion of the public sector and that it is better to go back to the private sector. Therefore, in those fields and industries, where socialisation has been introduced, the experiment of socialisation must be made a success.

I would concretely point out to the nationalisation of the fourteen banks. I am not one of those who feel that the importance of nationalisation of banking becomes less because only fourteen banks were nationalised. In fact, the basic premise of nationalising only fourteen banks is that those banks were capital banks which tend to accumulate to a very great extent, should be taken over first. I think that is the correct approach.

15 hrs.

Again we have to convince the country that the nationalised banks are run on a fairly sound basis and with a greater degree of efficiency and that the employees having a sense of participation in the management. The backward sections of our country must have the feeling that the norms of creditworthiness are being radically changed and the underprivileged sections will be able to get better benefit in terms of loans. Sir, I am constrained to remark that such situation has not been still created.

Again, reverting back to the problem of creating a better and popular image of the public sector, I feel that there should be an expansion of the public sector. Specially in the field like consumer goods industries. If the public sector functions very effectively and efficiently specially in the consumer goods industries, I think the popular image of the public sector industries will improve. It is in this connection that I would like to refer to one significant aspect of industrial development,

One of the most crucial points and crucial problems of industrialisation is the underutilised capacity of our industries, both in private and public sectors and one of the reasons for this phenomena is that there is no proper system of distribution of the raw materials to these industries. Therefore, I suggest that an autonomous corporation should be effectively built up which should take up the responsibility of procuring, stocking and also equitably distributing the raw materials. For instance, I would refer to the problem that was recently created in the textile industry. I may refer to the crisis that was created in the textile industry. To a certain extent, the crisis was artificial. Not that it was fully artificial, but, to a very great extent, it was so. The textile magnates thought that they should pressurise the Government, to have more import of cotton, and thereby see to it that they have wider margins of profits. To some extent they have already succeeded. There are problems of cotton-growers. There are also problems of the consumers who have to purchase cloth at very high prices. Obviously, these problems will have to be tackled. For instance, I would suggest that we should try to overhaul the entire apparatus of the National Cotton Corporation. We should widen its power, authority and scope and it should be possible for the Corporation to see that seeds are provided to the agriculturists, yarn is manufactured and an equitable distribution of the yarn is ensured. Then, on one side, there will be justice to the cotton-growers and on the other, we will be able to do justice to the consumers who are actually purchasing cloth at high prices.

Then, there is an urgent problem that is linked up with the price policy. That is the problem of socialisation of wholesale trade in foodgrains and other essential commodities. Sir, I am constrained to observe that this very Government which set up a number of years ago—of course, when I say, 'This Government', there is the continuity of Government, in that sense I am saying—they had adopted a particular policy and they appointed under the chairmanship of Mr. Asoka Mehta a Foodgrains Inquiry Committee. That

Committee went into the problem. They took evidence of experts and they have come forward with their valuable report. The Asoka Mehta Committee had recommended that in order to ensure that on the one side, the problems of the producers and on the other, the problems of the consumers are tackled, it is better that we socialise the wholesale trade in foodgrains and other essential commodities. Sir, I am sorry to say that even after these recommendations were made by the Asoka Mehta Committee, they were not implemented, at all. Very often that happens in regard to the reports and recommendations of various Commissions.

The Asoka Mehta Foodgrains Enquiry Committee recommended the socialisation of wholesale trade in foodgrains and essential commodities. It was not implemented. The tragic paradox of the situation is that Shri Asoka Mehta who pleaded for the socialisation of foodgrains and essential commodities has now joined the political lobby which is totally opposed to the socialisation. Probably if his recommendations were implemented in time, it would have prevented Shri Asoka Mehta from joining this lobby, which is putting forward a retrograde point of view.

Then I come to the problem of regional imbalances. This problem of regional imbalances has to be tackled at various levels. This imbalance arises out of the imbalance which exists in the infra-structure in various regions. To give a concrete illustration, I would say, it is necessary that the backward regions have to be developed with proper means of communications. We have to develop agro-industrial base in the backward regions. I represent a constituency from Konkan. Lot of agitation is going on there for the development of Konkan. It is a backward region. There is no agro-industrial base in this region of Konkan. Nobody wants to start industry in Konkan because the basic difficulty is that there are no proper means of communications like Railways. It is very difficult to bring about the necessary communication with other parts of

[Shri Madhu Dandevate]

the country for exports in the absence of proper communication facilities.

For this reason, capital is shy in Konkan region. If this attitude of shyness is to go, it is necessary for the Government to provide necessary communication facilities like Railways. Fortunately, due to pressure from various sections, the Government decided to have a survey of the Bombay-Mangalore Railway line. Unfortunately this scheme for Konkan railway line is not pursued effectively. In the Konkan region there are a number of villages where you see bullock carts. During the election campaign our Ministers went there in helicopters. Villagers in Konkan found a transition from "bullock cart age" to "helicopter age". The missing link is the Railways. This missing link should be introduced. It is said that Evolutionists know everything about the missing link except the fact that it is missing. That seems to be the position in Konkan also.

This particular aspect of extending the Railway line to Konkan has to be taken up speedily. Unless this is done, it is difficult to remove the economic imbalance of this region.

I now come to the question of equality. The keynote of a socialist policy is that there should be stress on equality. It is surprising that not a word of 'socialism' is mentioned in the speech of the Finance Minister. Of course, I don't go very much by external form; so long as the substance is there. But substance too is missing. To put socialist content in the economic development there must be greater equality.

Unless we are able to have measures like capital levy, wealth tax etc. we cannot remove the existing inequalities. Unless we take such steps we cannot remove the tapering peaks of property from our midst. Therefore, I would suggest that measures like capital levy and

wealth tax be firmly formulated and implemented.

Let me now make a reference to the policy regarding automation. I am a modernist and I am a socialist, and therefore, I would never totally oppose automation at all. In modern development and in rationalisation of industries at a certain stage, automation is inevitable. But, since our Planning Commission had accepted the approach that in a country like ours at the present stage of development, our entire technique of production should be labour-intensive and not capital-intensive, automation should not be introduced in those fields and industries where on a very large scale, the employees will be thrown out, without any prospects of alternative employment, and that too at the present level of wages. This should be the attitude in this regard.

I shall now refer very briefly to the policy regarding taxation. I am not one of those who feel that if socialists are in power, there will be no taxation at all. Only a quixotic attitude can lead to such thinking. I feel that taxation is bound to be there, no matter whoever be in power, whether Congress (R) or Congress (O) or Jan Sangh or PSP or SSP or communists of any variety. But the socialist approach to taxation is that the policy of taxation must be such that taxation must be according to the capacity of the people to bear the taxes, and, therefore, the higher echelons of society must be made to pay more taxes; and to that extent, the burden of taxation on the poor must be less. This type of socialist orientation must be there. I feel that if capital levy, wealth tax and such other measures are implemented effectively there will be no difficulty in narrowing down inequalities.

I shall now briefly refer to agriculture. I do not want to spell out my views on this matter in detail because I do not have enough time at my disposal. But one of the key-notes of our entire development will be our attitude to agriculture, our

attitude to problems of land reform etc. But I am afraid that in spite of such a massive mandate received by the Congress (R), or Congress (N) whatever you may call it, there seem to be internal contradictions in the Congress (R) itself. I was very happy to read some announcement by the Finance Minister of course, I read it through the papers, and, it may be wrong also. He is reported to have said that after the elections are over the richer sections of the peasantry will have to be attended to and we will have to do something to curb them. But in my own State of Maharashtra, quick came the comment from the Chief Minister of the State that all this slogan mongering must be ended and the rich peasant should not be frightened at all. Probably, there might be the dialectical approach to socialism. If internal contradictions develop, there might be progress, and hence there internal contradictions. I hope that a proper approach will be adopted and our entire policy will be so oriented, and our schemes of development will be so overhauled that it will not be the richer echelons in the field of agriculture and industry whose interests will be catered to but those of the underprivileged will be attended to. It is not the affluence of the rich, but really the needs and requirements of the poorer sections and backward sections which must be taken note of. If this is done, and socialist-oriented attitude is adopted, I, and my colleagues will always support that attitude on the floor of this House. Even if some people from among the ruling party fumble to support the socialist measures—if there are any socialist measures—the PSP and other socialists will continue to support them. But if we find any lacuna in the socialist measures, we shall vigorously raise our voice of opposition and fight for putting socialist content in the policies and programmes to be pursued by the Government.

SHRI C.M. STEPHEN (Muvattupuzha):

I thank you for giving me an opportunity to participate in this general discussion. At the outset, I would like to complement

the hon. Finance Minister for the speech that he has made, which is as every budget speech should be, a political document which has spelt out the policies and the and the ultimate objectives guiding the Government and the party which is running the Government and is behind the Government.

He has faithfully spelt out the main line of approach of the party on this side and the objectives we have in view. In the introductory part of his speech, he has pointed out what exactly are the main economic policies, growth with social justice and so on. He has also spelt out the ultimate objectives, namely, reduction of disparities in income, wealth and economic power, creation of mass employment, holding of the price line, keeping a safe balance of payments so that we depend less on foreign credit. These certainly are objectives which not only the party on this side but most of the parties opposite have also accepted.

But basically, the approaches and policies were not without controversy before the elections. Certain combinations on the other side calling themselves grandiloquently as the 'grand alliance' had materially differed from the policies we had accepted. But I suppose after the elections, after the massive mandate we have obtained, this is now beyond controversy and my friends opposite will not raise this issue any further.

But political policies and ultimate objective are not the main criteria, though they are, of course, deciding guidelines. The material thing is: what exactly are the programmes and how exactly can we implement them. Of course, these programmes will be spelt out only in May when the final Budget is before us. We are thankful to finance Minister for the forthright announcement he has made that whatever might have been the attitude and whatever might have been the experience in the past such programmes as are accepted will be implemented expeditiously and forthrightly.

[Shri C.M. Stephen]

According to me, this discussion will serve only one purpose, that is, to give suggestions to Government which may serve as guidelines for them when framing their ultimate programmes when preparing the coming budget.

At this point, I want to mention one thing. As my hon. friend who preceded me mentioned, I was also disappointed to see that in the President's Address and in the budget speech, the word 'socialism' has been left out. May be unintentionally, but it has been left out. Labels may not be important, but I do believe they have a significance, they have a psychological value.

DR. V. K. R. VARADURAJA RAO :
In elections.

SHRI C. M. STEPHEN : Not only in elections, but afterwards too.

Economic growth with social justice is not the connotation of socialism. Socialism is something much more than that. It is a way of life. It is a complete transformation of the existing infrastructure, economic, social, political, everything.

Therefore, I would request the Finance Minister to see that this is not left aside in our pronouncements hereafter. When we passed a resolution in Avadi, we set for ourselves the goal of a socialist pattern of society. In Bhubneshwar, we moved forward in our march in that direction. We had a lot of controversy in the Congress itself for changing the preamble of the organisation itself and spell out socialism. Let us not shy away from that word. That word has become a by-word for the masses of the country, it has become very dear to them. It is on that word that the masses have been enthused and enamoured to give a massive verdict to the party on this side. Therefore, it has got a place in our connotations

and paraphrases. It has become a symbol which grips a word which grips the imagination of the people of this country, a word which means so much for the millions of this country in the lakhs of villages from Himalayas to Kanyakumari. So it must find a place in our pronouncements. This is only in passing.

There are one or two things which have not been stated sufficiently clearly to which I would like to make a reference. There can be programmes. Any intellectual can frame a programme. Attempts will certainly be made to enforce the programme. But are conditions such as to give us satisfaction and confidence that these programmes will be effectively implemented? The party on this side is certainly committed to that; the Government, by which I mean, the Ministry, is certainly pledged to that; the leadership on this side is certainly bound by it and Parliament as a whole is certainly a part to it.

But there we can only spell out the policies, tell the nation what should be done. There is another apparatus which has to implement the whole thing.

Looking back, we had our plans and the plans were marked by shortfalls in implementation. Even last year, after the Prime Minister made her Budget speech our targets were not fulfilled. We now find that in material terms, there have been considerable shortfalls. How do these take place? It has got to be investigated.

Creating the transformation of this country is a huge and tremendous exercise. About 60 crores of people throughout this vast country changing their way of life and producing things in such a manner as to have plenty on an equal basis, is not a mean task. It is a major task. This major task can be accomplished in only two ways, by the democratic method or by the totalitarian method. The electorate has discarded the totalitarian

method, and so it has to be achieved by the democratic method. It is absolutely necessary that every sector of life, every fragment of life, every section which is connected with it must be informed by this yearning for democratic transformation on a socialist basis,

Here I have to make a special reference to our services. I am certainly prepared to pay a compliment to them to the extent that they have served, but let me tell the services through the House that there is an impression throughout the country that the services have not shared yearning for socialist transformation. There are pin-pricks and obstacles placed. The Government machinery is functioning not for facilitating this transformation, but for creating impediments and slowing down the whole thing. It is absolutely necessary that the services should also step up the pace. Otherwise, our efforts will be nullified. I do not know what exactly should be done. They have got protection under the Constitution, but large sections of the people have started thinking whether that protection must remain there in view of the indiscipline that we are finding, in view of the obstructions that we are meeting with and in view of the short falls in our targets. Therefore, if this socialist transformation is to take place, the services also must be attuned to the national will and that is a matter to which the Government will have to address themselves. Whatever steps are necessary must be taken. What matters is the ultimate objective and the achievement of that objective. The Government has been given a mandate to take whatever steps may be found necessary. It is only the ultimate objective that has to be achieved. For the non-achievement of this objective no excuse will be accepted by the people because the people have done what they were asked to do. We have been given a mandate and it has to be implemented, and any step which is absolutely necessary, whether it be with reference to the services or the judiciary, whether it be with respect of anybody, has got to be taken firmly and strongly, because the public of

this country has given this party and this Government a mandate for bringing about social transformation. I wanted to bring this to the notice of the finance Minister.

There are certain parties on the other side which decry the public sector, implying thereby that it will not be a success. That is a challenge to the workman engaged in the public sector, I am myself a trade unionist. The workers are being blamed, but would the story end there? That has to be examined. The parties on the other side, the trade unions and everybody will have to address themselves to this. According to my experience, it is not really the workers who have to be blamed. I have seen how the managerial cadre, how the supervisory cadre of the public sector functions, and I have asked the managers of the public sector when they are confronted with the question of the non-cooperation of the workers whether they want the job to be done. Mostly they are only concerned with their salary and not with the job to be done. There was a proposal at one time that an administrative cadre should be built up for the public sector. I do not know what has happened to it. Even now civil service officers are being inducted into public sector.

I do not know how far it will serve the purpose. With security of tenure completely established they can take things easy, and the public sector comes to ridicule. Unless we completely streamline the working of the public sector and make it a success, this experiment of socialism through democracy will stand self condemned even in the beginning. On the industrial side there must be a public sector; even on the agricultural side there will be a public sector pattern, it may be a co-operative or a collective form. We may have to proceed to the public sector pattern even in respect of small scale industries. Who knows? If the public sector does not get infused with the spirit of socialism and the spirit of service to the people on the basis of socialism, then the experiment cannot succeed. Therefore, if the public sector industries

[Shri C.M. Stephen]

are to succeed, from my experience as a trade unionist I can say that it is not merely the workers who have to address themselves to the task; but also the entire managerial and supervisory cadres have to get to address themselves to this task. Everyone of them must be given the task of redeeming it. Their duty must be to see that the public sector succeeds. If they fail it must be their funeral, they must get out. Security of tenure should not come in there. If they are entrusted with some task they should do it.

The question of regional imbalance has been mentioned in passing in the Budget speech. Coming as I do from the southernmost part of India where there is a cry that Kerala is being neglected I must bring it to the notice of the hon. Finance Minister that this matter should be given supreme importance. India is a vast country. Delhi is situated here and we are situated at the farthest end, two thousand miles away and it takes a long time before the cries of Kerala could be heard here. Our problems are not being attended to. That is the feeling in our State. It was said that there was political instability. I want to claim credit for myself and for my party colleagues in the State that the state of instability has gone and the people of Kerala have done their duty. They have restored democracy there; they restored stability there, and whoever stood against democracy had been given the place they deserve. Today they have sent a body of people here who have given a commitment to the people of Kerala about their belief in democracy and socialism and we should see that their grievances are redressed.

We are a small State and including the CP (M) members we are only 19. Elsewhere there are huge chunks of States. Our political pull is little. It will be difficult for us to make ourselves heard. This is a matter which has got to

be taken care of if regional imbalances are to be removed. Weaker sections should be looked after in spite of political pulls and there must be a sense of justice in our dealings. We have many schemes. There is a proposal for establishing ship building industry about which we have been hearing for the last ten years. Only some roads and buildings are coming up. It seems the Government of India have not made up their mind about this, or the persons who are charged with it are not able to implement the policies of the Government of India. Anyway it has become a laughing stock for the people of Kerala. There was also a proposal for a petro-chemical complex. One suspects that it has migrated to some other area where there was greater political pull. You must realise that Kerala is faced with a major problem, the problem of educated unemployed. Is it our fault that we send our boys to the schools? Is it our fault that our younger generation is sent to study in colleges? Is it our fault that we have got in our heads some grey matter and therefore we are able to study and come out of the colleges? But the people are without their jobs. No industry is coming up. And there is a material matter - even those traditional industries which we had are dying. We have got the cashew industry. One and a half lakh people are employed in that industry. Now, the Government of India has introduced canalisation here in the importing of raw nuts. We wanted it for a social purpose. The social purpose was that the raw nuts must be allotted to the factories concerned, for the workers concerned, so that those workers may get jobs, not that the employers may take them anywhere and anybody may get jobs. That was not our purpose. But canalisation was introduced, and what is now happening? Their demand was not attended to. The reason is that the officers cannot see the social side of the whole thing. The imports were effected, and handed over to the employers; they migrate to some other

place. They start the industry where the wages are lower. We have got the minimum wage law. At some other place they are prepared to work without the minimum wage, where the wages are lower. Migration is taking place. Is it the socialist policy of the Government that the workers must be denied the minimum wages, that the workers must be denied their wages; or that the workers must be denied their jobs? I am telling you that for the last seven months, about a lakh and a quarter workers have been on the streets without their jobs, without their wages. 5,000 salaried employees are without jobs. I am saying this in order that the Government may attend to it. It is not enough that you canalise this. Canalisation must be done with a social purpose. When these employees challenge, the Government will have to come in, and take over and start running it.

Now, there is a Corporation, which is running six factories. The Corporation gave a profit. But they could not expand because they do not have enough finances. Rs. 50 crores are now reserved for this purpose. I would submit that substantial benefit must be given.

There is one thing more.

MR. CHAIRMAN: It is now past 3.30. I have to call the Minister to make a statement. Therefore, I wanted to know how long would the hon. Member take. Now, he may continue his speech tomorrow.

Now, Dr. Karan Singh.

15.33 hrs.

STATEMENT RE. ACCIDENT AT DELHI AIRPORT

SHRI JYOTIRMOY BOSU (Diamond Harbour): Sir, when Calling Attention motions are pending on this subject, a statement is made now *suo motu*. This is a new procedure, for evading cross-questions; because, on any *suo motu*

statement one cannot ask any questions. Formerly, the House has had the privilege of getting the facts through Calling Attention motions, so that the members would get a chance of asking questions. Now, the Government are concealing the facts from us. This is a discourtesy to the House.

MR. CHAIRMAN: I will convey your feelings to the Speaker.

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): It is with deep regret that I have to inform the House of a tragic accident that occurred yesterday morning at Delhi airport when a spare tyre of a Boeing 737 aircraft belonging to Indian Airlines burst while being inflated near hangar No. 4. Shri H. E. Braganza, Chief Engineer Indian Airlines, who was standing nearby was killed instantaneously while Shri Gupta, a Technical Officer, was pronounced dead on arrival at Willingdon Hospital. A chowkidar Shri Budhi Singh is in a precarious condition and a labourer received minor injuries. The Airport Health Officer and the Indian Airlines Medical officer rushed to the spot, and the injured persons were immediately taken to the Willingdon Hospital.

The incident is being investigated by the Controller of Aeronautical Inspection in the Civil Aviation Department, as well as by the Airlines. The service rules of Indian Airlines provide for payment of 36 months' salary last drawn to the families of each of the deceased, payment orders for which have been issued. Suitable payments will also be made to the injured.

The House, I am sure, will join me conveying to the families of the bereaved our deep sympathy.

SHRI INDRAJIT GUPTA (Alipore): Will you please arrange, so that Members who wish to ask questions on this statement are permitted to do so tomorrow?