

Shri Ranga....I am the Leader of my Party. She must have proper control over her expressions.

Mr. Speaker: Let us hear her statement.

डा० राम मनोहर लोहिया : इधर के मसजे को देख कर प्रधान मंत्री जी खुश हो रही हैं। बड़ी खुश हो रही हैं।

बीमती इन्दिरा गांधी : भाप भी तो खुश हो रहे हैं। मटल बिहारी बाजपेयी जी को देखिये।

डा० राम मनोहर लोहिया : पोट्टा मगड़ा धीर हो जाए तो धीर भी खुश हो जायेंगी।

Mr. Speaker: I will request the Prime Minister to conclude her speech.

Shrimati Indira Gandhi: I have only one or two points to make. It is about the evacuation of our men from Gaza. In accordance with the agreement between the United Nations and the seven participating countries, the withdrawal of the Indian contingent in Gaza is the responsibility of the United Nations. It was arranged with the Secretary General that an Indian ship will sail on the 8th June for the withdrawal of the evacuees. India was willing to withdraw the Indian contingent earlier, but the U.N. expressed their inability to agree to evacuation by air. Once again I have, in my message to the Secretary General, asked him to try and get them away from the fighting zone; if they cannot come to India, they may at least be removed away from the area of hostilities as soon as possible.

डा० राम मनोहर लोहिया : बेबसों भावें? उन्हें सहाई में भी साथ रहना चाहिए और सहाई में कुछ मजा लेना चाहिए।

Shri Manthyal Rao (Nagarkurnool): They are not serious.

An hon. Member: He alone is serious.

Shrimati Indira Gandhi: I do not want to go into past history. Of course, I have no objection to discussing Hungary with Shri Ranga or with anybody else, but I am sure you will agree, Sir, that it is not connected with this particular statement.

The point is whether we should say anything and what we should say at a given moment, and whether we should take sides or not. I think that we have made a very genuine effort to be objective, and I think that an objective presentation of the facts of the situation can help in the restoration of peace especially in a perilous situation. It does not help peace to sit on the fence and not to take a definite viewpoint, and this is why we have taken it. As I said, simultaneously we have taken a step at the United Nations. I sincerely hope that we be successful in our resolution. We shall always encourage any step which will lead to a cessation of the fighting there and the restoration of real peace.

Shri Pileo Mody (Godhra): Is this a reversal of old policies?

Shrimati Indira Gandhi: It is not

17.23 hrs.

#### GENERAL BUDGET—GENERAL DISCUSSION—contd.

Mr. Deputy-Speaker: Shri Dange may now continue his speech on the general budget.

Shri S. A. Dange: I was nearly concluding my speech on this budget and trying to make certain suggestions. I think the Congress Government is serious about really holding the price-line, stimulating production, solving the agricultural problem and tendering relief to the people. Therefore, I was making a few suggestions in the matter of holding the price-line.

I would once again urge that Government do not proceed with the imposition of the excise duties of the type that they have done, at least on tea, coffee and footwear. There is one excise duty which I could not understand, for example, that on petrol. Though it does not directly concern the poor consumers, yet it indirectly affects him. Petrol is a surplus commodity in this country and we are trying to export it, and, therefore, there is no reason why we should raise its price unnecessarily.

Then, the question that I was raising was how to control and abolish ultimately the 75 monopolies, especially in the field of consumer goods. Unless the major fields or areas of consumer goods are controlled by the State or taken over by the State, there would be no relief on the question of prices. For example, in the sugar industry, unless you break the monopoly in sugar and take over the sugar mills, there will always be trouble between the sugar mills, the sugarcane farmers and the consumer. Similarly, in the matter of textiles, already the Government have taken over certain mills. I would suggest that they proceed with nationalisation of the textile industry because that industry after 100 years of its development is not able to satisfy either the economic or the consuming needs of the people or of the workers, as has already been stated by one of the wage boards in their report.

Then I would suggest that they should stop the kind of imports they are undertaking. Liberalisation of imports in the name of stimulating production is going only in the direction of exhausting the hard currency we have and utilising it in channels which are not going to help the economy any more. Moreover, there is already a complaint from the industrial field that the import liberalisation is killing our efforts at import substitution. Import substitution should get priority and not import liberalisation to stimulate production in

the existing units which are dependent only upon foreign aid.

Then I would suggest, as he is keen on saving foreign exchange and utilising it for the purpose of the national economy, that he extends control on import-export trade in major commodities and drive out the private traders in this field because they are even now indulging in over-invoicing and other malpractices which enable them to run away with foreign exchange.

He is very much enamoured of foreign capital. What role foreign capital, particularly American capital has played is very well known. I do not think the concessions that are being offered, whether in the hotel industry or other industry also, are going to help us. Industry in this country, even the tourist industry and hotel industry, is quite capable of developing on its own and there is no need to import the Hiltons and others to help develop the hotel industry.

On the question of agriculture, the main trouble with it is not the question of fertiliser subsidy or growing hybrid crops. The point is that unless the peasant is made self-sufficient and unless he is liberated from the imports of the big landlord, he is not going to get any incentive to production and he is not going to contribute to the growth of production, as he should. We have certainly doubled production, we have increased food production in this country in the last 19 years. But we could easily have trebled it if we had liberated the peasant, given him land and sufficient capital to run it, as his independent proprietorship freed from the imposts of the money-lenders and the landlords. Unless that is done, the problem of food and agriculture and food will not be resolved. This is the basic problem. Halting only at the abolition of landlordism—with whatever compensation we have given—is not enough because eviction of tenants on a large scale has deprived the peasant of the gains of abolition of landlordism.

[Shri S. A. Dange]

Then on the question of efficiency in work, it is no use giving lectures on efficiency of work in governmental departments and trying to give them moral lessons on bribery and corruption. The top rungs of the bureaucracy must be inspected properly and those which are the worst elements in that structure should be removed and better elements in giving a chance to run the affairs of the country within the four corners of a new policy.

The last thing I would suggest--it has already been mentioned--is concerning the privy purses. It is not only a question of the quantum of money; it is a question of the democratic structure of this country. The very base of democracy in this country is foiled, disfigured and despoiled by the presence of the princes, whether they are maharajas or maharanis, whether they are given privy purses or no privy purse. What is at stake is not the mere question of the purpose. It is not that we very much concerned over the amount of Rs. 5 crores. But the special attributes they possess as against the normal citizens in the country, as against the workers, the peasants the middle class and the intelligentsia, it is the special position, special influence they enjoy that has got to be eliminated. A maharaja or maharani can defeat all the candidates by simply making a namaste to the people. This kind of backwardness will continue as long as the privileges of these princes continue.

Therefore, I want all those privileges, including privy purses, to be destroyed. I would like to know what are kinds of privileges which are still existing. I would like the Government to lay on the Table of the House at some stage all the covenants that they have entered into, all the privileges that exist with regard to the princes for the information of the House and the people.

Similarly, the Minister has talked about slashing administrative expenditure. I have no time to give you the list of so many things that can be slashed with benefit to the people and the Treasury. For example, I have got here an annexure of aid given to organisations other than States and Union territories. Many of these organisations are thoroughly useless, and crores of rupees are spent on them, and yet the Finance Minister has not gathered the courage to stop this kind of expenditure that is going on--as for example of the Bharat Sewak Samaj, of some bogus institutions or an institution that is teaching some hotel-keepers how to run the hotel or somebody who teaches how to make a dish which we know very well in this country. If these subsidies are scrapped, you will certainly save Rs. 10 to Rs. 15 crores on this item alone.

Then, ultimately what we would like to see is that foreign influence is curbed, and a self-reliant policy is accepted in the matter of our finances, but instead of doing that, what do we see? Now we have got non-Congress Governments, democratic Governments in certain States, and the Congress at the centre. Now we find that a mood is developing that it must be made difficult for these non-Congress Governments to carry out schemes which really benefit the people. For example, some of these governments, some of them were Congress Governments before, have announced the abolition of land revenue, but now when those governments were defeated and new governments have come, and they want to abolish land revenue, the Finance Minister comes and says, "it is your funeral, you find the money; you may or may not do the abolition, I am not going to help you."

This is a very bad attitude, it is an attitude which shows that the Finance Ministry and the Government of India seem to be following a line of strangulating financially these new democratic governments and toppling

them down at the instance of people who think that if they cannot fulfil their promise, that will certainly create agitation. This policy of strangulating financially non-Congress, democratic governments is a very wrong policy and it will end not only in the defeat of non-Congress governments, but it will ultimately lead to the destruction and defeat of the central Congress power also. Therefore, I would request the Finance Minister not to adopt such a policy, but render aid to the non-Congress governments in the fulfilment of dearness allowance to the State Government employees, on the question of land revenue or taking up irrigation schemes and such other schemes which they have to undertake. If such aid is given, we can surely solve the economic problem.

Lastly, we are now in a new situation. Most probably this very budget will be out of date if the war in the Middle East develops. We will have to recast the budget, but I am certainly not going to recast it in the way Mr. Masani recast it. Certainly an alternative budget has to be formulated, but it can be formulated only by an alternative government. This Government is not capable of reformulating the budget in a democratic manner, and therefore an alternative government alone certainly is the solution, as we see it, for this problem. But then their pro-imperialism prevents them from seeing all these points. Why is it so? For example, in the war situation that is developing, oil is at stake in the Middle East. What is the position of oil in this country. Our defence, the manning and fueling of aeroplanes which go to the frontier is dependent upon the ESSO service. All the air fields are managed, so far as fuel supply is concerned, by ESSO service. Why cannot that service be taken over by the Indian Oil when we are producing aviation fuel in our refineries?

Shri Hanumanthaiya (Bangalore): They are doing it slowly.

Shri S. A. Dange: They are not doing it. You go to Palam, only ten miles away, or any other airport and see if it is not ESSO who are still fueling our planes. This is a simple example I am giving you to show that this Government does not have even a concept of self-reliance and self-respect, and a concept of anti-imperialist struggle, which really ought to make us strong. My last appeal to them would be: please follow a line of self-respect by building the country's economy on the basis of our own efforts, our own intelligence, our own capital and our own science that is in plenty. You are not using it but make room for foreign capital to give you the know how. I hope you will carry out these changes and present a better budget.

Shri Hanumanthaiya: I listened with great interest and if I may say so with great respect to what all the leader of the Communist Party said. He made some very good points but he did not go the full way. For example he dealt elaborately with the problem of high prices. The Finance Minister also has dealt with the problem elaborately in his budget speech. We attribute high prices to certain factors, natural as well as man made whereas Mr. Dange attributes all this price rise to only one factor and that is monopoly being given to certain houses and business firms. As a student of administration, I wholeheartedly agree with him when he said that the salaries of managerial staff and of the executives should be related to production. The only partiality he showed was that he did not proceed further and say that the same consideration should apply to labour also. The real trouble today is that it is not merely the executive that is at fault. Whenever we address labour gatherings we make a point by saying: it is on account of you that the economy works; it is on account of

[Shri Hanumanthaiya]

you that the country progresses. True. If that is to be said in a labour conference, the hon. Member must summon courage enough to say that production depends upon your earnestness, your patriotism and your selflessness.

जी योगेश्वर शर्मा (बेगूसराय) : सदन में गजपति नहीं है ।

Mr. Deputy-Speaker: Let the Bell be rung—now there is quorum.

Shri Hanumanthaiya: Sir, the formula he proposed to apply at the managerial and executive levels of industry, whether private industry or public undertakings, if he is logical enough to apply the same formula to the labour sector, I am sure he will not only be helping this country to produce more but also to bring down the prices. What we are doing today is to manipulate all our problems on paper, whether it is foolscap paper or currency paper. We are trying to do it on paper, and that is why there is inflation. For this inflation, the sovereign remedy, as every economist knows, and Mr Dange knows, is production. I summon courage to say today, if production has fallen down today, it is to a great extent due to the recalcitrancy, indiscipline and selfishness taught to the labourers by certain leaders. (Interruption). I will tell you. It is not that I make this as a remark. They themselves will be able to see how my reasoning is correct. Whether it is dearness allowance or minimum wage in any sector, if you insist upon the right of the worker for minimum wages, should you not also insist upon minimum production?

Shri S. A. Dange: That is given.

Shri Hanumanthaiya: The day when we formulate a plan, a scheme, of relating wages to production in the managerial sector as well as the labour sector, we will have solved all our economic problems.

Shri Yogendra Sharma: The more the production, the higher the prices. This is the spectacle.

Shri Hanumanthaiya: I am coming to that.

Shri S. A. Dange: 60 per cent of production is linked to wages and wages are linked to production.

Shri Hanumanthaiya: That formula, I know. But it has been formed in such a way that it does not really lead to production commensurate to the value of the money paid. We have been all the time egging on the people to be conscious of their rights. Everybody nowadays talks of rights, including the Supreme court, that the fundamental right is more important than Parliament. This psychology for the last 20 years has gone on in such a perverse manner that our rights seem to be more important than our duties. I was one of the members of the Constituent Assembly. I feel sad today; instead of imbedding fundamental rights in our Constitution we should have imbedded fundamental duties in our Constitution. The rights could have taken care of themselves. Now, this fundamental duty of producing has to be taken to heart by everyone including the followers of my hon. friend.

My hon. friend says wages have nothing to do with high prices. I will tell you what one German expert told me. Mr. Dange is right that the wages in the other countries are very much nearer to the production value than in India. It is true. But what happens in India is, when you employ an individual labourer, he is cheaper than any labourer in any other country, but when he collectively does the work, the statistics show that five labourers in India are not able to produce even what one labour produces in the western, advanced countries.

Shri S. A. Dange: It is exactly the reverse. (Interruption). The report on the production in the Hindustan Machine Tools says that 0.9 Indian worker is equal to two Swiss workers.

Dr. Melkote (Hyderabad): It is not the man-power that produces; it is the technically developed machine which is producing and the management is not efficient, due to which there is loss of production.

Shri Hanumanthaya: I can understand the attitude of the labour leaders—Congress or non-Congress. They have to defend their class. I am prepared to sit with them. Let them convince me. I am not wedded to any partisan attitude. I am wedded to the idea of more production. When they talk of the hiatus between the salary of management and labour, they must also consider the hiatus between the per capita income and the minimum wage we are paying. In Russia or America, the minimum wage is very near the per capita income. Dr. Lohia in the last Parliament made a great point that in India about 25 crores of people get 6 annas a day, which is less than the per capita income, which is about one rupee per day now. Take any labourer in any factory or a peon in our office. He gets much more than the per capita income. I sympathise with my friends who fight for the underdog, but do they turn back and say, "here is another set of people who get incomes below ours; may be our income is small, but they are in greater need and let those people come up to our level"? Do they say that?

Take the question of DA. When the State Government employees and Central Government employees do more or less the same work for the same number of hours, the wages are so different. There is an association of Central Government employees headed by our leftist leader. Have they said on any occasion "Let the non-gazetted State Government employees be helped first. We shall wait and when they come up to our level, we will together march towards higher levels of pay structure"? Their attitude is, all for ourselves; let the devil take the hind-most. That is the policy pursued by the socialistic parties. Is it justified?

Shri Yegendra Sharma: What is your party?

Shri Hanumanthaya: Long back when the Gadgil Committee was appointed, in 1952 as Chief Minister I wrote a letter to the then Prime Minister—it must be still in the files of the Finance Ministry—saying, if you go on increasing the DA and salary structure of the Central Government employees merely because you have got more funds at your disposal, a time will come when there will be an all-India agitation on behalf of the State Government employees for higher wages and then the spiral will begin. May be the Government of India in those days thought that those who are very near to them are dearer to them. Today the small man I am, I stand justified that the Government of India's policy of pampering their own employees forgetting the State Government employees who are their own compatriots, has led to the situation of DA being paid to the tune of Rs. 49 crores or so last year. Do we realise that Rs. 50 crores means that every peasant in the village or a poor man in the town has to deprive himself of one rupee of his income in order to pay the Government servants?

This is not natural justice. I am a believer in the concept of social justice. Let us fight for the underdog, but let us fight rationally and naturally so that every section of the society is satisfied. Because we have organised one sector in society, let us not allow them to run away with their demands and hold the nation to ransom.

I want the national income to be related to wage structure. I want the per capita income to be related to wage structure. It is only when we get our feet firmly placed on the level of per capita income and national income and relate it to wage structure, whether it is industry, private or public, or government services, whether in the State or Centre, we will be able to bring about social justice. Now the demands are inflated.

[Shri Hanumanthaiya]

Everybody demands whatever he thinks he should get. It has no relation whatsoever to his own class of people, his own party or his own kith and kin. This imbalance has resulted because of the policies we have pursued. The problem has to be gone into deeply and very earnestly and solution found out so that our economy moves automatically on the rails of social and natural justice.

Shri Dange said that if monopolies are abolished prices will come down. That is his great formula. Very good. Is there not monopoly in our railways? In India there is no railway which is privately owned and which is competing with the governmental undertaking. The railways are a monopoly, may be a State monopoly. So is Civil Aviation. There are many other sectors also. But I want to ask these Leftist friends of mine whether wages have gone down or gone up. It is mostly because of these monopoly public undertakings that the wage structure has continuously risen. Again, I want to bring it to the notice of the Finance Minister that when insurance was nationalised the Mysore Government was running an insurance company of its own for the last hundred years before that date. After I became Chief Minister I reorganised it and statistics were published. The expense ratio in our Mysore Government insurance company was the lowest when compared to many private insurance companies. I wrote then to the Prime Minister saying, do not make a monolith of this insurance company in the whole of India, let there be competition between the public undertakings themselves, let at least the Mysore Government be allowed to have its own insurance company so that it can show in comparison with the rest of the public undertakings how efficiently it can work. The anxiety of uniformity was a kind of madness and that madness has resulted in continuous rise of prices because of monopoly in the field of railways, in the field of air

service and all that. I am not asking that all these undertakings be handed over to any private firm. I am against that. I want more and more undertakings to come under public ownership. That is the essence of socialism. But there is a way of doing it. If you create all-India monopolies, whether it is in the field of insurance, air services or railways, the result is more taxes.

I may at once say that the increase of Rs. 36 crores by way of excess taxation in the field of railways is not the way of helping the poor people, it is not the way of helping industry, nor is it the way of bringing-down prices. Here we in Parliament certainly vote the demands. But merely because we vote, that does not mean that whatever they have done so far is correct. If we are capable of new ideas, if we are capable of seeing things in a prophetic way, we have to re-organise all these public undertakings, including railways and bring in an element of competition so that one unit may be compared with the other unit. These big undertakings, merely because we make them corporations, it does not mean that they need not function efficiently. I did not myself realise the consequences of making them corporations. When these corporations are made autonomous the labour unions go on agitating and the management is sandwiched between the labour union, Parliament. The Ministry is asked: why did you retrench, why did you more DA or why did you not pay more wages? In order to maintain some kind of peace and balance between Parliament and labour unions, they have necessarily to come to some compromise. These compromises have gone on in such a way that today a civil air pilot gets twice the salary of our Air Marshall. This is the result of public undertakings being made into corporations. If

you ask them to be more efficient, they will go on strike.

To some extent, I agree with the view of Shri Dange about monopolies. But he is oblivious of the happenings in the public undertakings and he has concentrated his attack on private firms as though they are the only arch enemies. Any Member of Parliament who has an objective and impartial approach to problems will see that monopoly, whether it is in the private sector or the public sector does the same trick and does the same harm.

I now come to food subsidy. We want corruption to go. Everyone knows that there is a lot of corruption in the fair price shops, transport and distribution agencies. Why? One of the Members of Parliament beautifully described it in one of the meetings we held this morning. It is because there is so much hiatus between the free market price and the subsidised price that the concerned officials in the lower strata feel tempted to send much of these commodities into the blackmarket. When we

subsidise the prices in those shops are lower and in the free market higher. What percentage of the grains we distribute goes to the black-market has to be investigated. I cannot readily give the figures. Therefore, if you have to make this nation truthful as well as responsible, I suggest that the food subsidy must be abolished completely. If the food subsidy of Rs. 118 crores is abolished, may be the prices may go up so far as foodgrains are concerned, but it will introduce an element of reality in our agricultural production. It will also introduce an element of responsibility on the State Governments in demanding tons of rice or wheat.

**Mr. Deputy-Speaker:** As the hon. Member is making quite a number of good points, he may resume his speech tomorrow.

18 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, June 7, 1967; Jyaistha 17, 1889 (Saka).*