

KERALA BUDGET—GENERAL DISCUSSION

Mr. Speaker: The House will now take up further discussion on the Kerala Budget.

Shri V. P. Nayar (Chirayinkil): Mr. Speaker, Sir, I am really glad that on this last day I am getting an opportunity to speak in this House. I do not want to go into the details of the Budget, either with regard to the revenue side or the expenditure side, because this is more a formal discussion than a discussion into the merits or demerits of this Budget.

But I would like to have one point answered. As I went through the budget papers I found that some very important papers have been printed at the last moment in Delhi. You will find, Sir, that the annual financial statement, the explanatory memorandum, the detailed budget estimates of the vote on account have all been printed at the Government Press, New Delhi, while the rest of the papers have been printed in the Government Press, Trivandrum. Why I raise this point is, because a fear has been created, and that fear has been enhanced by the speeches of the leaders in the recent election campaign, more especially by my hon. friend, Shri Datar and the Home Minister Pandit Pant, who in their campaigning in the State created an impression, which is already there amongst a section of the people, that Government by a party in opposition to the Congress in a State would certainly have to meet impediments from the Centre.

Shri A. M. Thomas (Ernakulam): I do not think there is any such fear.

Shri V. P. Nayar: There is. This fear has been enhanced because I find that at the last minute the budget has been revised. Whatever the matter is, I do not know the details, I found to my surprise that certain publications have been printed in Delhi. I have also information—I shall be glad if I am corrected—that the budget has been revised under instructions from

Delhi. The whole team of officers making the budget including the stenographers were summoned to Delhi when the trend of the election became more clearly known. If that be so, I regret that it has been done. I would also request the hon. Minister to clear the misunderstanding in this debate and categorically state that the Central Government will do all that is possible to help the people of Kerala and their Government also.

Whatever might be our criticism,—and in fact you know we have very strong criticisms about the President's rule,—I do not say anything about it now. But all of us, including the Home Minister, are glad that the recent elections have given a very clear verdict and we are also glad that the position has now stabilised after a period of instability, and that there is no more scope for the famous sack-trick of the ex-Chief Minister in getting people over to his side. We are all glad that this House will be spared the detailed discussion which we have had for the last one year on affairs relating to the State of Travancore-Cochin first and then of Kerala.

Mr. Speaker: There will be less number of questions hereafter.

Shri V. P. Nayar: Yes, Sir. We have been forced, in rather unedifying circumstances which the Home Minister was pleased to say so the other day, to take up such things. The State administrative machinery broke down in the State resulting in this House taking up, even at the sacrifice of its own questions, questions relating to the day-to-day administration of the Kerala State. The House must, therefore, be particularly thankful to the people of Kerala in having spared this House another period of such extra work and also thank them for giving a very clear verdict in this election.

I do not want to go into the budget details, but on going through the budget papers, I could not help feeling that it was the product of a bureaucratic administration. There is

no doubt about it. There is no departure from the previous budget we have seen. To my very great surprise, I found that—I do not know whether it is done by the Kerala Government or the Government of India—some of the words and expressions used in the budget ought not to have been there. I would particularly draw the attention of the Minister concerned to the use of the word 'menials' in the budget papers. Wherever an establishment is detailed, you find the word 'menial' is used. It is very regrettable that in an authoritative document of the Government like the budget, when you describe the establishment, when you make a provision for a class of Government employees, the Government themselves call that class as 'menials'. I was not very sure about the meaning contemplated in that word. I find that 'menial' has no other meaning except that it will pertain to a class of service or work. This is what the Oxford Dictionary says: "work of a domestic or service nature or a person of servile disposition; one performing servile work or domestic service". We are making provision for the underpaid employees of the Government of Kerala and stating in the budget that we are providing for the menials. Nothing could be more wrong, and I submit that in future at least the Government should avoid the use of such expressions which are derogatory to the dignity of the human beings who are employed.

Babu Ramnarayan Singh (Hazari-bagh West): Hear, hear.

Shri V. P. Nayar: I shall refer to another point now. My hon. friend, the Minister in the Ministry of Home Affairs is fortunately present here, and he could not deny that when I refer to it now. An impression was definitely created in the States, more so in the Kerala State, during the election campaigning, that in the matter of several concessions and other contacts in respect of the Centre and from the Centre, there will be an administrative impediment. I wish that these were stated only for

the purpose of vote-catching. Now that the elections have very definitely settled matters, I hope that the Government of India will help the people of Kerala and their elected Government.

I would refer in particular to a passage from the speech of the Home Minister which he made on the 29th March, 1956, almost a year ago, when we were discussing the President's rule in the State of Travancore-Cochin. I am reading that not only to point out that there has been an open admission by no less a person than the Home Minister that the affairs of Kerala have rather been neglected. He said that to the extent that the hon. Ministers are pleased to take interest in the affairs of the State, it will perhaps have a better deal, and greater consideration and more of sympathy than it would have if it had been carrying on its own affairs separately and in an isolated corner of the country. I grant that we are in an isolated corner of the country. I also agree with the Home Minister that we did not have the place which we ought to have, and the Home Minister himself admits that in the affairs of the States, it will perhaps have a better deal. I ask, where is the scope for a better deal if our deal was not proper. This is an open admission of the Government. I want the Government of India to realise that the Government of India themselves have admitted that we have not been treated properly. Now, after years of instability, when we have chances of a stable Government, I hope and wish that my friends on the other side will help stabilising the administration there. The Government of India should go all out to help our State.

Take, for example, the case of the allocation of funds for the second Five Year Plan. Can anyone today say that the State of Kerala has been given proper justice? Can anyone say that what is rightly due to the State and the people there has been given under the second Five Year Plan? What is the amount which we are having? It is around Rs. 95 crores.

[Shri V. P. Nayar]

One can distribute the amount on two bases, or rather, on one of two bases. Either it may be on the per capita basis or on the employment basis. Certain backward States must necessarily get a greater share in the income. You have a distributable surplus from revenues. In the case of Kerala, on either basis, we have a better claim for more funds. I am not at all worried about the Planning Commission allocating or the Government of India giving any fund or any amount of money to any State. What I am keen about is that my State should have what is rightfully due to it.

You know that the new Kerala Government will have to face certain difficult situations. We all know that nowhere in India is unemployment so prevalent. We all know that in Kerala most of the major industries are facing periodical crisis. We also know that the agricultural produce of our country, more especially in the case of our exportable surplus, has been suffering from a regular price-fall. Add to that the colossal unemployment which we have. Add to that the density of population which was commented upon by many people. Add also to that the non-existence of any industry which we can call as a basic industry and which is an employment potential for the development of subsidiary industries. This situation has made it impossible for the Government of that State to develop the State by its own, the more so because, in recent years, after the federal financial integration, the Government of India made a definite incursion into our revenue sources. We have had to surrender so many revenue-yielding sources. You know that our State has a very peculiar economy. This has been said in detail on so many occasions that I do not want to go into details. Make an analysis of the revenue-yielding sources of that State and compare it with that of any other State. We have to depend more upon foreign trade. We were having a higher per capita

income from foreign trade than any other country. In fact, if you remember, I pointed out the other day that about 25 years ago, the per capita average income of a person in Travancore-Cochin in the matter of foreign trade came to about Rs. 55 while today, in the whole of India, in this context, it is only about Rs. 35. All these sources have been taken away from us, and the money which the Government of India is charitable enough to give,—as they say, it is fixed—stands at 3.86 per cent. allocated from certain revenues and distributable surpluses. This is not enough. The Government of India must allow us to tackle our problems, and nothing is possible unless there is some money. I am thankful for what has been given, but that would not at all be sufficient to meet the ends of justice for the people of Kerala.

If you want conditions to stabilise, if you want a good Government to function there, you must also make it possible for that Government to chalk out a programme to develop certain industries to prevent crisis, and certain other industries also. You must also provide for unemployment, and you should approach the entire question from its very basic aspects. If this is not done, the Government of India would be accused, by the people, of deliberately causing impediments in the way of the good governance of that State. I would, therefore, urge with all the emphasis at my command that the Government of India should seriously think about revising the allocations in the second Five Year Plan made from distributable sources of revenue and also helping the State in the matter of establishing at least some of the big industries in that State. The State with such technical skill is going without any factory today. If you can find a factory anywhere in India without a Malayalee, then do not believe what I say. When our people have the necessary technical skill and the necessary educational background, when they can do any work, ours is

perhaps the only State today which cannot claim to have a big industry or project under the second Five Year Plan.

My hon. friend, Shri Matthen, the other day said that one of the rubber companies did not come to Travancore-Cochin because of the labour troubles. I ask him to tell us in which State the Labour trouble is maximum. The Labour Bureau have published several facts and figures and I do not find from them that Kerala is the State where the labour is most revolting. It is certainly not like that; it is a manipulation and an excuse to say that because there is Labour trouble, private companies are not coming there. Why should you go to the private individuals? Our State is endowed with very rich mineral resources and the Central Government have assumed the responsibility of developing the mineral resources in the whole country. Why can they not develop our mineral resources? Even in the little way in which the Government have helped our State, I found to my surprise when I visited a place called Varkali, where lignite is available in large quantities, they had set up one drill which does not function. In order to establish the availability of lignite, which is very much in demand in South India due to the shortage of coal, we should have 40 holes to be drilled. Even in this matter when all the records indicate positively the existence of large quantities of lignite, when we have agitated for the exploitation of that lignite continuously for a period of five years, you send us a drill which does not work at all and say that in 18 or 24 months, you will get lignite there. Are we to wait for 24 months to be told that lignite is available in Varkali, when by the modern processes it can be done within a period of 2 to 3 months? After all, a drill is not a very costly thing; it is available for Rs. 75,000 and the Central Government is having many. The other day when I asked whether some of the drills used in the Neivelli lignite project could not be spared for some period for drilling holes in

Varkali, no answer was given. This attitude must be changed. If they are genuine in helping the State of Kerala and seeing that the employment situation is relieved, if they are genuine in their praise for Kerala, they should certainly see that the Government of the State and the Government of India are able to establish certain basic industries there. We have got so many resources; we have got chances for starting so many industries, but none of them have been started. The Planning Commission has completely ignored the absolute and imperative necessity of having certain projects in the State. If this attitude is to be continued, I submit that it is going to create a really very dangerous situation in that State.

I would urge upon the Government that in the matter of allocation of funds, they will certainly have to depart from set principles and rules, because in Kerala there are certain problems which have to be tackled on a different footing. The problem of unemployment there is unparalleled anywhere else in India. If you want the State Government to tackle it, you have to help that Government also. If there is any sincerity in the statement that the Government of India will not create any impediments in the way of a Government that is run by a party in opposition to the party ruling at the Centre, then a categorical statement should be made to that effect and it should be shown in practice; it will at least dispel the fear in the mind of the people, real or imaginary, I do not worry.

Yesterday I was very glad to learn Professor Mathew say—my friend, Shri Sreekantan Nair has also said it today—that they welcome the communist party coming into power. I want to use this occasion to request them to render all possible co-operation for the successful governance of the State of Kerala, where, as everyone knows, instability has been in existence for a period of years, despite the fact that the ruling party once upon a time had such a big majority. The administrative machinery there does require

[Shri V. P. Nayar]

toning up. We are having an administration where corruption has been inherent and has been systematically encouraged for a period of years, an administration whose inefficiency has been ignored for a period of years. This cannot be changed overnight. We realise the difficulties in toning up and gearing the administration to meet the demands of the day. I earnestly hope that the other Members of the House and also the other parties which function in our State will give the party in power the most generous help. I once again request them not to indulge in petty quarrels, but to see that they contribute their best for the best governance of our State and for giving the greatest possible benefit to the people of Kerala. I am very glad that the House has been spared in the coming period from having to discuss every administrative detail of the State of Kerala and I also thank the electorate, the people of Kerala, for having given a very decisive version in the recent elections.

Shri A. M. Thomas: Mr. Speaker, Sir, the Speakers who have preceded me have prefaced their remarks with the situation that has arisen out of the defeat of the Congress Party in Kerala in the polls. I am not going to enter into the reasons of the defeat of the Congress Party or the success of the Communist Party in Kerala. My friend just made a statement that the days of the "sack-trick" are over. I think that the sack-trick is now being adopted. We all know that the Communist Party of Kerala has got a strength of only 60 in a House of 126 and what is it that is now being adopted by offering Speakership or Ministership to the 5 or 6 Independents? We read reports about this every day in the papers. (*Interruptions*).

Mr. Speaker: Mr. Nayar said something and the hon. Member is answering him.

Shri A. M. Thomas: We need not go into that question; the less we talk

of it the better it would be in view of the present situation.

Shri V. P. Nayar: You concede that your party is defeated.

Shri A. M. Thomas: I may even concede that the Congress Party in my State has not come to expectations. But the difficulties which the Congress Government in Travancore-Cochin had to face when in power seem to have been forgotten. As we all know, the Congress Government in Travancore-Cochin—I believe my hon. friend, Shri V. P. Nayar, will concede that fact—inherited a depleted treasury and we know the difficulties that that Government had encountered. We can take pride in the fact that the foundations of a sound economy in that State have been truly and firmly laid. Not only that; although that Government inherited a depleted treasury, in the report on the President's rule, we have got the statement that when in September, 1956, a loan of Rs. 2 crores was floated, the very next day it was oversubscribed and it came to about Rs. 2,25,00,000. That speaks of the care that has been taken by the Congress Government in Travancore-Cochin when it was in the saddle. It can also be said that several schemes in the First Five Year Plan have been carried out during the Congress regime in Travancore-Cochin. In the preparation of the Second Plan also, the Congress Government has done its work. It is an irony of fate, if I may use that word, that when the fruits of the labours of the Congress Government were about to be reaped, the Communist party has come with its sickle to reap the harvest. That is a very sad situation that has arisen in the State of Kerala. I need not dilate on the achievements of the Congress regime there. I would only say that those are achievements which would compare favourably with the achievements of any State Government in India. I can challenge my friends with regard to that fact. Those achievements, which are to the

credit of the Congress Government, were achieved when my friend's party was carrying subversive activities. Now, it is very good of the Communist Party to ask for co-operation from all parties. But, what was the attitude of this Party when the Congress Government was in power in Travancore-Cochin? My hon. friend knows that they were trying to derail trains, they were attacking police stations, trying to set afoot an armed revolution and to wreck the plan which was being worked by the Congress regime. It is very easy to blame a Government that was in power in these very difficult circumstances.

I am sure that the people of my State are sure to be disillusioned, because they have got the votes on promises such as that they would get Rs. 200 crore Plan allotment from the Centre. I do not know how Rs. 200 crores will be obtained. They have got the votes on the very attractive promise that the unemployment problem would be solved. They have got votes on several other promises. We all know, they also know, that these are promises which could not be carried out. When they are about to form a Government, they are gradually re-tracing from the positions which they originally took. They say that they will act only slowly, that they will act within the Constitution, that they will work out the Plan laid down by the Congress Government which was being condemned in season and out of season. These are just the beginnings of the great disillusionment that is in store for the people of Kerala. Whatever it be, there is the sporting offer which has been made by the Finance Minister in the Budget speech that aid to every State will be forthcoming which is possible to be given irrespective of the fact whether it is the Congress Government that is in power or any other Government, because, as far as the Congress Party which is in power in the Centre is concerned, our attitude in these things is not governed mainly by party considerations but considerations of the welfare of the people to whatever

part of the country they belong. My friends may rest assured of that fact. However we have found that the attitude of the Communist Party which has come out as the largest single party in Kerala is governed by considerations of the advantages to the party more than anything else.

I just wish to make a few remarks on the Budget also before I close. I am aware of the limited scope of the discussion of this Budget. As the Finance Minister has reminded us, it is only an interim Budget. But, in the present economic set up, I think it would be useful to discuss it and deal with some aspects although this is an interim Budget. My hon. friend Shri V. P. Nayar has referred to the fact that all the major revenue-yielding sources have now gone to the Centre. Apart from that, now that we have adopted a planned economy, and a plan which takes in the whole country and which effects the administration upto the panchayat level, it is a matter which we have to countenance that every State Government would lean more and more towards the Centre. A usual feature of the Budget discussions in the State Assemblies would be, the State Finance Ministers would exhibit their helplessness that the Centre is not coming to their aid. The discussions on the Budget would also indicate that the Members complained that more and more aid should be got from the Centre. Even in the Budget on hand, inadequate as the Centre aid is, you would find that the grant from the Centre amounts to Rs. 3.80 crores and out of Rs. 12.65 crores, on account of capital budget, you will find a provision of Rs. 4.72 crores as loans from the Centre, so that it comes to Rs. 8.32 crores. The hon. Finance Minister has, according to me, anticipated criticism on the inadequacy of allotment because he says that the estimates of Plan expenditure have been framed with the concurrence of the Planning Commission. I may say that when compared with the size of the Plan, the allotment for the year in question is quite inadequate.

[Shri A. M. Thomas]

The Plan provision for the State of Travancore-Cochin was roughly Rs. 72 crores. From this there should be a deduction in lieu of the area added to Madras. The Madras Government's agreement for Plan allotment as far as the Malabar district is concerned, at the first stage, was only for Rs. 15 crores. In the speech of the hon. Finance Minister, it is seen that the Plan allotment for the State of Kerala comes to Rs. 87 crores. The present Budget has been framed with this overall figure in mind. Apart from the fact that this sum of Rs. 87 crores is not a proper figure for the entire State of Kerala, even if this sum of Rs. 87 crores is taken into consideration, I have to express disappointment at the Plan expenditure which has been budgeted for the year 1957-58. Provision has been made only for an expenditure of Rs. 15.14 crores as Plan expenditure. Comparing the total outlay of the Plan, I believe that the Central Government would admit that this is an inadequate amount. The tempo of expenditure will be more in the later years of the Plan. In the first year of the Plan itself, according to the estimates in the Travancore-Cochin Budget for 1956-57, Rs. 16 crores have been budgeted for on account of Plan expenditure. I do not know why such a low amount has been shown in this Budget for the second year of the Plan. I understand the anxiety of the hon. Finance Minister that he has to take into consideration the inflationary conditions that are prevailing in the country. He has also to strictly keep in view the priorities. He has referred to that aspect in his Budget speech when he introduced the General Budget of the Government of India. I would like to impress upon the Finance Minister that when we take into consideration this question of priorities we have also to take into consideration the regional balances. There are certain regions which are quite undeveloped, the requirements of which regions are to be given prio-

riety compared with other regions. When we take the overall picture of the country as a whole, and have this sense of priorities in making allotments, I would request the Finance Minister to take into consideration undeveloped regions like Kerala where the problem of unemployment is most acute, where the density of population is the largest.

At the same time, I may also bring to the notice of the Central Government and also of the Government that may be formed in future that the administrative machinery is not geared up properly to spend even the amounts that are provided for in the Budget. That may be one of the reasons why the Finance Minister has only budgeted for a lower amount for the second year of the Plan.

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): How does my hon. friend say that it is a lower amount? Does my hon. friend mean that the total allocation should be divided into five and assigned in that way or that it should be done on the basis of the projects that have been taken up and the projects that will be fulfilled during the year? I really cannot understand how he could call it a lower amount, unless he means that the sum of Rs. 80 or 87 crores should be divided by five and that should be available.

That is not our way of planning. In fact, we are spending Rs. 87 crores. It is being phased, and the expenditure might probably reach the peak in the third or fourth year. Certainly it cannot be reaching the peak in the second year. And that is the position in regard to the entire plan. Our Plan expenditure originally was Rs. 4800 crores. Now, we are thinking in terms of Rs. 5300 crores. We are spending this year only Rs. 900 crores. On that basis, the hon. Member will find that the provision that has been made is adequate.

Shri A. M. Thomas: I was taking into consideration the entire allotment for the State, that is, Rs. 87

crores. According to the report on the President's rule, only Rs. 14 crores out of Rs. 87 crores have been spent in the first year of the Plan.

Shri T. T. Krishnamachari: That is what I say.

Shri A. M. Thomas: For the other four years, there are Rs. 73 crores left.

Shri T. T. Krishnamachari: It is quite likely that we have spent only Rs. 775 crores in the first year. We are spending Rs. 900 to 920 crores in the second year. Naturally, the expenditure in the third year might perhaps reach upto Rs. 1200 or 1300 crores. The Plan goes on progressing.

So, there is no point in my hon. friend thinking that I have allotted Rs. 87 crores, and, therefore, the expenditure should be on the basis of one-fifth of that. Actually, that is not the planned expenditure. Very possibly, many of these items for which we have planned in Kerala might demand extra expenditure in the third or fourth year.

I am surprised that, without going into the facts, a competent critic like my hon. friend is making an arithmetical evaluation of the problem and asking me to answer his point.

Shri A. M. Thomas: It is not an arithmetical evaluation. In view of the administrative reorganisation that has been effected, and in view of the fact that the spending capacity is....

Shri T. T. Krishnamachari: May I add that if my hon. friend says that the total Plan provision is inadequate, he is perfectly entitled to do so? But if he says that the allocation on the basis of the total Plan is not adequate, I am afraid I shall have to tell him that that is not correct.

Shri A. M. Thomas: Since the point with regard to the total Plan allocation has been referred to by me on previous occasions, I did not think it was necessary for me to repeat it now. But going by the distribution of population in the Malabar district, I

feel that the allotment of Rs. 16 to 17 crores on account of the Plan expenditure, for Malabar district is quite inadequate. That has been referred to on previous occasions, and, therefore, I did not think it necessary to repeat it. Whatever that might be, I was just basing my arguments on the allotment which has now been provisionally accepted by the Central Government. Anyhow, this is a fact which may be taken into consideration when the final budget is prepared, namely that consistent with the spending capacity of the various administrative departments in that State, it may be possible to make a larger allotment under the Plan.

My only anxiety is that the end of the Second Five Year Plan, even the inadequate allotment of Rs. 87 crores that has now been made should have been spent completely.

Mr. Speaker: The total time allotted for this is 2 hours. How shall we fix the time for the different items, the general discussion, the voting on the Demands for Grants (Vote on Account), etc.

Shri Kamath (Hoshangabad): One hour for this.

Mr. Speaker: We started the general discussion at 12:20 p.m. So, this stage must be over by 1:20 p.m. How long will the Minister take?

The Minister in the Ministry of Home Affairs (Shri Datar): I shall take about ten minutes.

Shri T. T. Krishnamachari: If any other points in regard to finance are raised, I would like you to give me about five minutes.

Mr. Speaker: I shall call Shri Matthen also.

Shri Achuthan (Crangannur): You may give five minutes to each hon. Member.

Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes): I also want to speak.

Pandit S. C. Mishra (Monghyr North-East): I would also like to speak.

Mr. Speaker: I shall first exhaust the Members from Kerala.

Shri Kamath: Shri Velayudhan is an outgoing Member.

Mr. Speaker: Whether outgoing or in-coming I shall call everyone.

Shri A. M. Thomas: There is a statement in the report on the President's rule that a revised plan for Kerala for Rs. 87 crores is under preparation. In the preparation of that plan, I would request the Finance Minister to take particular care, because my own reading of the situation is that the peculiar circumstances of the State are not being taken into consideration in the preparation of the various industrial schemes in particular.

In spite of the fact that the solution for the acute unemployment problem in Kerala is increased industrialisation, I find that the weakest Department in Kerala is the Industries Department. I do not think that there is any shortage of officers there. I understand there are as many as five Directors of Industries and Mining for that particular State. It is a regrettable phenomenon that in spite of this, the allotment under industries and mining has not been spent in full.

Under the original Second Five Year Plan, the Budget allotment for Travancore-Cochin for the year 1956-57 came to Rs. 201 lakhs. But, according to the report on the President's rule, we find that only Rs. 61.27 lakhs, have been spent inclusive of the amount spent for Kerala. This is a very serious thing. I would request the Central Government to consider this question in particular, because, anxious as the Central Government are to help in the industrial progress of that State and also in the solution of the unemployment problem, even the amounts set apart under the Five

Year Plan are not being spent. When this is the situation, I do not know how industrialisation is possible in that State.

While on this question of industrialisation, I may refer to one other aspect. If we go through the history of industrial development in that State, we shall find that the development that has taken place there has been possible because of substantial State aid, and also because of the fact that entrepreneurs have come from outside that State to invest their money there. These aspects have to be taken into consideration when we plan for the industrial development of that State. If substantial help by way of participation of equity capital or grant of loans and subsidies is not forthcoming from the State Government or the Central Government, for that matter, it is not possible to industrialise that State at all. This aspect may also kindly be borne in mind.

I would also submit that something has to be done in the matter of the reorganisation of the Industries Department there. From the detailed budget estimates, at pages 358 to 415, under item No. 43, I find that several schemes have been mentioned. But many of those schemes had been mentioned also in the previous detailed budget estimates. What happens is that at the end of the year, the amount set apart for the several schemes is very deplorable state of affairs. Usually allowed to lapse. This is a hope this would not be repeated in the future. And I would, therefore, request the Central Government to pay particular attention to this matter.

I would also draw the attention of the Central Government to the fact that the development of industries based on the various produce which are in abundance in my State has not been taken into consideration so far. For instance, there is the scheme for the development of the Nilambur valley, which, according to me, would revolutionise Malabar and effect the

industrialisation of the State of Kerala. There is vast scope for exploiting the resources which are found on either banks of the Chalia river right up to the sea. I understand that some schemes were prepared by the State Government to exploit the resources of the Nilambur valley and they have been submitted to the Central Government, but adequate attention has not been paid to them at all.

13 hrs.

Mr. Speaker: The hon. Member cannot take all the time.

Shri A. M. Thomas: I shall conclude in a minute.

Another remark which I found in this report is that for extension of power to the Malabar area a scheme costing about two odd crores of rupees has been sent to the centre.

"A proposal asking Rs. 217 lakhs from the Centre for extending transmission lines to Malabar area to enable this area being supplied from Kerala grid has been taken up with the Planning Commission."

It is necessary that the Planning Commission gives approval to the scheme as early as possible, because it is a very important project.

With these few words I support the Budget that has been presented in this House by the hon. the Finance Minister.

Shri Matthen (Thiruvellah): Mr. Speaker, Sir, I shall follow the precedent of the previous speakers with a few remarks on the elections. Even though I am not very happy that my friends on the other side have scored a victory, I cannot help congratulating them for the success they have achieved. But one thing I may tell the House for the information of the world. There has not been a sudden spurt of communism in my State. In my constituency, which I know intimately, where I live, in the last elections a candidate, an important candidate, who is now

a Member of the House, Mr. Punnoose stood for the Assembly and against him the Congress candidate was a depressed class Christian. He won and Mr. Punnoose was defeated. Today if the Communists have won the elections, it is due to the complacency of the leadership of the Congress in my State. So, they have to thank themselves for handing over the Government in a platter to the Communists.

I am glad to assure them of whatever cooperation and help I can lend to them, if they follow what they have been preaching of late, that they will work within the Constitution. One of the important Members of Parliament at a meeting said that they believed in the ballot box: So, communism is changing as every other 'ism' is changing. Today they believe in the ballot box and I hope they will continue to believe in the ballot box. If they do so, I am prepared to lend whatever help I can to them. I endorse every word that my hon. friend Mr. Matthew has said, even though I repeat that I am not at all very happy and I shall be glad if the Congress ever takes back the Government.

Another charge levelled against me by my hon. friend Shri Sreekantan Nair was that I was the only Member who advocated President's rule, and that I said, 99 per cent. of the people of the State welcomed it. What I said was that they preferred it to the Ministers' rule, both the PSP and the Congress Ministers. I am sorry that being a Member of the Congress Party, I am not in a position to say more. They were happy that the Ministry rule was changed and some responsible efficient organisation took charge of the State. I did say that Mr. P. S. Rau, at the time I made the remarks, had during the previous five months done more than what the Ministries had done during five years. I still hold I was right.

My hon. friend Shri V. P. Nayar said that I had made some remark that labour was responsible for all the trouble. I did say that I said the labour leaders were not doing the

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correct thing, though I might have said labour. I know of more than one instance from direct knowledge. Some three years ago an American Businessman, an old friend of mine, representing the Continental Loan Corporation, New York, had come and I was able to prevail upon him to start a factory, costing Rs. 10 crores in Chavara where we have valuable sands. We were motoring from Trivandrum to that place. Unfortunately a strike was one and the poor fellow was frightened, and said: "Mr. Matthen, my whole future depends upon this." The poor man is no more. This is an instance I know from direct knowledge.

The Congress leaders have been telling me that they want to help the private sector; they have no idea of disturbing it. They believe that in the developmental economy the private sector's cooperation is very essential. They have asked for my support in getting the private sector's cooperation. This is the clear attitude of the Congress party towards the private sector.

I threw a challenge to my hon. friends some months ago. If my hon. friends can come to an industrial truce say for five years I am sure it will pave the way for greater industrialisation. I am glad they have accepted that challenge and they repeated recently that if I would get the private sector they would talk it over and come to an agreement. If they follow several things which they said they are going to, it will be a good thing for my State that a change of Government has come.

Shri Nambiar (Mayuram): So far as industrialists are concerned, they must also change their attitude.

Shri Matthen: Have you changed the attitude you had before? You were obstructing them; you were obstructing them in every place I have not the time; otherwise, I could quote chapter and verse. Let us now turn a new leaf.

Mr. Speaker: Now they won't obstruct because they are in Government.

Shri Achuthan: How long can they continue?

Shri Nambiar: Five years.

Shri Matthen: My hon. friend Shri V. P. Nayar said that the Centre is not giving adequate allotment for the development of industries in my State. Industrialisation is the only solution for this problem State, I admit. But what I am asking is this. I think in the First Five Year Plan they were not able to spend the Rs. 5 crores allotted to them. Why did it lapse? I admit the allotment is inadequate; I admit we are two thousand miles away and we receive no proper attention. But our Ministries were not able to spend even the money allotted to them. Let them try and spend the allotment and ask for more.

I find my hon. friend Shri V. P. Nayar is not in his seat; I hope Mr. Nambiar will take the hint. I have to stress some points for their consideration. One is in regard to the second ship-building yard. I have been working for it for the last three years. Unfortunately, now several other States have come forward with their applications, even though I am satisfied, and even the Production Minister is satisfied that objectively considered, Cochin stands the best chance. My point is that my hon. friends must follow it up. It has tremendous economic and employment potential. It is not the yard only, but the other industries that will have to be started for the development yard that matter.

Number two: The Transport Committee has been trying and the hon. Railway Minister has promised the starting of a Ratings School in Cochin for the merchant navy ratings. When the hon. Shri Lal Bahadur Shastri visited my place a couple of months ago, he formally made an

announcement that the school would be started soon and since then I had occasion to discuss this matter with the Administrator of the Cochin Harbour and he told me that a site has been selected and a board had been put up: "Site for the Rating School." More than that, the Chief Secretary to our Kerala Government told me that they have promised to pay no less than Rs. 1 lakh for the building, if necessary more. In view of that, I thought the school would be started before the elections. But, in reply to a question of mine the other day, the hon. the Railway Minister said that the "matter is under serious consideration." When the Railway and Transport Minister had made a statement that the school would be started soon, I cannot understand what further "serious consideration" is required. Since I will not be here, I hope my friends will take it up. In a rating school, 400 pupils can be trained at a time and a term runs for four months. That means that in one year, 1000 men can be trained. There is no other employment potential like this.

My hon. friend was referring to the proposal for a rubber factory. As regards the old proposal—I do not want to mention the names—they were shied away by labour. Now, there is another proposal made by a big Indian businessman. But the moment he heard that the Communists are coming into power, he told me: 'Matthen, we are inclined to back out'.

Shri V. P. Nayar: We do not want such people.

Shri Matthen: Not you, but I want.

I told them that the Communists promise to be different from what they were. They want to develop the country; so you can count on them. This is what I told them. But whatever that may be, I can tell you that they are less dishonest than our people—I do not like their ideology at all.

Shri Nambiar: Very glad to hear that!

Shri Matthen: Then unemployment is a great problem. I think the only way it can be solved without much finance is to have a large-scale colonisation scheme whereby our people, who are very good agriculturists, can go, and settle in other parts of India. It has been started in Andamans and Bhopal. But that way of starting is no good. We want a large-scale scheme enabling thousands of people to go to other places whose economy can be developed. I would strongly advise my hon. friends on the other side and also the hon. Minister to render all facilities for a large-scale colonisation scheme. Take, for example, Madhya Pradesh. Dr. Katju, the Chief Minister, has been telling me about it. I met him the other day at the President's party. He said: 'Matthen, that offer still stands'. They have got new irrigation schemes; they can take in thousands. Without much finance from the Centre, we can do it. It will help the poor people more than anything else. You know that the people who migrated from the former State to Malabar and Kanara enjoy an economic position a thousand times better than it was at that time.

Mr. Speaker: Possibly they may set up a 'red' colony.

Shri Matthen: No, Sir. The red colour will change the moment economic conditions are better. You know the history of Spain. The moment they got land, conditions changed. That is why I say that there has been no sudden spurt of Communism in my State. There was no reason why the Congress could not be returned this time also.

Shri Nambiar: First, it will be Malayalam colony, then 'red' colony.

Shri Matthen: Red will become white afterwards.

Shri V. P. Nayar: He himself is turning red.

Shri Matthen: Shri V. P. Nayar was mentioning that some of our products were not getting good prices and

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adequate attention. Recently, I was reading from a newspaper that lemon grass oil, which is an important produce of ours, was not fetching any good price these days. This is something which we can supply without much of original investment. It is an agricultural industry of great help to poor people. I would earnestly request the hon. Minister to find out what is the present price and what is the fall and what can be done about it.

As a result of agitation in the Transport Committee—I may claim credit for it—it was decided to develop the inland waterways of Kerala as well. I understand that even though the Buckingham canal and other canals have been taken up, no allotment has been yet made for Kerala. This is what I was told by the Kerala Government. From one end of Kerala to the other, navigation can be developed, and extended. Now it is being silted. I would earnestly request the hon. Minister to my left to find out if it is true that the provision for Kerala for inland water navigation development has not been allotted so far. In fact, I was told that the Kerala Government had a plan for development beginning with the dredging of the canals. But they could not proceed because funds were not forthcoming.

My hon. friend, Shri N. Sreekantan Nair, was remarking yesterday that nothing was done for the water supply scheme between Quilon and Kottayam. It is true the water supply problem is a great problem. It was neglected by the Ministries. But when President's rule was inaugurated, they took it up. I need not tell Shri N. Sreekantan Nair that the water supply scheme started well and they will be able to complete it within a few months.

I do not wish to take up any more time. I support the Demands.

Shri Pocker Saheb (Malappuram):
On this occasion, I would like to say

a few words about some specific problems of the Malabar district.

I submit that the provision for Kerala made in the Second Five Year Plan is, as my Communist friends have pointed out, not only very meagre but really very miserable, when compared to the population and to the demands which require help from the Centre for fulfilment. The allotment of Rs. 87 crores is very poor and it has to be reconsidered, having regard particularly to the fact that this new State, which is really one of the smallest, of States in the whole of India, has the largest density of population and therefore, requires greater attention and more sympathy from the Centre.

Within the short time at my disposal, it is not possible to refer to the details. But I would only appeal to the sense of justice and fair play of the Centre to reconsider the question and allot larger amounts for Kerala. I also submit that the position of Malabar in the Kerala State is particularly pitiable, having regard to the fact that it was faring very badly at the hands of the Madras Government when it was part of the composite Madras State before the formation of Kerala. Therefore, justice has not been done to Malabar by the previous Government, the Madras Government, and this requires special consideration in allotment of funds out of the Second Five Year Plan.

I find in the report on the President's rule that so far as Malabar is concerned, certain items are mentioned. They are of such trivial importance that there is no substantial scheme at all for Malabar in the list. I submit that this kind of treatment of Malabar is really very scandalous. The Centre should consider the requirements of the Malabar area in the context of its background, namely, that it was badly treated by the previous composite Madras Government, and then given special consideration

to it. The petty amounts that are allotted to the Malabar area certainly cannot satisfy its demands, and the situation will go from bad to worse. The necessity of coming to the rescue of Malabar must be more seriously considered by the Central Government.

The problem of unemployment is very acute. In the whole of Kerala, particularly in Malabar. This can only be tackled by industrialisation of Malabar. What are the industries that have been taken up in Malabar for this purpose? Practically none. Therefore, I would appeal to the Government to consider this aspect of the question and realise that it is their duty to consider the development of this very backward area essential and see that proper treatment is given to it by extending industries and also allotting more and larger amounts for the purpose of development under the Second Five Year Plan. This has to be dealt with seriously and sincerely. That is all I can say within the short time at my disposal.

13-12 hrs.

[SHRI BARMAN in the Chair]

There is one important point which I would specially request the Government to take into consideration. The Central Government will have to consider all the resources which are available in Kerala, having regard to the fact that it is a newly formed State and is one of the smallest States. In order to put it on its own legs and to allow it to develop, it is necessary that a good survey is made of the resources of the country. It is not wanting in natural resources. There are ever so many natural resources which have to be tapped and explored. As was pointed out, in the Nilambur valley there is great possibility for the gold industry. I understand that even for lignite, which is now being worked in Neivel, there are sources in certain parts of Malabar; that has also to be explored. I would request the Central Government to have a general survey of all

the sources of Kerala State. Having regard to the fact that it is the smallest State, special attention has to be given in order that it may be able to develop.

There are one or two other matters on which I would like to speak, particularly at the present stage when we have the Communist Party returned to power. On this occasion, I would like to mention particularly the absolute necessity of giving religious instruction in schools, outside school hours inasmuch as it is not allowed as part of the regular course in the State managed schools under the Constitution. But, in so far as the Constitution permits and within the ambit of the Constitution religious instruction should be provided. It is particularly necessary in view of the well-known fact that the Communist Party which is coming into power is really anti-religious in its tenets. Otherwise, people in the country would be deprived of the freedom to practise their religion, which is guaranteed by the Constitution, so far as the Kerala is concerned. Particular precaution should be taken to protect the interests of the people to give religious instruction and also to practise their religion.

Shri N. Sreekantan Nair (Quilon cum Mavelikkara): Do it at home.

Shri Pocker Saheb: Sir, I do not refer to any particular community; but I say that this liberty to practise one own's religion should be protected and all steps should be taken towards that. One of the methods is to provide religious instruction in schools in so far as the Constitution allows. I emphasise this point very much on account of the fact that the party that is coming into power in Kerala is anti-religious. They do not believe in religion and are against religion; that is their creed. I do not know what their creed now is.

Shri Nambiar: The Communist Party never was and never is against religion.

Shri Pocker Saheb: My friend Shri Nambiar will say that. But, look at the literature of his Party which lays down the principles which should guide the party. I have gone through the literature. I say they are not only anti-religious but they treat all religions with contempt. They say that religion is nothing but a method of exploiting the people (*Interruption*). These are well-known facts. I do not think I would be justified in dwelling on these matters at present.

In this connection I would like to mention another point. Even now, before the Communists are coming into power, there are certain very great disabilities so far as the people of Malabar are concerned. Under certain rules framed under a certain Act, in order to construct a mosque previous sanction of the Collector is required. Not only for the construction of a new mosque; but even for the repair of an old mosque which is getting dilapidated and which may prove a source of danger to the lives of people who go there to pray, the sanction is necessary. It is really most problematic to get the sanction of the Collector. This is a very great disability which the people in Malabar, particularly the Muslims are suffering from. This restriction is extended even to the buildings used as *Madrasas*. By *Madrasas* I mean the buildings in which there are institutions where religious instruction is given. Even in the construction and repair of such educational institutions the restrictions are imposed and they cannot be constructed or repaired without the previous sanction of the Collector. So, the people are very much handicapped.

I should just like to mention that I look upon any human being without religion as equivalent to a lower animal. That is my view. I say religion is very important to every individual citizen of this country; and particularly, so far as the Muslims are concerned, religion is more valuable to them than their own lives.

It is because of all these factors I say that all the disabilities and difficulties that exist in the matter of giving religious instruction should be removed. So far as the Communist Party is concerned, in Kerala they have no doubt a precarious majority. Certainly we are entitled to protection under the Constitution. I would only mention that in the matter of developing the country, whatever requirements are necessary will have to be afforded by the Centre. But so far as this party is concerned, I would like to say one word only; this party is a party which has its source and its guidance from outside—Moscow or anywhere else. I submit that the one condition precedent for their taking up the governance of the country under the Constitution is that they have cut themselves absolutely from any outside allegiance.

Shri Nambiar: It has been repeatedly said that we owe no allegiance to any country outside.

Mr. Chairman: But this is not related to the Budget here.

Shri Pocker Saheb: So far as they are concerned, it is a well-known fact that they owe allegiance to an outside country. However, whatever change they have to effect hereafter, I would certainly welcome. It is in order to emphasise the necessity for a change in their attitude that I am mentioning it. The change of attitude must be viewed with their past practices. They have to rid themselves of their past record, which is not at all creditable to them. So far as their past record even in Kerala is concerned, it is most discreditable that it can be.

Shri V. P. Nayar: That is why we have been elected!

Shri Pocker Saheb: There is not one heinous offence listed in the Penal Code which has not been committed by them in order to achieve their ends. They are a party which believes that the end justify the means, and any means is fair according to them. I submit that this is a matter in which we

have to take into account their past record. When they change, they have to change sincerely and show tangible proof of their change of attitude before they take up the reins of government.

One other matter which I would like to mention so far as the Communist Party is concerned is that they have to change their attitude. Their creed is anti-religious and, therefore, in this country, where the Constitution guarantees the practice of religion to all people, they must satisfy that they respect this provision, and allow the people to practise their religions. This particular condition of the Constitution has to be satisfied by them before they fulfil their promise to work the Constitution and carry on the administration within the frame work of the Constitution. Mere words are not enough; they will have to give tangible proof of this change of attitude, particularly with reference to their connection with any outside authorities and with reference to religion. Subject to these conditions being satisfied by them, I wish them success.

Pandit S. C. Mishra: I am glad I am given this opportunity to speak on the last day of this Parliament.

I am glad to find that the southern-most people of our country have got a very big experiment to do and I particularly request the Finance Minister to take note of this fact. I know it is a major experiment in which two opposing methods of experiment, if not two opposing doctrines, are vying with each other, and the theory of co-existence which we have been hearing in the world will be tried in this country. I do not rule out the possibility that each party will try to outmanoeuvre the other. I do hope our communist friends, who have proved their mettle on more than one occasion, will prove it once more. I particularly request the Congress Government and their Ministers to see that they do not behave in any other way with the Communist Government in Tra-

vancore-Cochin but with fortitude and patience and at least with ostensible justice. If they fail to do so, then that will be a sad day for this country, and the other parties in the country will all lose faith in the fact that they can inaugurate some change through democratic methods. These democratic methods have been guaranteed by the Constitution and our great leader who has been advocating it. Now that the Communist Party has captured a State through those very democratic methods, it will be for the Centre to conduct itself in a just manner. Of course, I do not rule out the fact that each party will try to outmanoeuvre the other, but they must do it in a way which does not shake the belief of the nation that we mean what we say—both the Congress Party and the Communist Party. The intermediate parties have gone out of existence in that State. Of course, there are two extreme doctrines, capitalism and communism, vying with each other, but I must say here that the Congress socialism is a liberal socialism and that communism is also a form of socialism, and certainly everybody must accept that these two forms of socialism have come to grips within our own country.

While I congratulate my friends, I would request the Congress friends to be very patient, in particular, the Finance Minister, because everything depends upon the attitude of the Finance Minister. The reason is this: The first thing that the Communist Party will take up is to solve the problem of unemployment, and on that occasion an attitude of sympathy on the part of the Finance Minister will count much for the welfare of the whole of India.

Shri Achuthan: There is not much to speak on this occasion because the President's rule in Kerala is going to come to an end and a new Assembly will come into play there. There is a new set-up that is going to come up, the Communist Party. Though it has not got the absolute majority, it has a working majority and will try its best under the Constitution to carry

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on the administration though it may not be able to fulfil all the promises made by the party before the electorate. Let us see if it is possible for the Indian Communist Party to change itself and carry on the administration of the State within the framework of the Constitution. In fact, in a way it is good for the country, because there will be a competition amongst all democratic parties in India to work for the good of the country. We do not say that we will be always powerful and there were no defects in the administration by the Congress Party. Even in communist countries, the standard of the people have been raised and employment given after long period. Even now we stick to our election promises but we are not to give false promises. Even in the Second Five Year Plan we have symptoms of inflation to some extent because money is not available from other sources. We must have capital; we must have running expenses; so we cannot give false promises to the people. This is the position of Kerala.

There is the unemployment problem. Industries must come up there. Even for foreign capital, we invite it on reasonable terms without strings. All these questions will have to be tackled by the Communist Party which has come into power there. In a way it is good also that a change of government has taken place there and let us all work for the good of the people.

One thing I can say is that we will co-operate with the party in power better than that party was co-operating while we were in power; it is because we are addicted to the co-operative system of work. We will try our best. As a political party, our attitude will be to see that we come into power. But, in all democratic countries, that attempt is made. We will decide and vote on each issue on merits.

Shri V. P. Nayar was saying that the Home Minister would create all impediments. He is not taking the facts into account. It is a fantastic

statement to make. We have been here; we have been watching the proceedings. He wants to create a bad impression in the minds of the people there. He will say: "Though our party has come into power, the other party is not allowing us to function and so what can we do?" He will say that, even two months before the Government came into being, the Central Government says that it will create impediments. Actually is it so? Such statements create a false impression in the minds of the people there and it is bad. Any party can come to power and so all parties should be responsible. They say that the people's lot will become better if they drive out the land lords. The next day, after the results in some constituencies were announced, they say: "We are not going to do anything with the land lords now; we will deal with the foreigners first". Shri Gopalan made a statement at Calicut and said something. The next day, Shri Govindan Nair says: "No, no. We will be functioning according to the Constitution and doing what is possible under the Constitution". So, they are coming to that. So, they have to think about the administration and administration is not an easy thing.

All people must co-operate to root out corruption. Fifteen years back, we were in the assembly there and we tried our best to root out corruption even from the lowest level. Every sensible party will try to do that. There is nothing new in the Communist Party saying all these things. The common man, the educated unemployed, thought: "They are telling these things for a long time. Let us try them and let us see". What about Telengana? What about West Bengal? It is beyond the competence or means of any party in power to improve all these things in one day. It is not like a magician doing all these things in Kerala. As the leader of the Communist Party there, Shri Nambudripad, was saying, they should not be given false hopes. That is good. The Communist Party should improve and

say: "Under the old time, we were telling all these things. Now, actually, when we have come to facts, it is not possible to do all those things. Just like any other people, we are also moving in the same direction".

Now, coming to the details, it is not proper on my part to dwell those things mentioned there. The assembly will deal with them. It is a problem State. The Finance Minister and the Home Minister should pay more attention and see that more schemes for small and medium industries, handloom, coir, etc. industries are put in operation so that, to some extent, the difficulties of the common man may be relieved. The Congress, Socialist and the Communist Parties should relieve the unemployment situation and the Centre must pay special attention. The Communist Party has said that just like any other party they will carry on the administration. All these things are to be seen. With further diversification and decentralisation and instructions and directions from the Centre, we should see that the Kerala State prospers.

Mr. Chairman: Are there any cut motions?

Shri T. T. Krishnamachari: This is purely General discussion.

Shri V. P. Nayar: But, there are cut motions—about thirty.

Mr. Chairman: Then, I shall call Shri Velayudhan. He should finish in five minutes. I understand that we have to finish the whole Budget by 2-25 p.m.

Shri Velayudhan: Sir, I am very happy to speak on the Kerala Budget just before I vacate this seat. You were a Member of this House, Sir, when I began to fight the battle for the people of the West Coast. My parliamentary battle is over for the time being but my battle in my State is just to begin which I had left because of my activities in this House. I am very happy to say this. About a year ago when the President's Order came here, I had mentioned that I had not much interest in the parliamentary

programme. Nor did I expect something much from the elections that were going to take place in the vast country. One curtain is being taken away but a new curtain has to come immediately and it is my responsibility to speak to you as well as to this House and also to the people. I am not going to compromise with the principles; I did not do so in the past. If I fought the Congress Party in this House, I have hundred times more reasons to fight the Communist Party.

Shri Nambiar: We are discussing the Budget—not the fighting business.

Shri Velayudhan: I know that Shri Nambiar will be put in an inconvenient position. I know that he and his party will be put in a more inconvenient position in my State hereafter. I am pointing out the political and psychological aspects of the problems of my State about which he may not know much. I have not fought this battle in this House, nor have I entered into public life, in order to please Nambiar or Nayar or to put them in power. I speak for the working classes, to put them in their proper places. As the Father of the Nation spoke about ten years ago, the President of the Indian Republic should be a Harijan girl. That is not so here or in my State. The leadership of the Communist Party today is caste-ridden. There is rank communalism in the leadership. My opposition to this will have to be expressed and this is the occasion when I am expressing it.

Mr. Chairman: With all the liberty that one can have in a general discussion, we must keep in view that it is the administration of Kerala during the past two months that is under consideration here. Shri Velayudhan may make a personal explanation even by a statement through the Press. In view of the short time, I request him to finish as early as possible.

Shri Velayudhan: The Communist Party claims that it has got a majority in this election. I tell you that I have no election to win because I contested for a general seat knowing that I

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am going to be in this House. I know communalism was so rampant in this election and I tell you that the Communist Party has won this election through the medium of communal passions created by it and not through any principles.

They are now requesting the other parties to co-operate. They have given a lot of promises which they won't be able to fulfil and they want to project the responsibility on some other party. The people of Kerala will soon be realising where they were and where they are going.

My community, the untouchables, was the most deceived community in this political warfare in our State for the last one decade. Who built this Communist Party in our State? Who gave money for their Press and platform? Millions of Harijan women have contributed to the Press where they employ Raja's sons and others. How can I expect anything good from this Party? I never fought for power, for ministership. In that case I should have been on some other side. What I wanted was that the leadership of workers should come in my State. I wanted that my State should set an example to others. That has not come. The people outside are telling a lot of things about the Communist Party coming into power. I was amused when I heard them. I have seen some of the Communist States—not at the expense of the Communist Party of India—and I have also seen some democratic States. I should like to tell you, Sir, that very soon the international communism or the Communists who believe in democracy will be very easily disillusioned, because in Kerala what is going to happen is a communal leadership. It is very clear from the leadership election and from the election of the office bearers. Who are we? What is our population in the new State of Kerala. The Backward Classes come to about 40 lakhs, and we are about 22 lakhs out of a total of 1,55,00,000. What is our share? In the election of office bearers there is not a single

Harijan, not a single man from the Backward Classes. That is why I say that there will be communal leadership. This leadership was in the Congress before, and they went out of the Congress because of their greed for power.

That is the problem of Kerala. I would request the Treasury Benches, the Prime Minister of India to study the problem of Kerala. There is economic inflation in the country, and I say that there is political inflation in Kerala.

Shri Nambiar: Sir, on a point of clarification, I would like to know what the hon. Member means by 'political inflation'.

Shri Velayudhan: This will have to be understood not only by my friends but also by the Prime Minister himself.

Before I conclude, I should like to make it clear that I am not going to accept this alloy, this 14 carat gold.

Shri V. P. Nayar: Still it is gold.

Shri Velayudhan: But it is not pure gold, it is 'rolled gold' like V. P. Nayar. I am sorry I have said this because I was interrupted by him. I never wanted to speak anything about anybody.

I only want to say that we the untouchables, the Backward Classes of India, are not going to surrender to this new political exploitation. Previously there was caste exploitation, communal exploitation and religious exploitation in the State. The people of Kerala who fought against this exploitation first, are they going to submit to this new brand of tyranny that is going to come on them, this political exploitation and political tyranny that is going to come upon them? We will fight it. If this kind of exploitation comes the people of India will have to fight. The millions of workers in this country will then realise where they were and where they are going.

Shri T. T. Krishnamachari: Mr. Chairman, Sir, I do not think any points have been made which have a financial bearing in this discussion. One hon. Member said something about the budget having been revised. Budgets have to be revised. No budget can go without scrutiny, particularly because the responsibility, so far as presenting the budget is concerned, is with the Centre. So far as any particular item in that budget is concerned, our responsibility more or less is confined to those grants and loans that the Centre is making. The rest of the budget is a thing for the new Government, whichever or whatever colour it may be, to make. So, we are not, by anything that we do, binding the hands of that Government. Supposing I had inflated this budget, added on another Rs. 3 crores or Rs. 4 crores and stated that money will be got from public loans, that would be merely a guess. I do not know whether the other Government would be able to get it and thereby I might be embarrassing that Government. So my hon. friend would please understand that there is no intention of presenting any budget which is unrealistic, because we do not want to embarrass the new Government that will come.

Shri V. P. Nayar: That was not the point; please do not isolate the point. I said, because there is already a fear in the minds of a section of the people that the Government of India will place impediments before the Government of a State run by a different party, that fear will be strengthened when people will come to know that the budget has been revised at the last minute without knowing the details. I only wanted the Minister to clarify the position.

Shri T. T. Krishnamachari: Unfortunately, Sir, I am not in a position to accept the implications of what my hon. friend has stated, because they are completely outside my cognizance. So far as this budget is concerned, it is my duty to ask for a vote on account for the administration to be carried on, and it has got to be a

realistic one. I cannot say that we are likely to get revenues from here, there and so on, and therefore inflate the budget. This particular budget has got a very very narrow scope. It may be that the new Government that comes in, may introduce a new budget in 15 days. I am not binding their hands. All that I am bound as Central Government is, if I had promised loans and grants in respect of a planned expenditure, or in respect of a normal expenditure, then I am bound by it. That is the only binding that I can give so far as this budget is concerned to any future Government that comes in. If there is no future Government and I have to carry on, well, the responsibility devolves on me; that is a different question, and I hope that contingency won't arise.

So, the point that my hon. friend tried to make was that the budget was revised. The budget has to be revised if it has to be realistic. The budget was made by somebody in Travancore-Cochin who were just officers. Naturally, if my hon. friend expects that the budget prepared by a superintendent in Travancore-Cochin should get my approval, I think my hon. friend rates my intelligence slightly lower than what it is. It might be pretty low in his view, but it is not as bad as that.

The other point is, I have also a certain amount of conscience. In this matter I should not embarrass a new Government that comes in, to whichever party it may belong; so far as I am concerned I am completely not concerned about the colour of the party which comes into power, it may be one or the other. As Finance Minister preparing a budget in order to obtain a vote on account, these matters do not come within the purview of my knowledge. So I would like to assure my friend so far as any revision that has been made. Of course, any revision that is made is public property. I cannot tell my friend that we made no revision at all. In fact, I make lot of revision in all budgets, because I do not accept

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responsibility for budgets prepared by anybody else.

Therefore, I would like to tell my hon. friend, so far as I am concerned, I am bound in honour to pay or give such aid as has been indicated here in this budget in respect of loans and grants made by the Central Government either for ordinary purposes or for the purpose of the Plan; beyond that I have no responsibility. I do not bind the hands of any future Government. They can change it. The only thing is, this budget will function until such time as the new Government make a budget themselves, and get the appropriate legislature to approve it. So, there is no question of my tying up the hands of any other Government that comes in, nor am I accepting any liability beyond what I have indicated here. I have to make that point clear. There are no *mala fides* in this matter. It is purely a matter of ordinary financial principle and my own capacity to meet whatever I have indicated there provided I am asked to meet them. If it happens that I have to function as I am doing now, I stand by this budget. If it does not happen, and something else comes in, they can do what they like.

14 hrs.

The other point made by Shri A. M. Thomas was in regard to planned expenditure. That is a matter which has been discussed on some other occasion. I am afraid we will go on discussing this matter of planned expenditure, whether it is correct, whether the planned subventions made by the Centre are correct, etc. It will go on for the next four years. They are capable of being discussed and being adjusted. There is room for argument both ways. So far as I am concerned, all that we have now fixed for this State is about 88 crores or whatever that might be. It is not a question of arithmetical evaluation of what has to be spent in 1957-58. It is a question of what can be spent and what are the schemes and how much money could be spent on the schemes, etc. That does not mean that, as I

have indicated in my opening remarks, if the State could find any additional resources they could not spend money. There is nothing to prevent them to find additional resources and spend. I do hope it will be possible for them to find additional resources. I do hope it will be possible for them to expand the Plan. But, so far as I am concerned, I am committed to this, and so far as the State expenditure is concerned, it may be that this is not the last word. It may be that it will be altered by Rs. 20 lakhs or Rs. 30 lakhs this way or that way, but the present level is the level which we have fixed, and it is the demand of expenditure that will have to be met out of the planned budget. Therefore, I do not think it is really a matter of our doing anything for this State or that State.

I have indicated to the Planning Commission that I shall be giving about Rs. 425 crores for the State Governments during the Plan and I will have to stick to it. The apportionment should be proportionate to the total amount I have allowed. I should like to say to my hon. friends that in doing so, we have not departed from any principle that we have laid down. It may be that the amount differs by Rs. 5 lakhs this way or that way, but that is a matter always of adjustment. Subject to that, the planned expenditure for the period of this budget year, during 1957-58, that I have visualised for Kerala is completely in tune with the total amount of expenditure that has been sanctioned.

Shri Datar: Mr. Chairman, it is not necessary, in view of the changed position, to reply in detail to the various points that have been raised by the hon. Members in the course of this general discussion. But there are certain points on which I should like to reply as briefly as possible. My hon. friend Shri Frank Anthony has raised the question of the nomination of a representative of the Anglo-Indian community to the Kerala Legislative Assembly. That question, as

he is aware, is now under the consideration of the Governor of Kerala, and all that Shri Anthony has pointed out here will be duly taken into account by the Governor of Kerala and I proper nominee duly nominated to the Kerala Legislative Assembly.

It was suggested by certain other hon. Members that the administrative machinery that has been evolved and that has, according to us, improved the matters to a large extent during the President's administration, may not be in a position to cope with the new work that will have to be carried on. My submission is that so far as this administrative machinery is concerned, it has been very considerably and even radically improved as the report itself would point out. It may be noted in this connection that there was, to a certain extent, concentration of power in the Secretariat. That has been taken away and now, all things can be carried on at the lower stages on the principle of decentralisation. A number of other steps have been taken up for improving the tone of administration.

I need not go into details, but I would point out that even during the year of President's administration—about one year—we have been trying our best to see to it that various welfare schemes were taken on hand and implemented, and to see that in all matters, the administrative machinery is such that it could cope with the demands that are likely to be made in the present state of affairs in India, because we are trying to establish—we are not merely trying to carry on the administration—a welfare State. Therefore, when the popular Ministry will take over the administration from the President in the course of the next few days or a week, I am quite confident that they will find that the machinery that has been improved during the President's rule would be of great use to them.

A number of things were said on behalf of the Communist Party and considerable advice was tendered by the hon. Members on all sides to the

Communist Party as to the manner in which they have to carry on the administration. It is entirely a matter for them, but I would point out that so far as the Government of India are concerned, we have to take into account the interests of the whole of India including the very beautiful State of Kerala. I would point out to them that the Government of India would carry on their help to the various States in the same manner in which they have been carrying on now, and it would be perfectly open to the new Government or new Ministry to carry on the administration in very constructive manner, in a very responsible and democratic manner, and to take advantage of the help that the Government of India have been giving to all the States without any discrimination. It is more for them to carry on the administration, as I have said, along proper lines. In that case, they will certainly have the help that the Central Government has to give to the various States. India has to be developed, and Kerala requires a larger amount of attention.

My friend, Shri V. P. Nayar, was not right when he put a certain interpretation upon the speech that the Home Minister made about a year ago. There the reference was to the fact that Kerala or the then Travancore-Cochin had not a fair deal. It does not mean that the fair deal was not shown to it by the Government of India. There were a number of circumstances into which it is not necessary for us to go. On account of the variety of circumstances, on account of the irony of the situation, the Kerala State of the former Travancore-Cochin State could not have or could not attain that degree of development that ought to have been attained. But the Home Minister did not state that this want of fair deal was at the instance of the Government of India. The Government of India are prepared to help, and will continue to help, to all possible extent, so far as the development of the Kerala State is concerned. There can be no question of discrimination

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on account of the fact that a particular party is going to be in power there.

After all, the question of party is not so material. After the elections are over and when the Governments take charge of their respective spheres of administration, either at the Centre or in the States, all of us, the Members and the Ministries, have to carry on the administration in the interests of the people concerned. Therefore, I am hopeful that the new Ministry that is likely to be formed in the course of the next few days in Kerala will fully take into account the interests of the people and will carry on the administration in such a manner that they will have the confidence of the people. After all, to a large extent, what has been done till now is taken into account and the promises that are given at the time of elections are also relied upon to a certain extent. It is open to the new popular Government that is going to be formed to carry on the administration in as proper and as responsible a manner as possible and the Government of India will try to help them to the fullest extent possible, consistent with their obligations to the other States and also consistent with the manner in which the Kerala Government will be carrying on the administration. Let the Government of Kerala and also other Governments understand that, after all, the interests of the poor people have to be fully taken into account and measures for their betterment have to be evolved as early as possible. With this object in view, all of us are working not only here, but in other States also, where a certain party is in power; and, I am confident that the new party that is taking charge of the Kerala Government will also follow the same recognised principles, so far as a good Government is concerned.

Another point was made regarding what is known as the High Court agitation. That agitation was carried

on for certain months; I would not go into the merits or otherwise of the agitation because it has now been suspended. But my friend, Shri V. P. Nayar, raised a question yesterday as to why there were different interpretations of section 51(3) of the States Reorganisation Act. Section 51 deals with the location of High Courts. The first sub-section of section 51 deals with the location of the High Court at the principal place; sub-section (2) deals with permanent benches and sub-section (3) deals with temporary benches. If the hon. Member examines the wording of sub-section (3), he will find that a particular interpretation was placed upon it by the Chief Justice of the Kerala High Court. It is true that other High Courts have placed a different interpretation, but after all, this is a matter which has to be taken into account, so far as the judicial side is concerned. If the Chief Justice of a particular High Court takes a particular judicial view, then there are other avenues for getting that view corrected, if that view is stated to be wrong. It is not necessary for the President to step in, because a judicial decision has been taken by the Chief Justice of that High Court. This House will agree that judicial decisions have to be respected so long as they are not reversed by other higher authorities.

Shri N. Sreekantan Nair: It is an executive decision.

Shri Datar: It is not.

Shri V. P. Nayar: Was a petition heard by the Chief Justice?

Shri Datar: It is not necessary for the Chief Justice to hear a petition he can put a judicial interpretation upon a certain provision of the law.

Shri V. P. Nayar: It is not judicial.

Shri Datar: It is a matter of dispute. This is a matter on which a certain judicial interpretation has been placed by the High Court in Kerala and a different interpretation

by different High Courts. So long as that particular interpretation remains as it is, it would not be proper and appropriate for the Central Government in particular to step in and to see that another interpretation is followed.

Shri N. Sreekantan Nair: Is not article 133 of the Constitution meant for the same purpose? Does it not come under the purview of article 133?

Shri Datar: When the States Re-organisation Act has been passed by this House, naturally its interpretation depends upon the Judges. As the hon. Member will see, the wording of sub-section (3) is that a bench shall sit at such other place or places as the Chief Justice may appoint. This is a question which has to be considered by the various Chief Justices and High Courts. Under those circumstances, it will not be proper and it is likely to be inappropriate if the executive Government or the Government of India steps into the field and takes a particular decision.

An Hon. Member: There should be uniformity.

Shri Datar: Uniformity is an ideal which has to be reached; it does not mean that everything is uniform. Uniformity can be achieved in this way. If the aggrieved party takes the matter to the Supreme Court and if the Supreme Court gives a particular decision one way or the other, that will have to be followed by all the courts. It is open to the aggrieved party to go to the Supreme Court; it would not be proper for us to step in and request the Supreme Court to give a particular decision.

It was pointed out by some hon. Members that certain areas were neglected. One hon. Member said that Malabar was neglected and nothing was done. He will find from the Budget as also from the detailed descriptions given that various schemes have been taken on hand. In fact, there are certain schemes which

are under implementation, so far as Malabar is concerned and I am quite confident that, since Malabar occupies a very large portion of the State, perhaps more than one-third of it, it is quite likely that the new Government would fully take into account the so-called neglected interests of Malabar and do what is necessary. After all, the question of regional development is one of the points on which great stress has been laid by the Planning Commission and I am confident that all those parts which are stated to be neglected will be fully taken into account. After all, all these things have to be done to a certain extent gradually and after certain schemes are over, the other schemes can be taken up.

A very small point was raised by Mr. V. P. Nayar about the expression "menial". He quoted from the dictionary and said there was something offensive in it.

Shri V. P. Nayar: That is how I find out the meanings for English words.

Shri Datar: It is not our word; it is not a word used by the Government of India. We use the words "Class IV". "Menial" was a word used by the Travancore-Cochin Government formerly. They used the expression "menials or last grade servants".

Shri V. P. Nayar: My complaint was that you did not take notice of it and correct it. The hon. Finance Minister said that he was revising the budget.

Shri Datar: That word has been used perhaps in certain parts of India for such a long time that it has lost all its offensive significance. Anyway, we are not responsible for it. Now that his Government is coming, they can change that word and put any expression they like in the reverse order.

So far as the industrialisation is concerned, it would be found that certain amounts have been set apart for the purpose of industrialisation. I need not go into the details, but I am

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informed by the Ministry of Production here that a D.D.T. factory is actually under construction at Alwaye at a cost of about Rs. 45 lakhs and there are other schemes also. I am also told just now that the Ministry would be prepared to help to the fullest extent possible the starting of village industries and giving some attention to khadi, handloom and other industries. Therefore, it is for the new Government to take into account all these things. Now the position has changed to a certain extent. Till now, it was open to the hon. Members opposite, especially of this party, to criticise us as heartily as possible, because they were never aware, except during the last few days, that by an irony of fate they will have to take over the administration and perhaps eat away a number of criticisms which they were levelling on us for so many years. After all, I am quite confident that they will try to carry on the administration properly. Perhaps they will have to undo whatever they have stated to a certain extent, because what is stated by way of criticism or by way of opposition is entirely different from the attitude or policy that one has to adopt when one takes over the Government. I would refer to the change of tone my hon. friend Shri V. P. Nayar. I am accustomed to hearing his speeches. I saw what importance he was giving to that great virtue of self-restraint. He always used to condemn us, criticise us in an un-restrained a manner as possible.

Shri V. P. Nayar: I can assure the hon. Minister that it will continue always.

Shri Datar: Let me finish, Sir. I must say to his credit, today I found that he was full of self-restraint and all appeal to all people, to the other parties also. This is what is called the irony of times. Otherwise, these friends were at logger heads with all. They were carrying on criticism in

as understand a manner as possible. In view of the dawn of their own Government, they have developed a sense of great responsibility, at which I rejoice. After all, Kerala is a part of India and a beautiful part of India. It is our duty to help them. But, they have to help themselves by unlearning a number of things, by undoing a number of things. I am quite confident that they would do all this and further the interests of the poor people of Kerala.

DEMANDS FOR GRANTS* ON ACCOUNT—KERALA

Mr. Chairman: Now, we take up the Demands. What about the time limit?

Shri V. P. Nayar (Chirayinkil): I would suggest that all the Demands be taken together, so that the Members who want to speak on the various demands can speak for a few minutes.

Mr. Chairman: I was going to say that the scheduled time is over by 2-25, which is just over. We may finish the whole thing including Appropriation Bill by 3 o'clock. Keeping that in view,...

Shri V. P. Nayar: You may ask for all the cut motions to be moved

Mr. Chairman: All the cut motions may be moved together. I think Shri V. P. Nayar and Shri N. Sreekantan Nair have got cut motions.

Shri V. P. Nayar: Shri Frank Anthony has a cut motion. He has already spoken on it.

Mr. Chairman: How will you adjust the time? I want to know whether any other Member besides the two who have given cut motions wants to speak on this.

Shri Namblar (Mayuram): If there is time.

Mr. Chairman: Half an hour in all

*Moved with the recommendation of the President.