

MOTION RE ECONOMIC SITUATION—Concl'd.

Mr. Speaker: The House will now proceed with the Resolution moved on the 20th December 1954 that the present economic situation in India be taken into consideration. The consideration will proceed along with the amendments.

Shri A. M. Thomas (Ernakulam): Mr. Speaker, Sir, I was yesterday referring to the charge of complacency that has been levelled by the Opposition against the Government. There is absolutely no lack of awareness at all on the part of the Government, and in fact, the Finance Minister yesterday gave us a graphic idea of the magnitude of the problem, the approach of the Government of India in this regard and also the steps that the Government are taking. The Finance Minister's colleague, the Deputy Chairman of the Planning Commission, Shri V. T. Krishnamachari, draws a more frightening picture than the picture that has been drawn by the Finance Minister. He said in a meeting in the first week of December that there are now 70 Million families working on land and that agriculture cannot support more than 55 million men. In the urban areas there are 10 million unemployed men. To this 1½ million every year is added. The 10-year programme will have to provide employment to 40 million people and then only you can achieve reasonably full employment, by spending about Rs. 18,000 to Rs. 20,000 crores. He continued that to ensure full employment is a task, the magnitude of which appals imagination. The nation has to make a very great effort if the problem of unemployment is to be solved to reasonable extent.

[PT. THAKURDAS BHARGAVA in the Chair]

A great deal of controversy arose on the socialistic pattern that has been stated by the Prime Minister. We have seen how fast economic growth is possible, both under the American system as well as the Soviet system. The key to the tremendous achievement in both countries appears to be

the greatest and widest possible co-operation, either compelled or voluntary, of the entire nation. Under extra regimentation it is possible to mobilise and direct the energies of the people to certain purposes, but under this system, great suffering and waste cannot be avoided. We have to accept the wisdom of the few to decide upon national issues. In the other system also, there is a release of the energies of the people as a whole. It has its political phase, but it has not the massive and concentrated ruthlessness of some of these States but of the individual in it. As the people in the nation grow up, you may hope to check the ugly features and give abundance for the masses. Neither of these systems can be successfully grafted as far as our economy is concerned. Hence, the Prime Minister cautioned us that we have to develop on our own lines.

I wish to make one submission with regard to the approach that we ought to have in this matter, and that has not been given sufficient importance either in the Finance Minister's speech or in the discussion that followed. Unlike other countries, both land and capital are scarce factors in our country. It is only labour which is in plentiful supply. India will have to develop her own systems and techniques and it is essential that India should plan for a co-ordinated and parallel development of large-scale basic industries, small-scale industries, agro industries as well as agriculture. The problem is not merely one of finding employment and producing more. It is also important that India should herself be able—I underline this—to absorb mostly her own production, agricultural as well as industrial, so that adequate purchasing power may be available in each sector to absorb the production in the other sector. The picture is a socialistic one, and I do not think there is any difference with regard to the goal that we have in view. It is a certain amount of expansion that we want within a particular period with the ultimate object

of leading to maximum production, full employment and social and economic justice. The one role as has been stated by the hon. Finance Minister is complementary to the other role. If the State finds that a target cannot be achieved except by the State stepping in, then the State should necessarily step in, and also if the association of private interests is necessary for achieving that target and if the State finds that it is necessary, then the association of private interests also will have to be mobilised. Circumstances must shape as they develop and I admit that some directives are necessary and that was the cause that in 1948 we adopted the Resolution on the Industrial Policy. What I want to emphasise is the necessity of adherence to the spirit of the policy statement rather than the adherence to the letter of the policy statement. By the fact that the socialist pattern is to be our ideal, it does not mean that what is implied by socialism is the nationalisation of all industries as has been pointed out by my friend, Shri Gurupadaswamy in his speech. I do not want to take the example of U.K. or America or Russia. In Holland, for example, ever since 1933, there has been a socialist government there right through and there has not been any break. What is it that has been done inside that country? The Government of Holland believes that the man who has endeavoured to build up the industries is as much a part of the body politic as anybody else. The enterprising element in Holland is encouraged to the maximum for the public good. How is it that the Dutch Government intends to achieve a socialistic State? It is by means of taxation and by the use of Government funds for public welfare. In their wage policy it is very progressive. Bad industrialists there are as there are bad administrators, bad politicians and bad bureaucrats, but the only thing that we have to see is that the State must have sufficient powers to control and develop whenever the private industry goes astray.

In passing, I wish to mention one fact about the checks that the Government of India have at present. I think that many of the Members who have spoken from the opposite side have not gone through the various provisions of the Industrial Development and Regulation Act. The Central Government is armed with sufficient powers whenever there is necessity of stepping into the private sector. When it was found that there are some difficulties in the administration of the various provisions of the Industrial Development and Regulation Act, the Prime Minister introduced the Constitution (Fourth Amendment) Bill, a copy of which has been circulated to all of us. From this it will be found that Government is not at all complacent. Whenever it finds that there is any obstruction to development, the State steps in and it also gets armed with the necessary provisions.

Several Members criticised in their speeches the transactions that we have entered into with regard to oil refineries. With regard to the setting up of the oil refineries, with foreign help, I do not think many of the Members are satisfied with the arrangements, I do not think that the Government itself is satisfied, but we have to understand that that was the best course that we could have adopted at that time. There was the aspect of the supply of a strategic, important commodity the processing of which was highly technical and we could get considerable gain in our foreign exchange. There was also the employment aspect. These were the considerations which weighed with the Government more than anything else in entering into those agreements with the foreign oil refinery companies.

The aspect of Indianisation has been referred to by some of the Members, and everyone is aware of the steps that the Central Government is taking in the matter. Whenever foreign technical skill is employed, they see that sufficient safeguards are also taken,

[Shri A. M. Thomas]

and in the steel agreement which we have entered into recently, there are sufficient safeguards.

When we go through the history of any country, we will be able to find that those countries have developed not on their own resources but on substantial help from other countries. We need not have any inferiority complex in this matter. We are a sovereign republic and we need not be afraid at all that because of the fact that we get foreign capital, we will again be a satellite country. We know that in America, which is a sovereign country, they have taken foreign help, and I do not think that any other country in the whole world has taken such substantial help from foreign investments as America has done, and I do not think that America has lost in any way on account of that. Of course, the pattern of foreign help is also changing. There must be the disappearance of the acquisitive element. It is that aspect that was emphasised by the guest that we have in our capital, Marshal Tito, yesterday in his after-dinner speech. There must be organised aid to underdeveloped countries. Because we obtain foreign help we need not be at all afraid about our independence or stability.

The Prime Minister and Minister of External Affairs and Defence (Shri Jawaharlal Nehru): Mr. Chairman. Sir, speaking on my own behalf and on behalf of the Government, I should like to say that we have welcomed this debate. I hope that such debate: might take place from time to time in Parliament, not only because they are necessary but also because they are helpful to Government. They show, they demonstrate, the social awakening that has come all over the country. They are the signs of our moving more and more rapidly, I hope, from the purely political plane to the social plane. I welcome, therefore, even the criticisms that have been made, though I must confess that

some of the criticisms left me rather aghast, because they seemed to have no relation, so far as I am aware, with the facts.

An eminent Member on the other side, who used to be a great scientist, Prof. Meghnad Saha, but who drifted from the fields of science and has found no foothold elsewhere yet, told us many things, most of which, I think, are completely wrong. I have seldom come across a less scientific approach to a problem than that of Prof. Meghnad Saha, in fact, a less factual approach. I can only express my deep regret that such an eminent scientist should have fallen into such evil ways of thinking.

I do not mind Prof. Saha, or any other hon. Member in this House, criticising our Government. We are no doubt open to criticism in many matters and we do not mind it. But I do mind, Sir, criticisms which amount to criticisms of the Indian people. And if any man in this House or elsewhere blames or criticises what the Indian people have done in the last six years, I say it is not proper, certainly for any of us, I would say—even for any outsider to do it—much more so for any national of India to do it. Because, in spite of the grave and great problems that we have had to face, in spite of this Government's deficiencies—I admit it—in spite of the errors that we have made, the Indian people have done a fine job during the last six years. Let that be clear now. And I include in the Indian people almost every group—I do not include individuals—the vast numbers, the masses of the Indian people, the intellectuals, the peasants, the workers and others. They have done a fine job, of which I for one am proud and I am prepared to shout out my pride anywhere in the world.

Now, I find all this carping criticism.—partly as I said, I do not object to it,—is based, not, as it should be, if I may say so, with all respect, on a balanced view of the case. I can very well

understand a criticism here, acceptance of a good thing there, but I cannot understand just criticism, just denunciation alone. Our friends opposite seem to have forgotten to appreciate anything, to say "Yes" to anything. That I say, whether it is on this side or that side of the House, is an unbalanced, unscientific, unfair, unhelpful attitude.

What are we after? All of us, whether we may sit here or not, are after doing something which is tremendous, changing the face of this ancient country, with its vast population, also, let us remember, tied up in many ways with ancient customs, ancient habits, ancient economic systems. We want to break through many of these things. If you travel all over India you see an enormous variety of population—all kinds of people, various degrees of development, cultural, political, social, economic, call it what you like; disparities, sometimes vast disparities. We do not like it. Nobody in this House likes that. We want to put an end to disparities, inequalities. We want, naturally, to raise the standard of living, have a new structure of society and all that. It may be that we may differ, in regard to any particular item, the particular method of doing it. It may be that even in the final picture, there might be some difference of opinion, but I rather doubt if there is any great difference of opinion in regard to the final picture that most of us envisage. But anyhow we can only think out our plan of progress, whatever it is, on what I venture to say, a scientific assessment of the facts of the situation. We can hardly consider it in the manner of an academic debate.

Here is a terrific problem, not merely in numbers, but in the complexity of it. People talk about the public sector and the private sector. Does the House realise that the private sector, the biggest and the overwhelming private sector, is the private sector of the peasants in India, the small holder of land? That is the tremendous

private sector in this country, not those odd factories and odd things that exist. Now we want to change all that. And remember this that there is a limit to the amount of compulsion that you can exercise, apart from the desirability of compulsion. You have, ultimately, in a vast society, to go by consent, not everybody's consent, but consent of the community as a whole. Apart from this ineluctable factor, so far as our country is concerned, we have followed a policy in our political field which was rather unique. In our political struggle, we by and large, adopted peaceful methods. In our economic approach there are conflicts there is no doubt about it. In the economic field there are classes. We want to do away with the classes. Our approach has been, by and large, trying to win over people. We put an end to the princely order in this country. We paid for it. But remember this that what we paid for it, however heavy, was very little, compared to the cost of conflict. Nowadays in the world, whether it is in the international sphere or the national sphere, people are always talking in terms of conflict. It is war or cold war, or conflict or class struggle. I admit class struggle; I admit it, but I do not want to aggravate it. I do not want to obsess my mind with it. I want to get rid of it as far as possible without aggravating that struggle, by other means. I do submit that the results of our political and other approaches have led to good things. They are good in many ways, and apart from reaching a person's goal or a particular goal and get going towards it, we create an atmosphere, a mentality of co-operation, or, at any rate, we do not have strains of bitterness and conflict pursuing us. We have taken examples from other countries, of big, social, political upheavals. We may have differing opinions about them, and we may like some part and do not like some other part, but it is not a question of liking or not liking. They are great historical upheavals like a tempest, but it is no good my saying or any hon. Member saying that he does

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not want the cold wind or the tempest outside. But this is happening, and they become the conditioning factors in a country, and one conditions oneself to these factors. One makes mistakes and then recovers from that mistake.

I dislike comparing my country with others to our advantage or disadvantage, because I do not want or like to criticise other countries. I want to be friendly with them, because I like some things in them and I do not like some other things in them, but I venture to point out to this House that where those upheavals occur, they are products of history, violence and all that kind of things—defeat and civil war. They govern subsequent things. Now, one does not, in order to reach something, organise an upheaval deliberately and destruction. If it comes one's way, it is a different matter and one has to face it. Now, some hon. Members seem to think that in order to make progress, we must destroy, we must increase the conflict, bitterness and then we shall have a cleaner slate to write upon. As I said, no country has ever had a cleaner slate to write upon not even after the biggest of revolutions. We cannot get rid of many factors which govern the situation and the growth of a people. But no one, as I am aware, would willingly destroy something which is worth while in order to build something which may be good in certain circumstances. Now, I am prepared to compare what has been done in India in the last few years with what was achieved in any other country. It may be that we may not have achieved much. We may have achieved less; I am prepared to admit that. But at the present moment, behind that we must see this peaceful co-operative method of approach. You may say that taking this peaceful co-operative method of approach we might have gone faster; we can go faster, and let us admit it, or let us start about it and increase our pace. But this House must be clear as to

whether we accept that peaceful, co-operative and democratic method or whether we accept some other method. When I use the word democracy, I know it can mean many things, but I am talking in terms of what is called parliamentary democracy. There are other methods which may equally be democratic but which are different. It is in that context that one has to see. Why do we have parliamentary democracy and the like? Because, presumably, we think that in the long run, that produces the best results. If we get to the conclusion that it does not produce best results, well, we change it, obviously because we want results. What results are we aiming at? National well-being, human happiness of the millions and millions of our people. Let us not, for the moment, use terms which have a very specific connotation. We aim at human happiness in this country,—national well-being, national strength. How do we achieve it? We have got, at the present moment, a country which is industrially not developed, although, remember that even so India is more industrially developed than any country in Asia, apart from Japan. I am not for the moment taking into consideration the Soviet part. But apart from these two exceptions, India has more industrially developed than any country, certainly more than China. What will happen in the future is a different matter. I am talking about the present. Nevertheless, we are an undeveloped country. Our standard of living is low. We have got to raise that, and in raising that we have got to find employment for all our people.

What are our objectives? Well, we may define them in many ways, but perhaps one way which is more important than others is to find progressively fuller employment till we reach full employment by increased production and all that. You may also say greater production, better distribution. All that we can say and all these things are part of the main objective. Essentially, the problem should be viewed,

I hope, from the point of view of attaining fuller employment and greater production and better distribution.

Now, if that is our approach, how are we to do it in this very complicated situation that we are in, with an under-developed economy and with very little surplus to invest and all that? We cannot compare our problems with those of the industrialised West, because they have centuries, or at any rate, generations of growth. Even with Soviet Russia we cannot compare. We can learn from them in some matters. There, conditions were completely different—with war, civil war. I am prepared to compare India with Soviet Russia after seven years of freedom certainly, but not after 30 or 40 years of their freedom. The only country which is in a sense comparable is China, comparable in the sense that it has a vast population, tremendous unemployment, very low standards and under-development, and not industrialised. That is a comparable case. Therefore, possibly, it is conceivable that as they make their progress according to their ways, we may be able to learn something from them. But again, take the background of China; as they are today, after 40 years of civil war, international war, national war, till the country was absolutely at the rock-bottom level. We had, fortunately or unfortunately—for ourselves fortunately, so far as I am concerned, and possibly hon. Members opposite may think it is unfortunate a peaceful transfer of power in this country with a running machine. A running machine has its advantages and disadvantages. I prefer the advantages. The disadvantage may be that you are tied up with certain processes which take a little time to change. The advantages are obvious: that you do not destroy and start from scratch, but we started at a higher level, as I said, compared to most countries in Asia. I dislike comparisons; they are odious; but, nevertheless, I beg the House to consider the state of affairs, political, social or economic, in India today with those of

any other country in Asia. Again, for the moment, I leave out China, because China deserves a separate treatment in regard to many matters. Although at present conditions in India are better, that is to say, industrial and general conditions, I think if the standards here are better than in China it does not mean that China may not make greater progress. That is a different matter. It is a different matter to compare all these countries of the West with those of the South and South-East Asia. Is there any comparison between the stability—political, economic and social—that we have achieved in this country and the progress we are making, with others? It may be slow, according to our thinking, but there is no doubt about the progress that we have made. There is no doubt at all about the impression that has been made in the wide world about India today.

It is an extraordinary thing that our critics largely come from, well, some of our own countrymen, or—it is an odd thing to put in the same level—or from certain very reactionary parties in the West who do not like India's progress. But I would beg this House to consider that let us have criticism galore, but let us always remember that in this matter if India is going to go ahead, it is not because the Government of India is very bright—that helps no doubt if it is so—but it is because the people of India function. And it is not right for us always to be running down what the people of India are doing. We take up something in a big way. Take the Community Projects or the National Extension Service. I think it is one of the biggest things that any country has undertaken, and I think that—I won't say that it has succeeded hundred per cent—but it is succeeding in a very large measure. And it is an amazing thing how from the grass roots we are building up something, not imposing something from above as normally governments have done.

And what has been the reaction of many of our friends on the opposite

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benches? They not only run it down, they refuse to co-operate with it. It is not a governmental effort, it is a people's effort. They keep away, they keep others away; in fact they obstruct in the progress that might be made there. Is that, I would like to suggest to hon. Members, is that a proper way of dealing with these vast national questions? So I do submit that some difference might be made in the criticism of any Government policy or something, which should always be welcome to us, and the way this great country of ours and these great people of ours are functioning today and building up a New India. I have no doubt they are building it. I see all over the place and I have no doubt at all that the atmosphere, the air of India is invigorating and exhilarating today.

Professor Meghnad Saha said that all the figures that the Finance Minister has given were completely wrong, about the industrial and other progress that we have made. It is rather difficult for me in a short space of time to go into these detailed figures. Most of them, hon. Members know, have been given in the Planning Commission's progress report and other papers. But I really am surprised at Professor Saha challenging obviously right figures. He challenged the whole question of greater production.

The index of industrial production (in 1946 being 100) from 105 in 1950 rose to 117 in 1951, to 129 in 1952 and to 135 in 1953. In July this year it was 149. It is a big jump from 105 to 149. There has thus been an increase of over 33 per cent since 1950. It is a very good increase. Mr. Asoka Mehta said about its being lop-sided. It may very well be lop-sided. But let us remove the lop-sidedness. Then again, it is also true, of course, that judging of these in terms of our needs and what we should do, it is not enough.

We admit that. But the point is that there has been a marked increase in industrial production, whether it is output of cloth by 25 per cent or cement by 50 per cent; and Sindri has reached capacity production, and we are now on the verge of starting one or two more Sindries; electric energy, and so many other things. I agree, of course, there is no question of Government or anybody feeling complacent. The problem is terrific. All I can say is, not that we are complacent, but that (bow shall I put it) that we are not frightened by this problem, we are going to face it and solve it, however difficult it may be. Not we; for the moment I am talking of all of us together and the country. Because the slightest weakening, the slightest element of complacency will come in our way, and we will have to work hard and think hard—think hard, I say. How do you solve it? You find these vast social problems in a country like India. We talk about classes, but something infinitely worse than classes exists in India: that is, castes, castes petrified. Can anybody deny, on this or that side, that it is a curse in this country, this caste business which comes in the way, and is bound to come in the way of any kind of progress, political, social, economic? There it is. You have to deal with the situation. We have to fight that menace of caste which comes in our way. How are we to do this? Not by some resolution here. We are not going to change the caste structure of India by some resolution or by some law. We can help if we pass laws, about untouchability and all that; they are good, they help in bringing about a gradual change. My point is you cannot change this vast fabric of India, with its caste and other divisions, enormous divisions, provincialism and all that, by some magic wand.

Also, if you think on economic lines alone—you cannot, of course; but let us suppose we think on economic lines, the question of production, of

balanced production, of employment how do we proceed about it? People argue about public sector and private sector, and it is important enough to argue it, talk about it, discuss it. But the question is not solved by either talking about public sector or private sector or both. After all, there must be so many factors in the problem and we have to make progress. There is something left, and unless you think of the consequences of one step and prepare for the second step from today, there will be bottlenecks and stoppages. Therefore it becomes necessary to think out these problems, not academically, but scientifically—not like Professor Saha, but scientifically, I say.

Shri S. S. More (Sholapur): What is your science?

Shri Jawaharlal Nehru: My science, if I may say so, is essentially based on social statistics; not wishful thinking—except wishful thinking in the sense of the objective—but essentially based on social statistics; how we can gain something and how we can have a balanced economy, heavy industry, medium industry, light industry, cottage industry; how we can provide employment within the short space of time; and how we can generally raise the level of human happiness in the country and national strength.

It is quite possible, and I think Mr. Asoka Mehta was perfectly right in pointing out, that there has been lop-sided development. There has been. And, if I may say so, there has been lop-sided development in most other countries too, even in trying to plan.

Now, I think that this country—I am not comparing it with any other—but taking the background in this country as it is, all these separatist backgrounds, class and caste and all that, and provincialism, it has done. I think, a pretty good job of work, through its Planning Commission in making the people conscious of the problem. It is very important that

people should generally become conscious of the intricacy of the problem and begin to think in terms of planning for India as a whole. They have done a very fine job. I am not referring to any individuals, but generally. We started planning as the House will remember three years or four years ago, with practically very little data. It is very difficult to plan without data. One can pass resolutions in Parliament and elsewhere as to what the objective is. Gradually, we have collected data. Gradually, we have made the States and the people in the States plan conscious. All the time, we had to face the terrific problem of food shortage in this country. We came to the conclusion rightly or wrongly that in the First Five Year Plan, the most important thing was the agricultural front. Of course, we are carrying on the river valley schemes, we have put up the Sindri and Shittaranjan factories and all kinds of other things. But, essentially, we said that food shortage was a big problem and we concentrated on that. Opinions may differ as to whether we have done something about heavy industries or not. It is a matter of opinion. But, we did that because we felt that unless we have a strong basis in the food front our industrial efforts may, well, if not fail, be bogged or checked. Hon. Members who have studied the history of other countries, probably know that too much stress on heavy industries have produced difficult problems in those countries, the socialistic and the like countries. In fact, the cost paid for rapid industrialisation has been terrific in some countries. I doubt if any country deliberately would pay that cost. It came their way; they paid it. I am certain that no country with any kind of parliamentary democracy can possibly pay it. May be, where we have dictatorship with an army behind it they may perhaps do it. Even there, I doubt it because, no dictator can go on too far without the consent of the people. You have to consider this. I am quite sure in my mind that real progress must ultima-

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tely depend on industrialisation. That industrialisation ultimately depends on heavy industries. Other things are good but heavy industries are more important. Of course, other things are important too; I am not saying of that. If we want even to preserve our national independence, and much more so if we want to raise our standard of living, heavy industries are essential. It is admitted. But, if I go in for heavy industries alone and not think of the other factors, it is quite possible that our problems may become much more difficult. It is quite possible that unemployment might grow. We have to face the problems which China has to face. Of course, we have many kinds of reports about China. There are good accounts and true accounts. There is terrific unemployment in China. Their leader says so. They are trying to face it; may be in a different way. The problem comes up before us. We want higher techniques. We cannot progress without higher techniques. The moment we think of higher techniques, we will cause unemployment. We do not want unemployment; we want more employment. We talk of rationalisation and the rest. These difficulties come up. One has to balance them. We have to see how we can go ahead on all fronts.

Shri Meghnad Saha has, fortunately, returned to the House. May I repeat something about his reference to our National Laboratories as having done nothing worth while in the industrial field?

Shri Meghnad Saha (Calcutta North-West): May I interrupt I have not said anything like that.

Some Hon. Members: Shri Asoka Mehta said so.

Mr. Chairman: Yesterday it was said.

Some Hon. Members: By Shri Asoka Mehta.

Shri Jawaharlal Nehru: It does not matter really. I am glad that Shri Meghnad Saha is of the opinion that the National Laboratories are worth while and that they have done good work.

Shri S. S. More: He has not said that.

Shri Meghnad Saha: I have not said that also.

Shri Jawaharlal Nehru: Well, Shri Meghnad Saha is neutral on that subject.

Having had something to do with these National Laboratories and having met scores and scores of young scientists, men and women, who are working there, I can say that there is no finer set of young men and women in India than our young scientists. The other day, we had a small conference on atomic energy. There were senior men present there. We heard their discourses with the respect that is always due to senior scientists. There were some young men present there too. If I may say so again with all respect to the seniors, the juniors outshone the seniors.

Shri Meghnad Saha: May I interrupt? The particular junior scientist was my own student and I am very proud of that. The saying is:

“सर्वतो जयमन्विष्येत् पुत्राद्
शिष्यादिच्छेद् पराजयम्”

Men seek victory everywhere but seek defeat from his own sons and students.

Shri Jawaharlal Nehru: Of course, Shri Meghnad Saha is completely right. The House may remember the saying in Urdu:

“गुरु जी गुड़ ही रहे, बच्चे शक्कर हो गये”

I was talking about statistics. We are now engaged in trying to work out these problems as far as possible

on a statistical basis. In this matter, naturally, we have asked for the help of our senior statisticians in the Statistical Institute. Such of the hon. Members as have seen the Statistical Institute in Calcutta will know what fine work they are doing and on a big scale. There are hundreds and hundreds of young people being trained there. In fact, it has become a centre of international training. There are, I think, men of 20 nationalities being trained there. Very eminent professors have come from abroad. At the present moment there are expert statisticians of world repute from a number of countries including America, England, France, Belgium, Norway, the Soviet Union, Japan, and may be one or two other countries. I am glad to say that there is peaceful co-existence among them. As I said, the problem is, we have set out for us to work out statistically as far as possible, how in 10 years' time—the Finance Minister yesterday said about unemployment being ended in 10 years—we can end unemployment and of course, increase production all round, how to do it in a balanced way and how much investment is necessary in heavy industries and cottage industries. It is obvious to us that we cannot do without any industries. We cannot do without cottage industries in a big way. It is not a question of conflict between them. All this has to be balanced in order to bring about this production. Of course, this requires very heavy investments. My point is this. I beg of the House and the country to consider these problems on this basis, excluding words and terms which provoke perhaps passions, excluding the sloganlike approach, but in a practical way. We have got to do this and that. We have got to produce certain things. If we have got to produce certain things, we have got to have a factory or whatever it is, to produce them.

1 A.M.

If we want a factory, we have got to make the machines for a factory in India, and look ahead as to what we want five years later. We want a

plan for it today. It is Professor Saha or Shri Asoka Mehta who pointed out that we have been very slow about our steel production. I accept that indictment. We might have gone faster, certainly; but, anyhow, we have woken up to this fact some time back, and we intend to go as fast as we can. For the moment we have in view at least two additional plants and we are thinking also of a third. That is, we want to quadruple our steel production in the next few years. So, that, in these matters one can only approach them from this point of view of how we can bring about the greatest amount of production and the greatest employment, and the purchasing power etc., will flow from employment.

There is much discussion about the public sector and the private sector. I said the other day,—said it more than once,—that I attach great importance to the public sector and that the pattern of a society that we look forward to is a pattern which, broadly speaking, can only be described as a socialist pattern of society which is classless, casteless,—So far as the Congress is concerned, for a long time past it has laid down its objective as a casteless, classless society—which can only be attained obviously in a socialistic pattern. That is agreed. But, again, I would beg of you to think of the problem not, let us say, in this way that because socialism imagines or conceives of all nationalised industry, therefore you must have all nationalised industry;—I think that progressively as the socialist pattern grows, there is bound to be more and more nationalised industry—but what is important is not that there should be an attempt to nationalise everything, but the results of that. That is, what you are aiming at is production and employment. If by taking any step you actually stop the production process from growing, the employment process from growing, then that does not lead you to that socialistic pattern, although that little step might be called socialistic. What one has to do is, in a country like

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India, where, being under-developed in many ways, money is lacking, where trained personnel is lacking, where experience is lacking, we have to take advantage of such experience, training, money etc., as we have got everywhere. We want to make this business of building up India, a tremendous co-operative enterprise of all the people, and try to avoid mere conflicts and try to avoid taking steps, which, by themselves may be agreeable, but which really have a chilling effect on this pattern. We want to go ahead in regard to production and employment. That is the vital thing. And in order to do that, we have to create an atmosphere and encourage the initiative for that purpose.

Now, in regard to the public and the private sector, it is obvious that with all the resources that we may have in the country in the hands of the State—they are limited—we cannot do all that we want to do at the present moment. We will try to do as much as we can, and perhaps we might do a good deal. But some people suggest: "You must prevent the private sector from functioning in regard to industries". I think any such idea comes from confused thinking. I do not understand this business. I want a socialist society in India, but I am not going to get it by merely passing resolutions and slogans. I want India to move in that direction carrying a large number of people with it. I want to get of this framework of an acquisitive society.

Shri S. S. More: Do you want the consent of the capitalists?

Shri Jawaharlal Nehru: I might even seek the consent of Mr. More occasionally.

Shri S. S. More: But Mr. More is not a capitalist.

Mr. Chairman: Order, order.

Shri Jawaharlal Nehru: It is obvious there is no question of asking for people's consent, and especially we do not go and seek the consent of the landlords before we have land legislation. It is absurd. But, neverthe-

less, we have land legislation in a way so as not to throw the landlords to the wolves. That is, we try to fit them into our future structure. As a matter of fact, hon. Members might know that the landlords, say of U. P., apart from a few, have been terribly hard hit by the land legislation; vast numbers, hundreds of thousands—I am not talking about small numbers—have been hit very hard indeed. Well, that is a consequence of a social change. One cannot help it, and many of them, realise it and accept it. We have not made them enemies. The other process is to make other people your enemies, call them enemies, and instead of getting some help from them, actually get obstruction from them. That I say is a wrong process either logically or from any point of view.

There is no question of our asking the permission of any capitalist or anything. But the point is, we have got this policy; whatever policy we lay down, we go ahead with it, but we always try to win over even those who suffer from that policy. One cannot win over everybody, but we will create an atmosphere of co-operation with us. I am too humble a person to talk big, but that at least is some little lesson we learnt from Gandhiji. He was a hard man in regard to the policies he considered vital, but he was always trying to win over even his opponent and his enemy—whether it was, politically, the Britisher, or whoever it was. Therefore, I submit that I would be glad if we made it perfectly clear what our objective is, what the socialist pattern of society means for us. But, having made that clear, let us not get lost in language, let us not think that we have done anything. It is far better to think in objective terms, than be involved in this, that and the other. We want fuller employment. How are we to get it? We want industry. In order to get a socialist pattern of society, we have to break through, it is true, a certain crust of structure, call it an

economic structure or a social structure. In the social structure, I would include caste and everything which inhibits progress, which comes in the way, which prevents the full growth, the full initiative being exercised by masses of people. I want to release that energy of the people. It is true that energy is released, maybe, by a violent revolution, but then you pay for that revolution heavily, and it takes a generation or half a generation at least before you get over that, and there is a tremendous hiatus, and therefore, one has gradually to get out of that old crust. The old feudal crust was broken by the capitalist order when it came—the new capitalist order. We have to get out of this capitalist crust, and go in a socialist direction. As a matter of fact, all over the world this process is continuing, because of the nature of things. Some individuals might talk somewhere in a distant country about private enterprise and *laissez faire*, but nobody, practically nobody, believes in *laissez faire*. There is regulation and control all over the place in regard to industry and imports and exports. The State everywhere, even in the more highly developed countries of the capitalist economy, functions in a way which possibly a Socialist fifty years ago did not dream of. That has happened. But I am not saying that we should follow that slow course. I say let us go swifter and faster in that direction, definitely of a socialistic economy, but let us go in a balanced way. Let us get as much help as we can; and I do not see any harm at all, in fact I see a lot of good, in the private sector functioning.

I just reminded the House of a fact which perhaps it has not kept in mind, that our biggest private sector is the peasant, and the peasant, by the nature of things, is a conservative person, is far more conservative than the industrial worker or other. I am not going into the land problem now, but obviously by the abolition of the landlord system, we have not solved the land problem. Obviously, many other steps have to be taken. But

here is this economy—of which whatever the percentage may be, I do not know, seventy, eighty or ninety per cent. or whatever it may be—which is an agrarian economy based on a private sector. What are you going to do with it? Well, we change it gradually.

The Finance Minister said something about rural credit and rural banking. I think that is a tremendous thing to release the energies of this vast countryside, if we do it rapidly and thoroughly. These are the things which you can discuss, and I am sure hon. Members of the Opposition could put forward many ideas which should be helpful. Merely to denounce it or repudiate it does not help at all.

Therefore, one has to think in terms of our objectives, keeping them ever in mind, the objectives being, I say,—to put it in that way, a socialised pattern of society. We want to attain that, the real objectives being human happiness of all our people. To put it in a more restricted way, we want full employment, and much greater production to raise our levels. To put it yet in a different way, we want to attain these things in a peaceful democratic way. We think that is the best way to attain them, because that prevents conflict, or lessens conflict; and therefore, ultimately, it is the speedier way, and it does not leave these trails of bitterness behind, which are very harmful both to the State and to the individual. And within the State, we have to proceed as co-operatively as possible.

Now that might be good enough for any country, but for India, more especially, I think, it is even more necessary that we pursue that path, because of the great diversity of India, because, unfortunately, of the fissiparous tendencies, whether they are provincial, State, caste, communal, religious or whatever they are. We have got so many things to fight against in this country, and if we lose sight of this broad picture and merely butt in in one direction,

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well, we might upset the whole appiecart.

I now come to the public sector. From this larger point of view, it is obvious, in a country as undeveloped as we are, quite apart from the objectives, we cannot progress except by State initiative, except by enlarging the public sector, and except also by controlling the private sector in a measure, i.e., the important points of the private sector. I cannot obviously go into the question where the line should be drawn. But the line will ever be a changing one because the public sector will be a growing one, and the point is that the strategic points must be controlled by the State. The strategic industries, and the strategic points in the private sector must be controlled by the State. Having said that, I should also like to say this. If I am right, Shri Asoka Mehta said something yesterday about the narassment or something caused to the private sector. I agree with him that we should control the private sector, the strategic points in the private sector. Having said that, if you leave something to the private sector, give them freedom to function within those strategic controls; it is absurd to ask them to function, denying them room to function there, denying them the initiative. We have them because presumably we think they will add to our common good in production. And if we deny them, in that sphere demarcated for them also, any initiative, then they are useless and helpless; it is better to take the whole thing then into the public sector.

If I may repeat, our policy must be, inevitably, one of raising production and increasing employment as rapidly as possible. In doing that, we can devise means. In doing that, it is essential that the public sector should grow as rapidly as possible. I think under circumstances in India today, it is quite necessary that the private sector should function under

certain broad strategic controls, but otherwise with freedom, with initiative, etc., within those limits. But the controls are there, because we have to think of the public sector, and the private sector is part of the Plan, is a co-ordinated part of the Plan; this is where the strategic controls come in. That is to say, you have to think of the whole purpose, business of building up India as one large-scale enterprise, co-operative enterprise, in which every group and every part of India shares. That is the only way I can conceive of it. There are people, naturally, in India, who are selfish, who are bad, who are corrupt, and who are everything—I do not say, everybody in India. But you have to create an atmosphere, so as to bring in as many people as possible to help in their own way. And we have to be wide awake all the time, so as to change our line of demarcation, for there is no limit to the public sector, and it can take anything it can. I do not wish to limit the public sector at all anywhere. Whatever we can, we take it. But our resources are limited, the State's resources are limited. It is no good my preventing somebody else doing something which I cannot do myself; that is just folly, because thereby we lose something which might be done.

The Finance Minister calls this pragmatic approach. It is pragmatic in the sense that the pragmatic approach itself look in a certain direction, has certain objectives and definite ideas about it. But otherwise, it is based on an objective consideration of things as they are, and we can constantly vary any line to that extent.

Reference has been made to the industrial policy statement of 1948. It is a broad statement. It does not go into any details. Shri Asoka Mehta referred to it as something moth-eaten. I really do not know what he meant by it, unless he said that he wants to go a little further. I think basically that statement is a very good statement. One can add to

it. One can implement it. One can give more emphasis. But I see absolutely nothing in it which is wrong from our present point of view, and I think it is good indication of how we should proceed.

- Maybe, in the course of the next few months, we shall have to consider the second Five Year Plan, and in that second Five Year Plan, it is obvious that we shall have to lay much greater stress on industry. It is obvious that we shall have to lay much greater stress on the public sector of the industry in that Five Year Plan; also, the private sector, of course, will be there. I hope in fact that this House will have full opportunity to consider that even in its draft stages. The idea apparently is that a draft Plan should be prepared for discussion, i.e., the draft second Five Year Plan, and after full discussion not only in Parliament but outside in the country, later, i.e., after some months later, it should be finalised. That will be time for us to consider many of these details and lay down not only broad policies, but even more definite policies in regard to particular sectors.

Shri Gadgil (Poona Central): Since the industrial policy was enunciated on 6th April 1948, this House has listened to statements and commentaries on the same on many occasions. Recently also, some pronouncements were made by important members of Government, before certain Chambers of Commerce. We have before us now the speech of the Finance Minister, very carefully worded. And today we have listened to a vigorous speech by the Prime Minister. I am not attempting to reconcile every statement contained in every pronouncement, but I am trying to draw certain conclusions which, according to me, emerge from the various pronouncements and statements. One conclusion, obviously, is that the policy enunciated in 1948 remains. What is the exact implication of that policy has been

a matter of a variety of interpretations. The hon. the Prime Minister has been very pronounced a few days ago while speaking before the members of the National Development Council, that the aim of this country is absolutely and definitely to establish socialism. I base all my arguments hereafter on that solid and central fact. He has also said on another occasion that this process of establishing socialism is going to be a gradual process, and that democratic method will be followed in implementing this high objective. Now, democratic socialism, as I understand, is socialism in form and plutocratic in content. I have no objection that in implementing this, the method should be democratic, for I have always held the view that if you want to avoid revolution, you must make revolutionary use of your Constitution. If you want to liquidate the capitalist society or the acquisitive society, as the Prime Minister was good enough to call it, then it must be done by enactments here in this central legislature of the country. Now, I am concerned with the steps that have been taken in the course of the last seven years to implement this high ideal. The objectives of that resolution, as also the objectives which are referred to in the Planning Commission's report, are all good objectives. There must be social equality, social justice, equality of opportunity and so on and so forth. I ask myself whether the steps so far taken have been towards the establishment of this or whether they have in any way prejudiced the early implementation of that ideal. I was very much pleased to see the impatience of the Prime Minister when he said that he wants socialism not in 30 or 40 years, but he wants everything to be done, if possible, within ten years. That is another central point which I take as the base of my further argument.

Now, in the course of the last seven years, what steps have been taken in order to bring into existence an atmosphere in which there will be no concentration of wealth? Two

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things stand prominently before our eyes. One is that in the course of these seven years, every possible relief has been granted to the richer classes and the capitalist classes. There has been considerable reduction in the direct taxation; on the other hand, in the course of the last three years alone, Rs. 50 crores have been added by way of indirect taxation. I do not grudge it, because after all, it is my country, and I want to develop it. I have a stake in it. Every poor man must contribute to it. But there must be equality of sacrifice. The policy of liquidating the landlords has been implemented, and further implementation will follow when there will be a ceiling on maximum holding. But is there any ceiling on maximum holding in the commercial or industrial world? On the contrary, in the course of the last seven years, the Limitation of Dividend Act has been cancelled, the Capital Appreciation Act has been cancelled, excess profits tax has been cancelled and income-tax relief to the higher income brackets has been given. Today the interpretation on the question of nationalisation put by the Prime Minister differs slightly in my favour from the one which he put at Ajmer. He said that we want to use existing resources for bringing into existence new industries and Government do not like to spend money in buying junk. May I say in all humility that the textile industry, jute industry, insurance, banking, all these are industries which must be taken over by the Government in the words of this policy in a progressive manner? I want, therefore, to ask the Government in all humility—just as you have a plan to expand the public sector, what is your plan for progressive participation in the other segment of the industrial sphere, according to the terms of the policy enunciated in 1948?

The Minister of Finance (Shri C. D. Deshmukh): Which exactly are the terms?

Shri Gadgil: Progressive participation in the other sphere. The industrial policy resolution of 1948 contemplates three segments: one in which Government alone will control and own, and existing industries may be taken over by the Government; the second sphere is where the Government will regulate, by and large; and the third sphere is absolutely left to private enterprise. The second sphere contemplates and covers insurance, banking, textiles, jute and some of the main industries. Now, if you are not going to touch any of these industries for another 20 years, you will not only maintain the atmosphere in which there is a certainty of wealth being concentrated in a few hands, but you will improve the situation for those few who have the money and who have the power.

Shri B. Das (Jajpur-Keonjhar): What is your remedy? What advice will you give them?

Shri Gadgil: My remedy will be available....

Shri B. Das: Expropriation?

Shri Gadgil:.....in due time, if you have a little patience.

Shri T. K. Chandhuri (Berhampore): Will the hon. Member kindly look to the copy of the Industrial Policy Resolution? With regard to the second sector which he mentioned, there is no mention of textiles and other things at all.

Shri Gadgil: It is not a question of mentioning a few. Exclude the first and what remains is second. That is logical enough.

Dr. Lanka Sundaram (Visakhapatnam): Presumption.

Shri Gadgil: I do not mean that everything should be nationalised. Those things should be nationalised which are in the best interests of the country. That is my test. I want the Government to consider if they

want to find out employment for so many millions of people—according to the statement of the Finance Minister, about a thousand crores of rupees will be required annually for investment—what are the resources from which they are going to have this big amount. Taxation, then loan. But over and above this, if he were to take certain industries like textiles, and insurance, I am sure he will find ample money—I am discussing this purely from the point of view of supply of finance and not from the point of view of establishing social equality. Recently the step that is taken by the Government, namely, of organising credit for private enterprise is such as is going to prejudice the implementation of that high ideal which was referred to by the hon. Prime Minister just now. When the question of the new credit corporation, for which we accorded our sanction came, we complained that we must be given sufficient information. No sufficient information was given and we voted the supplementary grant with regard to it. Now, see how private enterprise is being encouraged. Not only the existing but the future Government is going to give them about 10 to 15 crores of rupees free of interest for a long period of time.

The Deputy Minister of Planning (Shri S. N. Mishra): Seven and a half crores.

Shri Gadgil: How many years, ten years fifteen years? Is there any provision that when these industries will start making profits they will not go beyond a certain margin and the entire margin over and above 4 or 5 per cent. will come back to the Exchequer either by way of taxation or by some other method? We have no information. On the contrary, what I am afraid is that the Indian private capitalist knows that the general atmosphere is very much against and therefore he is trying to reinforce his forces by having a sort of co-operation with private capital from abroad. I am not against foreign aid. In fact, if foreign aid is

taken on government level, or on condition which will not prejudice the ultimate realisation of our ideal of establishing a classless and casteless society, then I can understand it.

My hon. friend Mr. Deshmukh was quite right that the central objective of any economic policy must be to find full employment. I am not satisfied if I am told that there has been an increase in the manufacture of cement, in the production of electricity, in the production of this commodity or that commodity, when I have no employment, when I am willing to work and I have no employment. I feel that the time has come for the Government to realise that unemployment in the country is no fault of the individual but is the fault which is inherent in the economic organisation of the country itself and the sooner the economic organisation is changed the better. I was very glad to read from my hon. friend's speech yesterday that the Plan is flexible. Of course, everything concerned with the Government of India is always dynamic.

Dr. Lanka Sundaram: Even when you are there?

Shri Gadgil: Yes; we can revise it, recast it and review it. The point is, what has been done to relieve unemployment. I hope my friend will not mind if I were to say that about 18 months ago, most of the members of the Government were not willing to concede that there was unemployment and some of us,—including my friend, Prof. Mishra, who is now, I am very glad, on the treasury benches.—had to convince the Government.

Dr. Lanka Sundaram: You came out and created unemployment.

Shri Gadgil: There was a resolution passed at the A.I.C.C. meeting at Agra and thereafter some surveys were made. The result of those surveys are not available. But, from such newspaper reports as one is

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able to get, in Calcutta 40 per cent. of the middle classes are unemployed. In Bihar 15 per cent. and in the urban areas, even according to the Finance Minister, 15 per cent. are unemployed. 6.4 crores is the urban population of this country. Although, I do not say it is correct, but roughly speaking, nine million people are unemployed in urban areas alone. Add to it what one finds in our rural areas, where 30 per cent. people roughly, are not employed throughout the year. And, if you calculate four seasonal employed as equal to one unemployed throughout the year, there will be a huge total. Over and above this, nearly two million people come into the employable age every year. Sir, when on a former occasion I calculated that full employment is necessary for at least two crores of people and men who were supposed to know the real affairs laughed at me and said I was endowed with more imagination than wisdom. I am glad that Shri Gulzari Lal Nanda has said that the situation has deteriorated.

Shri S. S. More: He has?

Shri Gadgil: Only a few months ago at Ajmer, when I said that unemployment is mounting up, two Chief Ministers of States contradicted me and said that I was creating panic.

Take, for example, the policy of de-control. I have nothing to say about it except to refer to its consequences. Eighty thousand people have been retrenched and thrown on the streets and hardly 10 per cent. of them are absorbed, some of them fairly well and others precariously. They are employed for two months, again retrenched, then employed for another two months and then again retrenched. Admittedly unemployment is existing. Now, my hon. friend has said that we must make some impression on the present situation. I concede that many Members of the Government have shown genuine sympathy and what is needed is a

little measure of action. I again repeat that it is not the idea or the objective of the policy but the tactics that are being changed from time to time that matter. A little more pressure from the capitalist class who seem to have a lobby here and also outside, well organised results in changing the emphasis.

Shri S. S. More: Even inside the Congress?

Shri Gadgil: If there is some pressure from the proletariat and the unemployed, Government must not mistake it as some unconstitutional act but must try to understand it, I honestly feel that the way in which this problem has been handled so far has not done any justice to the people who have been retrenched. I, therefore, very humbly suggest to Government, now that they are fully aware of the magnitude of the problem—and very handsome promises are being made that within the next ten years we will have no unemployment and within five years a sizable effort will be made. There is a Persian proverb that the Doctor is coming, is coming, is coming and by the time he comes the patient expires.

श्री गिडगळी (धाला) : ता तिरयाक बर इ'क आवुर्दा शबद, मार गुजरा मुर्दा शबद ।

Shri Gadgil: My suggestion to the Government is that in order to feel the urgency of the problem they should accept that doles however small, to the unemployed should be considered as a government obligation. Then only Government will do their best to find employment so as to avoid this payment of doles. Otherwise, a Government which is 50 per cent. private enterprise and 50 per cent. public sector is not going to be as earnest as one desires. These are the men who are out to inaugurate a classless and casteless society. I have no doubt in their political integrity, that they will implement the policy that we have accepted, but that there are circumstances where it is very difficult for

men to act against their own convictions.

श्री गिड़चानी : इनाज दिल्ली दूर अस्त ।

Shri Gadgil: What is needed, in finance Minister's own words, is an increase in the rate of investment. Why wait till the Budget session? He has very carefully said that these matters for decision should be more appropriately discussed during the Budget session. I agree. But, let us try to create an atmosphere in which his hands will be strengthened and I have once before proposed and I propose it again that in this country there is no justification to allow any man to earn more than Rs. 30,000 a year. This ceiling on the maximum income should be there.

An Hon. Member: That is too much.

Shri Gadgil: I am prepared to accept something less but since our leader says that it must be gradually done I am agreeable to have it done in gradual manner I do not want to minimise the problem of unemployment. It is a huge problem. I do not want to belittle what the Government has done. What I want to impress on the Government very earnestly with all the humility I have is that this is a dangerous situation. (*Interruption*). You can never understand humility—at least Mr. More can never, and I say that this is a dangerous situation that might lead to anything in the near future. There may be ideological differences but they do not matter with me in the present context. My approach to this problem of employment is as pragmatic and as practical as the one of the Finance Minister. Everyone of us looks upon this country as our motherland, but those who are in charge of the affairs of the motherland must secure equality of sacrifices. Have we all suffered in our careers and in our lives—hundreds are still begging in the States who suffered quite a lot for this country—so that a few capitalists may prosper? Freedom was won by us and not by the capitalists. They profited under the policy

of protection. When the foreign Government was there, they served them. During the war they made tons of money, and if they are to be top-dogs now when you say that this is democracy, that this government is of the people, for the people and by the people, then Government ought to revise its policy.....

Shri S. S. More: Only by the Congress.

Shri Gadgil: and should not give any quarters on the ground that there will be some conflict here and there. There is not going to be any conflict. If two per cent. of the people were to say 'No', there is not going to be any conflict. Are they going to dictate the economic future of this country? That is the question before the House. My humble submission is that we agree that there is only one creed, namely, dedication of one's life for the service of the mother country. Thousands and thousands have done this and as one of my friends said in a lighter mood, Ram Rajya is established.

Shri S. S. More: Sri Ram.

Shri Gadgil: Bibhishana was a traitor and he got Lanka. Hanuman, who burnt Lanka and who did everything, got his face even blackened and is being served with oil.

बिभीषण को लंका और हनुमान को तेल
Bibhishana got Lanka and Hanuman got tel—this is Ram Rajya. It should be something different. I do submit that the test by which the Government will be judged by the people is this: How much unemployment you have reduced in the course of the next two years and a half. If you do not succeed there, then we know not only the fate of the Government but those of us who did their best to support this Government, those of us who sacrificed everything for the struggle of freedom, will not die peacefully in the satisfaction that they have done right and that they prevented something wrong being done.

Acharya Kripalani (Bhagalpur cum Purnea): Yesterday I heard two

[Acharya Kripalani]

sagas; one was sung by somebody in the Secretariat who wrote the memorandum on industrial policy, that was the saga of the post; then there was another saga sung by the Finance Minister for a bright future. I thought that these two sagas will suffice, but today we heard a third saga, which includes the past, the present and the future, from the Prime Minister. He was very eloquent and in his eloquence he was very denunciatory. I think the presence of Professor Saha in the House was acting upon him. Professor Saha happens to be so unfortunate as to have fought his elections and come into the Lok Sabha, but there are other scientists who are placed deliberately in the Parlok Sabha by the Government itself.

Shri D. C. Sharma (Hoshiarpur): Which is Parlok Sabha?

Dr. Lanka Sundaram: Go and find it.

Acharya Kripalani: The Prime Minister has told us that we have done wonderfully well. Of course, in his speech he has. And he was loudly cheered,—at least by Congressmen. But as soon as he had finished, one Congressman got up and gave us a picture which does not appear to be very bright. He said that we have not done very well. The Prime Minister said that we do not want to be very harsh upon capitalists, and a Congressman got up and said that we have got to be more careful about the capitalists.

In 1948 there was a policy statement, but that statement is very wonderful. It posed mixed economy. This mixed economy is everything to everybody.

Shri S. S. More: Adulterated economy.

Acharya Kripalani: There is a conflict between the private sector and the public sector. It is like a play being staged before us, in which private sector always grumbles that it is being neglected and the Government is very happy that the private sector is

grumbling, because then it gets the credit that it is not working for the private sector but is working for the public sector. All the time it is working for the private sector which is growing, and as my friend Shri Asoka Mehta said, it is being trustified. A few families are getting more and more companies under their control and on the basis, what is called managerial agencies.....

Dr. Lanka Sundaram: Managing agency system.

Acharya Kripalani: The managing agency system is a very peculiar thing. It is not confined to an individual who has got knowledge, experience, and intelligence, but it is confined to hereditary families. There are managing agencies not of individuals but of companies—and they have innumerable companies for which they are managing agents—may be cement, paper, newspapers, cotton and jute factories and all sorts of things. These managing agencies are becoming more concentrated and yet it is said that we are going towards socialism. Here are figures which give the number of companies that the agents had before and the number of companies that they have now. Andrew Yule had 32 in 1911 and now they have 50. Mcleod had 11 and now they have 40 companies. Talking of the Indians, Dalmia had no company and now he has 38 companies.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Mcleod is also Indian.

Acharya Kripalani: Evidently everything is Indian so far as our Commerce and Industry Minister is concerned, because he makes no distinction between Indian and European; he is a *Mahatma*. Not only that. We have also seen that the Government creates corporations. By whom are these corporations managed? As my friend, Shri Asoka Mehta said, by the tax-dodgers whose cases are yet pending before the Enquiry Committee. And yet our Prime Minister says that the

1948 policy enunciates socialism. This must be a very peculiar kind of socialism—an Indian brand of socialism, or shall I say the Government of India brand of socialism?

An Hon. Member: Nehruism.

Acharya Kripalani. I think you might have that name: it will be more appropriate.

While our Prime Minister says that we are going towards socialism, what does our Finance Minister say? The Finance Minister, adhering to the policy statement of 1948 said recently in Ajmer that there was plenty of scope for private enterprise and assured the private sector that the Government might come in as a pioneering body in respect of certain new industries and hand them over to private enterprise in due course after stabilisation.

What is the meaning of this? The meaning of this is that Government might pioneer a scheme, spend crores of rupees upon it, suffer losses and when it has suffered losses in pioneering a scheme, it would hand it over to the private sector in order to make money, because the pioneering stage is over. All the capital has been sunk into it by Government. When I say "Government", it means the public. This is the kind of socialism that is contemplated by our Finance Minister.

Then we have the Planning Commission. Its function was to make an objective and scientific study of the country's development and economic problems. It consisted formerly of all wholtime non-official members, except the Prime Minister. Their number has now dwindled down to two. The majority, comprises of Ministers. Therefore it is not wrong to say that this Planning Commission is only a sub-committee of the Cabinet. Recently the Finance Minister said that problems which could not be solved by the economists of India and also by the Planning Commission, are being solved by the Cabinet. Today there is

no difference between the Cabinet and the Planning Commission.

Within the Cabinet itself there is a great deal of difference as to what is to be our industrial policy. It is well known—recently it appeared in the papers even—that the Commerce and Industry Minister was resigning. Why? Because he had differences about the industrial policy laid down. It is very strange that before Ministers resign they advertise their resignation, and when that resignation is withdrawn or somehow does not materialise, it is the Prime Minister that coaxes them to remain, while they are unwilling to remain.

Shri T. T. Krishnamachari: I would like to know whether the hon. Member can substantiate the charge. I think he was referring to me. Has the hon. Member any proof that I advertised my resignation, or I told him about it? I would like him to substantiate that charge. An hon. Member of his eminence cannot be permitted to make unsubstantiated charges on the floor of the House.

Acharya Kripalani: I said it appeared in the Press.

Shri T. T. Krishnamachari: Who advertised? The hon. Member said the Minister advertised it. I think the proceedings can be looked into. I think the House, at any rate this side of it, owes an explanation from him for that.

Acharya Kripalani: I said that the papers advertised that some Minister was resigning and the Minister did not resign and that there were differences in the Cabinet. If there is any word that has offended my hon. friend I withdraw it. What is there in it? I have no intention of offending anybody, much less our amiable Commerce and Industry Minister, who is a friend of the whole of humanity. I have said, and who makes no distinction between any Indian and a foreigner.

[Acharya Kripalani]

Then we have a number of Corporations that have been created. There is great confusion about them. There is the Industrial Finance Corporation; there is the Industrial Development Corporation; there is the Industrial Investment Corporation. Now what are these Corporations intended for? All are intended to help the private sector, to help them with funds; also if there are small concerns to make them big, and if small concerns are dwindling to help them. We have seen how the Industrial Finance Corporation has been functioning. There was a Committee appointed and it submitted its report. As if the report was not enough, there are the remarks of the Auditor-General. I suppose the new Corporations also would function as the old one has been.

An Hon. Member: This is a very pessimistic view.

Acharya Kripalani: If you want to have a more optimistic view of the industrial development, you go to the country. When our Prime Minister was saying that we have done excellently, well, that we have done a yeoman's job, I was wondering whether he was living in this country, or he was a casual visitor to this country. If I am to believe the people, our people are frustrated: there is nothing like doing a good job. The contradiction in our planning was perhaps more aptly and ably outlined by the Prime Minister himself. He recently in a mood of self-analysis and detachment, and also as if he were not responsible for it, referred to the utter lack of planning. I am quoting.

"The utter lack of planning apparatus has been one of the main reasons for the slow pace of development of the Plan."

This he considered very odd, for he said:

"I get cases of trained engineers seeking employment and yet we want thousands of engineers: competent men seeking employ-

ment and our lacking competent men at the same time of the same quality."

2 P.M.

Our Prime Minister talked of these laboratories, the national laboratories. They turn out scientists no doubt. But where are these scientists employed? What are they doing? The only result of these national laboratories that I have witnessed up to this time was a printing ink and the solar cooker. Criticising the educational policy, the Prime Minister said:

"In China every person in the University at present is trained for a particular kind of job, and the moment he gets out he goes and does the job." Contrasting with this, the Prime Minister said: "What happens in India is just the reverse. We have large numbers coming out of the Universities and they find no scope for employment." This is the evidence of the Prime Minister himself who was so optimistic about the policy that he and his Government are following. Talking in terms of the building up our industries, the Prime Minister said that "we must give up the idea of continually getting machines from abroad. We must build them here. I see it is just obvious and yet find our thinking is different." Please note that it is not Jawaharlal's thinking but his Government's thinking which is different. "Our Government departments and others try to find and get things from abroad and have a peculiar way of calculating to show how it is cheaper to get things from abroad. That I call perverted mind." These are not my words, I am not denunciatory. It is the Prime Minister who is denunciatory about the Government and how its work is being carried on. "That I call a perverted mind, absolutely perverted. Anything that comes from abroad is more expensive than anything produced by Indian labour even though it may cost ten times as much. We must think in a different way. This business of getting things from abroad

because they happen to be slightly cheaper and forgetting that there is the human problem in India—of employment, production and building up of our country—must stop.” I can point out a case. The Plan has provided for the rapid increase in the production of Deisel engine, but during the first three years of the Plan, the production, instead of increasing, has declined. Why? Why has it declined? It was explained that it was so as a result of heavy imports. Let the Minister of Commerce and Industry take note of this. Why this heavy import? I am sure we will be called little men, with little minds, suspicious people, if we say that these heavy imports are due to big and high commissions which are being enjoyed by some people or other somewhere. Otherwise, there is no reason why there should be less of production. When you put up a plant for producing a particular thing, you do not produce that thing, but you import. This has happened even in the case of the Sindri Fertilisers. Why does it happen? It happens I repeat, because there are big commissions to the enjoyed in some quarters or, may I submit that the Minister of Commerce and Industry believes in free trade? In an age of anarchy and tariff protection in every country, in a backward country like ours, our friend believes in free trade. He says when people want things which are cheaper, why should those things not be provided for. Recently, I was conversing with a distinguished person—I would not name him because I will have to withdraw my words if I use it—and he said this. You will laugh at what he told me, but I would request you not to laugh, because it is a serious matter that I am going to tell you I am telling you the truth. That man said: “If we do not allow imports, wherefrom will we get toilet paper?” (Laughter). In India, our countrymen have been living clean lives, and there is no dispute about that. I do not know whether this gentleman used toilet paper or not, whether he used water or not (laugh-

ter), but he told me, “wherefrom India would get toilet paper?” You are laughing, but I told you this actually happened. This is our policy, that there is nothing produced anywhere in the world which you cannot get here! The Minister of Commerce and Industry and the Finance Minister go on increasing the amount of imported goods including cloth. They say it is liberalisation of the policy. That is liberalisation. Take away our money and give them away to other countries. That is liberalisation of import policy. While the Prime Minister says that we must purchase everything Indian, this is how we proceed. And then, when there is unemployment, you close your eyes. When the question comes up before your eyes, then you are obliged to recognise it.

In this connection, I might quote what Shri Nanda has said. I forget what Ministry he controls. I have got a short memory.

Some Hon. Members: Planning.

Acharya Kripalani: Planning is no Ministry.

An Hon. Member: Planning and Irrigation and Power.

Acharya Kripalani: What he said is that henceforward the emphasis would be not on capital but on labour. He said that, “generally the employment situation both in urban and rural areas had deteriorated.” The number of registered unemployed in July, 1954, had more than doubled. It is acknowledged all over that rationalisation would diminish employment opportunities in the future and rationalisation in cloth industry would mean only an increase of three per cent of cloth. All the profits of rationalisation will go to the mill agents and not to the labourers or to the country. Here is unemployment, and here is rationalisation.

Only lip-service is paid to cottage and village industries. They say they have a mixed economy. Well, I do not

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know if mixed economy can function without demarcation of lines. Even if you want the private sector to prosper, give a sector to itself. Then do not increase that sector continuously as you did when you put up the steel plant. Steel which was listed in the public sector is given to a foreign company on 50-50 basis. You do not stick to your words. You produce more confusion: and this confusion you call as a pragmatic approach. I never knew a confusion was a pragmatic approach. I think confusion is confusion. A pragmatic approach is that which has a purpose, a goal, and then, you can make some slight changes as the situation requires, but a pragmatic approach does not mean confusion. So, I say, whether it is the Five Year Plan or it is the coming Five Year Plan, first of all, you must clear your thinking. What do you want to introduce here? Do you want a socialistic set-up? Then, even if you want to keep private industry alive, give a sector to itself. But you will have to think of unemployment. Our friends and especially those from the Ministry of Finance and the Ministry of Commerce and Industry said that in ten years they expect to give employment to 12 million people. Have you understood what this means? We are industrialising since the last 100 years or so; at least since the last 50 years. But the total number of people employed in the mills and factories in centralised industries is 25 to 30 lakhs only, and even today, the total number of workers in the decentralised industries is about 125 lakhs. Suppose in ten years you even double your production. What will be the result? At the most you can employ sixty lakhs of people. How will you in ten years give employment to twelve millions of people? Even when you double your production, the big industrialists will demand "rationalisation," which means again one-third or half of the labour already engaged would be thrown out of work. The capitalists will be always at your doors. What

is the meaning of big industry? What is the meaning of machines? Machines are labour-saving devices. The very definition of machine is a labour-saving device. If it is a labour-saving device, then by increasing machines you are only saving human labour while your people are dying of hunger and starvation.

The Prime Minister told us of those Community Projects. He said that the Community Projects are doing very well. And what is the "well" they are doing? The Community Projects have engaged themselves in education, in sanitation, in agriculture. Can a country live merely on agriculture, I ask. Even our Communist friend Shri H. N. Mukerjee, seeing the conditions of India, though he is not a believer in small-scale industry, advocated cottage industry. Why? Because he lives in India he knows the conditions of India.

If you want to revive the village you will have to revive the industry in the village. What was our village before the Britishers came? It was not only an agricultural unit. It was also an industrial unit. Not only that, I say every house was a factory in those days. Unless you make every house a factor, every village a factory, you cannot revive the villages. You cannot expect to bring all the village people to the cities to be engaged in big industry even if you have the necessary capital. You are playing a useless game, by which you will never be able to deliver the goods. Your river valley schemes are done through machinery and through western technology. What does China do? It employs millions of people.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): We are also doing it.

Acharya Kripalani: You are doing nothing of the sort. I shall see how you do it. China gives to every labourer one rupee four annas, one rupee eight annas a day. China does

not call for volunteer labour. In this country to call for volunteer labour, I say, is a crime against unemployment. When thousands and millions of people are unemployed you were those who are maintaining themselves to come and give you labour and deprive the unemployed of their labour. I say it is not a progressive move; it is a retrograde move. You want public co-operation. In China it is paid for. Here you want it gratis. That means those who cannot get employment are deprived of employment.

In whatever you do, I say, you talk of Gandhiji. He has given a scheme. You do not follow it. Yet his name is on your lips. I say you are deceiving yourself, your are deceiving the world.

If unemployment is ever to be solved in India, and to be solved democratically, you have no other course but to go to the village and cottage industries. This village and cottage industry should be modernised. You must supply electricity to every home. At present all the electric schemes of yours are meant for the urban areas and not for the rural area. Not only that. Your big industry, your steel industry should see that convenient small machines are made available to the villager so that his drudgery may be avoided and production may increase.

I have heard that in the textile industry there are about fifteen lakhs of people employed in the whole of India. And how did this textile industry grow? It displaced at least three millions of weavers, not to talk of spinners. This is the difference between centralised industry and decentralised industry. Fifteen lakhs of people are employed in the textile industry, and yet one-third of the production of our cloth is carried on by the weaving looms, by the handlooms. And handlooms have to engage for that one-third of production, about two millions of weavers.

So I say you are only playing with the country. You are only using words and deluding the people. If you

want the country to progress, divide the industrial economy into three sectors. One, in which the State acts. In that sector do not compromise with private capital for this reason or that. Give another sector to private industry so that it may also know where it stands. Give the third sector, to decentralise a village and cottage industries, at least that sector which is connected with our every-day needs and wants. Thus alone will you be able to balance your economy. Have a balanced and integrated economy, not only a mixed economy but an integrated economy, an economy which will function. Your present policy will not work. You will not be able to solve the unemployment question. Let your economics be the economics of men. Gandhiji said: moral economics are those that think in terms of men, not of goods. So far you have been thinking of goods, not of your people. When you think in terms of the people you will have to change your plans accordingly. Whether you proceed scientifically or you proceed pragmatically is a matter of indifference, but your goal must be clear. And that goal must be that the people of India have to live and live a decent life. In the words of the Prime Minister people want results. If you cannot give results democratically, then autocracy will come and give results. People are not so much enamoured of freedom as they are enamoured of security. Today security is a cry of the people, because they are starving. If you cannot give that security, I say any totalitarian creed will come in and will give them the security that they want.

श्री टंडन (जिला इलाहाबाद—पश्चिम) :
सभापति जी, इधर हमारा सामने यवर्नमेंट की ओर से पत्रावलि साहित्य इस बात का रत्ना गव्य है कि जो पंच-वर्षीय योजना उन्होंने चलाई, उस का क्या नतीजा वास्तविक कार्य में हुआ है। यवर्नमेंट के विचार में जो उन्नति हुई है उस का विचार उन्होंने हमारा सामने खींच कर रखा है। परन्तु जो भी उन को यह स्वीकार करवा पड़ा है कि हमारा दृष्ट में बेकारी घटी

[श्री टंडन]

नहीं, बढ़ गई हैं। एक ओर उन्नति का चिन्म हैं। हम ने यह किया, वह किया, उस को दोहराने की आवश्यकता नहीं, कल से हम उस की कथा सुन रहे हैं। जो साहित्य उन्होंने छापा हैं, जो अंक दिये हैं उन में वह चिन्म लिखा हुआ हैं। परन्तु इस एक वाक्य में कि बंकारी घटी नहीं, परन्तु बढ़ गई हैं, वह कुल चिन्म का चिन्म एक कालिग से पुत जाता हैं। क्या नतीजा इस का कि हम ने विशाल भवन बनाये ?

आचार्य कृपालानी : उन महलात में भूख भरे हैं।

श्री टंडन : विशाल नहरें खाँदी हैं, परन्तु बंकारी बढ़ गई हैं और बंकारी का अर्थ हैं मुलमरी। वह बढ़ गई हैं। वह एक बड़ा चिन्म दिग्दर्शन हमारे प्रयत्नों का हैं। मेरे विचार में तो गवर्नमेंट को गहरी दृष्टि से सोचने की आवश्यकता थी। क्या यह सब कुछ जो हम कर रहे हैं, यह धूम धाम जिस की सूचना पत्रों में हर लेखी जाती हैं, जिस के विज्ञापन आते हैं, पुस्तकों में जो हमारे सामने बराबर यह चिन्म आते हैं, क्या इन सब का यह नतीजा हुआ हैं कि बंकारी बढ़ गई हैं, और यदि यह सच हैं तो वह सब कुछ हम किस मतलब के लिये कर रहे हैं। आखिर मतलब तो यही हैं कि हमारे समाज का दुख दूर हो। बार बार मेरे सामने शब्द आते हैं, 'समाजवादी समाज'। समाजवादी शब्द तो समझ में आता हैं लेकिन 'समाजवादी समाज' यह समझ में नहीं आता हैं। समाज उचित बने यह तो मैं समझता हूँ, समाज नीतिक बने यह भी मैं समझता हूँ, समाज से दूरिद्रता उठे यह भी समझ में आता हैं, मगर यह 'समाजवादी समाज' से मेरे मस्तिष्क में कोई विशिष्ट चिन्म नहीं खड़ा होता हैं।

Shri Bogawat (Ahmednagar South):
Call it Sarvodayabad: we do not mind.

श्री टंडन : उस समाज की तस्वीर में अपने मस्तिष्क में रखता हूँ जिस की कल्पना गांधी जी ने एक शब्द 'राम राज्य' में की थी। मैं तो उस शब्द से यह समझता था कि गांधी जी के सामने वह चिन्म था जिस में कोई बंकाशा धनी न हो,

कोई बहुत धनी न हो, जिस में दूरिद्रता न हो, मूर्खता न हो, पाप न हो, शराब न हो व्यभिचार न हो। मेरे सामने तो यही राम राज्य का चिन्म था। गांधी जी के नाम से और राम राज्य के नाम से मुझे एक श्लोक याद आ गया हैं। रामचन्द्र जी ने आर्याध्या की बात कहते हुए कहा था "न मे स्तेनो जनपदं न कदुर्घः न मद्यपः, नानाहृताग्निः नाविद्वान् स्वैरी स्वैरिणी कुतः" इसका अर्थ यह हैं कि मेरे राज्य में कोई स्तेन या चोर नहीं रहता, न सूम ही कोई रहता हैं कि जो अच्छे कामों में रसा न दे, कोई मदिरा पान करने वाला नहीं रहता हैं, कोई रसा नहीं रहता हैं जिस के घर में बराबर अग्नि न जलती हो। लोग जानते हैं कि प्राचीन समय में बराबर २४ घंटे अग्नि रखना घर में अच्छा माना जाता था। कोई मूर्ख नहीं बसता हैं, कोई व्यभिचारी नहीं रहता हैं। और जब व्यभिचारी नहीं रहता तो व्यभिचारिणी कहां से आयेगी। न तो कोई व्यभिचारी हैं और न ही व्यभिचारिणी। इसी को गांधी जी राम राज्य, राम राज्य कहा करते थे। इस श्लोक में कोई आर्थिक चिन्म नहीं हैं परन्तु यह स्पष्ट हैं कि दूरिद्रता, मूर्खता और चोरों इत्यादि का न होना आवश्यक हैं। मैं इस सरकारी योजना की कथा सुन रहा हूँ, कभी वित्त मंत्री को कहते हुए और कभी दूसरे मंत्रियों को करते हुए। लेकिन नीतिकता की कहीं भी चर्चा नहीं आई। 'समाजवादी समाज' का शब्द तो आया परन्तु उसका अर्थ आर्थिक हैं, उसका ध्यान आर्थिक हैं, उस समाज में कहीं नीतिकता भी बसती हैं, इसकी कहीं कोई चर्चा नहीं करता। मेरा निवेदन हैं कि यह हम यूरुप के देशों की नकल कर रहे हैं। हम ने कुछ शब्द विलासत के लोगों से सीख लिये हैं और उन में से एक शब्द 'समाजवादी समाज' भी हैं। यह एक इस प्रकार का शब्द हैं जो हमारे भाई इधर उधर एक दूसरे के ऊपर फेंका करते हैं। इन शब्दों का तब तक कोई अर्थ नहीं जब तक कोई समाज सांस्कृतिक आधार पर न हो। मेरे सामने अपने देश की जो तस्वीर हैं वह यह हैं कि हमारे यहां चारों ओर समाज का नीतिकता आधार हो। वह व्यापार, उत्पाद, वह रोटी और वह भूमि और महल

किस काम के जहाँ मंदिर उछलती हैं, जहाँ अनैतिकता है, जहाँ व्यभिचार है ? मेरा निवेदन है कि हमारी गवर्नमेंट भावी समाज की तस्वीर सामने रखते समय केवल विदर्शी शब्दों के जाल में न फँसे। एक शब्द को सामने रखें जो गांधी जी ने हमें बताया था। वह शब्द है राम राज्य। बहुत से भाई शायद या कहेँ कि यह तो पौराणिक शब्द हो गया है परन्तु, सब बात यह है कि इस शब्द के भीतर ऊँचे अच्छे आदर्श हैं। यह शब्द प्रगतिवादी है। मेरे सामने यह सवाल है कि यह सरकारी उद्योग का कार्य है या इसे कोई एक व्यक्ति करता है इतने महत्व का नहीं है जितना यह कि हम समाज को किस आधार पर बना रहे हैं और साथ ही यह कि समाज के व्यवसाय में कोई बँकारी तो नहीं रह जाता है। गवर्नमेंट के साहित्य में जो यह एक वाक्य है कि बँकारी घटो नहीं बल्कि बढ़ी है, उसने मेरे हृदय में, इन सब कामों के बारे में जो हो रहे हैं एक निराशा सी उत्पन्न कर दी है। मेरा निवेदन है कि अब भी आप गहरी दृष्टि से यह समझिये कि जिस रास्ते पर हम चल रहे हैं वह नहीं रास्ता नहीं है। अरबों रुपया हम ने खर्च कर दिया है परन्तु सफलता अभी तक हम प्राप्त नहीं कर पाये हैं। हमें तुरन्त ही इस रास्ते को बदलने की आवश्यकता है। ठीक रास्ता हम इन छोटी छोटी योजनाओं को ले कर नहीं परन्तु छोटी छोटी योजनाओं को ले कर ही ले कर सकेंगे। हमें दंहातों में सीधे दीन के पास जाना चाहिये और उसकी बँकारी दूर करनी चाहिये। आज गवर्नमेंट का यह कर्तव्य है, तुरन्त कर्तव्य है, दस बरस बाद नहीं। यह बँकारी हमारे सामने और हमारे शासन के सामने एक बड़ा प्रश्न धर रही है। उसका एक ही जवाब है, और वह यह कि हम जिम्मेदारी लेते हैं कि हम देश में एक आदमी को भी बँकार नहीं रहने देंगे। इसकी आवश्यकता है। कोई आये, कशे बाशप, और कहे कि हम काम करंगे तो हम कहेँ कि नो हम काम देंते हैं। मेरा निवेदन है यह हमारे शासन को करना चाहिये। यह जो हमारा रुपया चारों ओर लग रहा है यह उचित प्रकार से नहीं लग रहा है। अगर इस रुपयों को दंहातों में

बँकारी को सीधे हटाने में लगाया जाय तो बँकारी हटना सम्भव है, असम्भव नहीं है।

प्राइवेट और पब्लिक सेक्टर की बात हुई। मेरा निवेदन है कि यह बड़े बड़े व्यवसाय जहाँ मशीनों से काम होते हैं, सम्भव है हम उनको आज बिल्कुल रोक न सकें, किन्तु उनकी संख्या और उनका क्षेत्र जहाँ तक सीमित हो वहाँ तक हम देश को सुख पहुँचा सकेंगे।

मैंने निवेदन किया कि समाज के जीवन का आधार नैतिकता हो। मेरा कुछ थोड़ा मा अनुभव है कि यह मिलेँ और यह बड़े बड़े कारखाने नैतिकता की ओर जाने वाले नहीं होते, बल्कि उलट इनका प्रभाव दूसरी ओर होता है। मुझ को एक बड़ा पुराना अनुभव इस समय थाप आता है। बहुत पुरानी बात है। मैं युवक था वकालत पास कर चुका था। १९०६ की बात है। हमारे पुत्र प्रातः स्मरणीय पीडित मदन मोहन मालवीय जी के मन में यह बात आयी कि इलाहाबाद में कोई मिल खोली जाय। उन्होंने मुझ से कहा कि तुम इसका थोड़ा पता लगाओ। मुझ को उन्होंने कई परिचय-पत्र दिये और बाहर भेजा मैं नागपुर की मिल देखने गया और फिर बम्बई अध्ययन करने के लिए गया। मैं नागपुर कई दिन रहा। वहाँ से बम्बई गया और मिलों का भ्रमण किया। आज भी मेरे दिमाग पर एक अनुभव जमा हुआ है। मैं एक मिल में गया जिसके मालिक कुछ धर्मिणा कहे जाते थे। प्रसिद्ध था कि वह धर्मिप्रिय पुरुष हैं। इस समय नाम तो लेना नहीं है। उनकी मिल में मैं गया। मैं घूमता फिरा। मैं वहाँ पहुँचा जहाँ बहुत सी स्त्रियाँ छोटे छोटे काठ के टुकड़ों पर सूत चढ़ा कर लाती थीं। उनको वह एक टब में फेंकती जाती थीं। यह कीर्तन थीं, सूत कातने वालीं। वह सूत एक तराजू पर रखा जाता था। वह तोला जाता था और तोल कर उन कीर्तनों से कहा जाता था कि तुम्हारा सूत इतना हुआ। मैंने उस तराजू को, जिसको अंग्रेजी में रिफ्रेंग बॅलेंस कहते हैं, देखा। मैं उसके पास खड़ा हो गया और मैंने तोलने वाले से पूछा कि तुम किस तरह तोलते हो। उसने बताया कि हम ऐसे तोलते हैं, इस निशान पर काँटा आता

[श्री टंडन]

हैं तो इतना होता है, इस निशान पर आता है तो इतना होता है। मैं सड़ा दखता रहा। दो तीन स्थितियाँ आयीं, उन्होंने सूत डाला, और उसने तोला और आवाज दी कि इतना हुआ। मुझको कुछ भ्रम हुआ कि कहीं मैं कुछ गलती तो नहीं समझा। मैं ने उससे पूछा कि तुम ने तो हमको ऐसा समझाया था कि यहाँ पर आता है तो इतने पाँठ होते हैं, लेकिन जो तुमने आवाज लगायी वह कम की थी। कहीं ऐसा तो नहीं है कि हम गलत समझें हों। वह मुस्कराया और उसने कहा कि हम अभी बताते हैं, और एक आध आवाज और देकर मुझे अलग ले गया। उसने कहा कि आपने ठीक समझा है, लेकिन यह हमारे मालिकों का दृष्टिकर्म है कि जब तौलों तो हर तौल मैं कुछ कम बताऊँ, नहीं तो इनकी मजदूरी इतनी बढ़ जायेगी कि उससे हमको घाटा होगा। वह सुनकर मैं दंग हो गया। मैं आशा नहीं करता था कि ऐसी मिल में इस तरह से मिल मालिकों की तरफ से खुली धोखेबाजी और चोरी होती होगी। यह तस्वीर मेरे दिमाग के कभी हटी नहीं। मुझे को बड़ा खेद हुआ कि एक ऐसे पुरुष के बारे में जिनको मैं ने धर्मात्मा समझ रखा था मुझेको अपना विचार पलटना पड़ा। उनके यहाँ से छोटें छोटें क्लकों को इस प्रकार की आज्ञायें दी जाती हैं कि तुम हर तौल में धोखा करो। यहाँ सरकार से और छंटाक के स्टैंडर्ड बनाती हैं कि कोई धोखा न करे। इंडियन पीनल कोड में एक बार धोखा करने के लिए दण्ड है, और वहाँ यह धोखा एक योजना की तरह से चल रहा था। मैं जो कह रहा हूँ वह अपने अनुभव की और आँसु की दृष्टी बात कह रहा हूँ, मैं हर एक मिल मालिक के ऊपर कोई बाँछार नहीं करता। लेकिन उसके बाद से मेरे मन में ऐसी छाप पड़ गयी कि यह मिल का व्यवसाय धर्म से अलग हो कर के ही प्रायः चलता है, अर्थात् कोई "धर्मात्मा," "धर्मात्मा" शब्द तो बहुत बड़ा है, परन्तु कोई जो सचमुच अपने को संभाल कर रखना चाहता है, सत्य के ऊपर चलना चाहता है, झूठ नहीं बोलना चाहता है, सचाई पर जिसका जीवन स्थिर है, उसके लिये यह

राह चलनी कठिन है। तब ऐसी योजना और ऐसे सिस्टम को, चाहे वह प्राइवेट हो या पब्लिक, जो इस प्रकार से खुली रीति से अनैतिकता की ओर ले जाने वाला है, मैं कहता हूँ आग लगा दो। यह सिस्टम हमारे देश में चलने के योग्य नहीं है। जितनी जल्दी हो सके इसको हटाना चाहिये। यदि हम मालिक को सत्य के रास्ते पर रख सकें तो मजदूर भी उस रास्ते पर आयेगे। जहाँ मालिक के दिल में, जो काम लेने वाले हैं उनके दिल में, प्रारम्भ से ही अनैतिकता हो तो वहाँ मजदूर क्या करेंगे? मेरे सामने तस्वीर केवल रोटी और पैसे की नहीं है। मेरे सामने तस्वीर नैतिक जीवन की है। वह नैतिक जीवन यदि हम दृष्टांतियों को मजदूरों को उन के घर पर रखें, गाँव में रखें तो उनको अधिक ई सकेंगे इसकी अपेक्षा कि हम उन को मिलों में ला कर दो, दो और चार, चार हजार की भीड़ में रख कर उन से काम लें। मेरे ऊपर यह असर है कि यह नैतिकता से दूर हटाने वाली चीज है। इसलिये मैं इस बात का पक्षपाती हूँ और मेरा यह निवेदन है कि मवर्नमेंट गाँवों की तरफ जाय और यह यत्न करे कि मजदूर को उसके घर पर ही कुछ व्यवसाय मिले जो वह कर सकता हो। जो काम वह आज भी जानता है वह उसे करे और उस काम के किये हुए परिणाम को हम जनता के व्यवहार में लावें।

अब के मिनट में समझूँ कि आप मुझे और दे रहे हैं ?

Mr. Chairman: The hon. Member has already taken twenty minutes. If he wants, he can take five more minutes.

श्री टंडन : बहुत धन्यवाद। मेरे सामने मुख्य प्रश्न यह है कि यहाँ से बकारी दूर हो और वह बकारी दूर हो नैतिकता के साथ। वैश्या बना कर किसी को रोटी नहीं देनी है, चोर बना कर, मूठा बना कर रोटी नहीं देनी है। हमारा क्रम यह चाहिये कि जीवन शुद्ध हो। वैश्या का शब्द मेरे मुँह से निकला। यह बात याद आ गयी कि हमारे देश में तीस साल से अधिक बरखाएँ

हैं। ये क्यों हैं और इस तरह अनौत्कता का जीवन क्यों बिता रही हैं? यह आर्थिक प्रश्न हैं, यह अनौत्क इसलिये हुई हैं कि उनकी आर्थिक समझ नहीं हुई। मैं चाहता हूँ कि हमारी गवर्नमेंट इस प्रश्न को देखे कि कोई औरत और कोई मर्द यदि कहीं पर काम मांगें तो उस कें लिये वहाँ काम मौजूद हो। भले ही इसके लिये चाहे हमें अन्य जगहों से रूपयें का बंधोबस्त करना पड़े, हमें उसको सुरन्त बुद्ध कर यह यत्न करना चाहिये कि जिन कामों में हम हर एक को लगा सकें, वही काम हमें मुख्य कर उठाना चाहिये।

मैंने कुछ भाइयों से सुना जो चीन से आयें थे, और हाल ही में हमारे प्रधान मंत्री जी भी चीन गये थे, उन्होंने देखा, मैं तो गया नहीं, लेकिन कुछ वहाँ का हाल सुना और मुझे यह सुन कर बड़ी प्रसन्नता हुई कि वहाँ पर उन्होंने बेश्याओं का रोजगार उड़ा दिया है, वहाँ पर अब बेश्यायें नहीं हैं। मैंने सुना है कि वहाँ पर भिक्षुमंते नहीं हैं। इससे जान पड़ता है कि उन्होंने अपनी आर्थिक योजना ऐसी बनायी है जिसमें हर एक को वह काम देने का उपाय है....

डा० सुरेश चन्द्र (औरंगाबाद) : चीन में बेरोजगारी ज्यादा है।

श्री टंडन : मैं ज्यादा तो जानता नहीं। मैंने सुना है कि वहाँ पर बेश्यायें नहीं हैं और उन्होंने बेश्याओं का रोजगार अपने यहाँ से हटा दिया है यदि यह सही है तो जाहिर है कि उन्होंने उनके लिये कोई और रोजगार दिया होगा। मैंने कोई बचन नहीं दिया है कि चीन के बारे में जो बातें कही गयीं वह सही हैं। मैं तो वहाँ गया नहीं, जो मैंने सुना वही आपको बतला रहा हूँ। मेरे एक भाई ने अभी कहा कि चीन में बेरोजगारी है। अगर वहाँ पर बेरोजगारी है तो उनको उसे हल करना पड़ेगा। मैं अपने देश की बात कह रहा हूँ

कि हमारे देश में बेरोजगारी को दूर करने का रास्ता यह है कि हम गांव में जा कर इस बात की जिम्मेदारी लें कि जो काम करने आयेगा उसका हम वही पर काम देंगे, मगर ऐसा तभी हो सकेगा जब हम यह तय कर लें, और यह सिद्धान्त जरा समझने की चीज है, कि हम कबल उसी चीज का व्यवहार करेंगे जो हमारे देश में बनती है। जो चीजें हमारे देश में बनती हैं, हम जहाँ तक सम्भव होगा, अपनी आवश्यकतायें उन्हीं में सीमित रखेंगे और हमारी आवश्यकतायें वही होंगीं जो हमारे देश में बनती हैं। यह काम थोड़ा तपस्या का है और इस को ऊंचे स्तर पर जो लोग हैं उनको चलाना पड़ेगा। मैं यह कोई नई बात आपसे नहीं कहता हूँ। मुझे याद है कि इंग्लैंड में जब लैबर मिनिस्ट्री थी तब वहाँ के एक मंत्री ने भी इसी प्रकार कहा था, कुछ अनएम्प्लायमेंट बेंकारी वहाँ पर भी थी, तब उन्होंने कहा था कि इस को बंद करने का एक ही रास्ता है कि हम अपने देश में वह सब सामान बनायें जिसकी कि हमें जरूरत है और बाहर से हम सामान न मंगायें। आज हम अपने वहाँ देखते हैं कि कितना धड़ाधड़ सामान विलायत से चला आता है, मोटरगाड़ी से ले कर छोटी से छोटी चीज तक, वहाँ तक कि चेहरों पर लगाने का सफेद पाउडर तक भी विलायत से दौड़ा चला आता है। मेरा सुझाव है कि हम इस विषय में सख्ती करें और इस बात को देखें कि जो चीज हमें देहात में मिलती है उसका व्यवहार बढ़ायें। जैसे देहात में कुम्हारी का काम होता है तो हम इस बात का यत्न करें कि कुम्हार को वहाँ पर वह काम मिले, हम उससे काम लेने के मार्ग निकालें। जब हम ऐसा करेंगे तभी हमारा रास्ता स्पष्ट होगा।

खादी के ऊपर गवर्नमेंट ने कुछ पहले की अपेक्षा अधिक खर्च किया है। खादी के सम्बन्ध में उन्होंने अनुमान लगाया कि इस वर्ष दो करोड़ रूपयें की लागत की बनावी जायगी। पहले कम बनती थी। आगे का अनुमान है कि चार करोड़ रूपयें से भी ज्यादा की बनेगी और इस तरह से बढ़ती जायगी। यह मेरे लिये एक

[श्री टंडन]

सुखमय संदर्श है। यदि खादी के ऊपर बल देव्या जाय और अन्य ग्राम उद्योगों के ऊपर बल दिया जाय तो मेरा अपना विश्वास है कि यह संकरी की समस्या बहुत कुछ दूर हो सकती है और साथ ही साथ हमारे जीवन में कुछ अधिक नीतिकता आ सकेगी और जीवन अधिक सुखमय हो सकेगा।

Shri K. P. Tripathi (Darrang): I must confess that yesterday when the Finance Minister spoke and he omitted to mention any pattern of society towards we were tending in our economic plans, I was a little disappointed. But I am glad that the Prime Minister has in his speech today cleared the position. He has definitely said that we are tending towards a socialised pattern of society. I think this will clear the approach and will be regarded as filling in the lacuna which was there in the Finance Ministers' speech.

I welcome the announcement by the Finance Minister that the Government have planned to take over the Imperial Bank and float a credit concern for the entire country in the rural sector. I think that was one of the greatest gaps in our credit structure, and that was the reason why it was not possible to find out what our economy was. Our economy has been described as one of the great imponderables, because fifty per cent. of the production occurs in the agriculture sector, for which there are no banks created, and therefore, it was not possible at any time to find out what happened. Now, with this banking corporation to finance it, I feel that this lacuna in our credit structure will be made good.

But I humbly beg to submit that this itself will not go very far, because only those who can borrow will be able to borrow from this. It is well-known that in our country there is a very large sector of agricultural population, which cannot offer any security, and therefore, it will not be able to borrow. Still, for our purposes, it will

be necessary that some other type of credit should be provided for this sector. In America, I found that there are Extension Services which provide credit facilities for this sector of agricultural population, which cannot borrow—and this is a programme, not of today, but it was undertaken in the New Deal, and the New Deal is one of the main projects by which the American economy has been bolstered up so far. Therefore, the Government will have to continue to see how credit could be found for that sector of the agricultural population which is incapable of providing security.

The third point in the rural sector which they will have to attend to is, that they will have to connect this banking system with some sort of warehousing facilities and purchases. Unless and until the Government come forward with some sort of price support, it will not be possible to provide a stable economy in the rural sector, and therefore, no stable purchasing power corresponding to the industrial production can be produced in this country. Therefore, it is very necessary to balance the purchasing power in the rural sector with the production in the industrial sector. How this shall have to be done is the question. I think price-support programme shall have to be undertaken. I am glad to note that Government have announced that in the beginning, they are going to give price support in the agricultural sector, to three commodities. It is a beginning, and a beginning in the right direction.

An Hon. Member: What are the commodities?

Shri K. P. Tripathi: Maiz, bajra and jawar. Before long, they will have to go on extending this policy, which is a step in the right direction.

Then I come to the industrial sector. For sometime, I have been noticing that there has been a tendency in the private sector to hang upon international finance to develop itself. Why is it so? The reason is obvious, that

when capital comes from the international field, Government give a guarantee, but no such guarantee is provided in the internal sector. Therefore, the capital of the internal sector has gone away, and now they are trying to depend more and more on foreign tie-ups. The reason is obvious, that they feel that, by themselves, they are incapable of doing it. If they get support from the international sector, then they get a guarantee. This guarantee is very interesting. You will find that in a colonial economy, the benefit was not for the people of that country; the economy was for the people of the metropolitan country. Now that political power has shifted, that position is no longer obtainable for international finance. Therefore, international finance wants to come to these countries under guarantee. What they used to get directly by political support, that support having gone, they now want to get by a guarantee, to replace that political support. Now, if this guarantee is given, then the colonial status is restored in a way. Therefore, the Government should be very careful in giving these guarantees, and this tie-up of national capital with international capital should be very carefully watched.

For sometime, I have been noticing that there has been criticism in British and other Press that Indian finance policy is going national. As a matter of fact, British finance policy is becoming more and more national. The other day during discussions in the GATT, it was said that British capital was converting the colonial economy of Africa and tying it up with British economy, against the interest of African economy. So when British capital becomes national, nobody says anything; but when we become national, then there is comment. I humbly submit that from that point of view, it is very necessary that all the under-developed countries must have national views injected into their economy. That is my grouse against the 1948 Industrial Policy Resolution.

I feel that in that policy, there was not sufficient injection of the national angle, and therefore, as that policy stands, it is possible for international finance to come and make inroads into our economy and practically take possession of the entire economy. It is said that international finance can come, it does not matter, because there is no danger to our independence. I humbly beg to differ, knowing the nature of international capital. I beg to point out what happened in Persia. It was international capital which did what happened there in the course of last year. Therefore, it is very necessary to have a national angle, and I say that our policy of 1948 lacks that national angle. Secondly, if this policy is not slightly changed, then there is danger that we may have to depend on foreign capital. The finance comes and the finance which is already invested is exporting capital outside. According to the Government's statement itself, it is found that Rs. 30 crore profits have been exported per year. That comes to Rs. 90 crores in three years and Rs. 150 crores in five years. Now, against this amount of finance which has come from outside is nearly double that which has been exported. Now, if it is permitted that all this finance be continued to be exported so that it might turn back and be reinvested in our country, then obviously it is in their interest. Somehow, at some stage, this shall have to be changed; otherwise, there is no chance of capital formation in this country. You may invest some money and create some new employment for the present generation, but if capital formation is not there, then there is no employment for the next generation. Therefore, you must see that capital formation also occurs. Under the existing system, the foreign interests are exporting finance and this shall have to be stopped at some time. There is no plan laid down as to how this shall be stopped. I was calculating that England has about Rs. 80 crores investment in four important industries in

[Shri K. P. Tripathi]

India. If we had exchanged these Rs. 80 crores investment in this country with a corresponding amount from the sterling balances, then all this capital formation which is occurring in India on that sector would have remained here.

Dr. Lanka Sundaram: But would you expropriate?

Shri K. P. Tripathi: It is not a question of expropriation; it is a question of exchange. I am not talking of expropriation; I am talking of exchange.

Dr. Lanka Sundaram: If the consent is not available?

Shri K. P. Tripathi: Well, it is for us to decide whether the consent is to be given or not to be given. If in our planned economy, we say that the consent shall not be given, then, of course, it is another matter. But if we say that consent shall be given, then it is given. In China, they put pressure and expropriated British capital, and what was the result? The British people have gone back to China, and recently they have negotiated trade worth £3 million. What is necessary is that in the present economy, nations must depend more and more on trade rather than on investment and profits exported. If you do not change this, capital formation will never occur in this country. The result will be that we will always have to depend on foreign investments in this country. In the last few months, I have noticed that there has been a tendency in the international market to canvass the view that there should be investment capital injected rather than loan capital. Formerly, this was not so. Why is it? There are some countries which dislike socialism, communism and all that. Therefore, they have been trying to prevent loan capital and to replace it by investment capital. This tendency has occurred during the last year. It will be remembered that in the discussions in the ECOSC, a plan was finalised under which there

should be a bank to issue loan capital to under-developed countries. Now, that has been cold-stored. Instead, there is increasing emphasis that investment capital might be injected into the country. Why is it so? Because they want that the country to which this capital should be given should not go socialist at all. It is from that point of view that I say that there is a political angle injected into it. It is not as if it is a clean slate. The whole international finance is guided by the political and nationalist angle. Our policy is neither political, nor nationalist. It is for this reason that we are likely to lose in the broad field of international finance. Therefore, I would humbly submit that it is very necessary that some change must be made therein.

Then I would point out to this House that there has been occurring a great change in the democratic set-up of the country. Large industrial corporations have been formed and they are making demands. These demands cannot be met unless some sort of equalisation is undertaken. Therefore, I would request the Government to consider how best and how quickly certain steps may be taken so that the great gap between the emoluments of the highest and the lowest may be bridged. Some steps shall have to be taken. That which is brought from the top may not necessarily succeed in giving a very large measure of emolument to the lower sector, but it will enable them to have higher living conditions and higher working conditions. Even that is necessary in the changing framework of the mind of the people. If this is not taken possession of and if this is not made a part of our plan, it is likely to go away, because in a plan there must not be conflicts. Basic causes of conflict must be removed by social acts and not by mere trade union acts, and I hope it shall be done.

3 P.M.

Shri G. D. Somani (Nagaur—Pali): This economic affairs debate has come at a very opportune moment, and I hope

and trust that the uncertainties, doubts and fears that were recently created about the industrial policy of Government will be dispelled. We had a very comprehensive and illuminating exposition of the economic policy by the Finance Minister yesterday and just some time ago we had the eloquent and inspired address from our Prime Minister. There is no conflict so far as objectives are concerned. We have all got a common approach that the standard of living of our people has got to be raised and it has got to be raised in as quick a time as is feasible in the circumstances.

What I want to say from the point of view of the private sector is that when there is so much to do and when there is almost unlimited scope for the country's resources and talent to be utilised for the development of the country, then nothing should be done under which some section of the community may not be in a position to offer its best contribution to the development of the country's resources. I have no quarrel whatsoever with our ultimate objective of socialised economy or nationalisation or of expanding the public sector. But, we must all realise the fact, which is recognised even by the Government that there is a serious lack of administrative and technical personnel with the Government and that in any scheme that we envisage about expanding the public sector, we must take note of the serious limitation under which we are at present placed. There are not many industrial undertakings which are functioning—I mean similar undertakings—side by side in the public sector and the private sector. But, I cannot help giving here an example of at least one such undertaking. The U.P. Government have established a cement factory which has gone into production very recently. I gather that the cement factory has got a capacity of about 2 lakh tons per annum and it has been established with a total cost of about four and a half crores of rupees and in about five or six years' period. I say with personal experience of the cement

industry—and I make an offer to the hon. Minister for Industry and Commerce—that let him give me 4½ crores of rupees and I guarantee to put up two similar factories—of the same size—within half the period which the U.F. Government has taken. What is more amazing here is that in the cement industry, which has been running for more than twenty years, there are a number of technical personnel available in the country but the U.P. Government have gone out of their way to offer the operation of the factory to a firm of foreign consultants. At the present moment, I am not referring to any Indian business house. But independent technical personnel from the country would have been available to run that factory on a more economical basis. Similar instances can be given but we know what is happening. We have got the Nepa project, the newsprint project in the Madhya Pradesh and crores of money have been sunk into that project, years have passed and we do not know when it is going to go into production. So, what I say is that all these limitations about the non-availability of technical and administrative personnel of the requisite calibre should be taken into consideration.

So far as the private sector is concerned, my submission is that while, on the one hand, the public sector is overstrained and over-worked, I find here what Mr. Tata said recently to the shareholders of the Iron and Steel Company. This is what he said:—

"I believe, however, that progress would have been greater and quicker if the private sector had, during these years, been in a position to make the full contribution of which it was capable to such progress."

My friend, Mr. Tripathi, just now said something about the conditions in U.K. Here, again, what Mr. Tata says is this:

"I would call attention also to the remarkable change which has taken place in the United Kingdom in the last year or so since official policies in the economic sphere have

[Shri G. D. Somani]

been reoriented towards releasing and stimulating the productive energies of business and industry and freeing them from the burden of bureaucratic controls and ideological uncertainties which had benumbed them since the war."

Mr. Tata then proceeds:

"I am sure that if our own Government would similarly try for a while and within reasonable limits the experiment of freeing the private sector from its present handicaps and uncertainties, and allow it the necessary incentives and scope for initiative, they would be surprised at the results."

What I want to say here is that the talent and experience of the private sector are lying untapped. Here is the private sector which is in a position to offer its most valuable contribution to the building up of our national economy and in the context of such a pressing need for mobilising and harnessing the entire resources of our country to build up a new India I appeal to the Government that nothing should be done, at least for the transitory period of the next five years when you want to industrialise the country, which might hamper or come in the way of the private sector doing its best in the circumstances.

I must acknowledge that the policies of the Government of India on economic matters during the last few years have stimulated and have imparted strength to our economy. Conditions of the Stock Exchange were recently very favourable and there were definite signs that the private sector would be able to execute many ambitious schemes of industrialisation in the country. But of course, recently, these disquieting trends about uncertainties of the Government policy have created a lot of suspicion. I would like, in this connection, therefore, to stress that all these talks about concentration of power or wealth can certainly wait for a few years. Nothing can prevent the Government at the appropriate time to take whatever measures they think fit

to readjust these disparities or inequalities. But it will be nothing short of positive disservice to the economic development of our country to do anything at this stage which will come in the way of speedily industrialising the resources of our country. Our Prime Minister just now said that real progress depends upon industrialisation. That industrialisation at present, I say with all the emphasis at my command, can be done effectively and vigorously and to the extent to which the Government desire if the private sector is allowed to play its role, the role which has been assigned to it both by the Planning Commission and the Government of India's Industrial Resolution of 1948. At a time when so much has to be done, when the standard of living has to be raised in as short time as possible and when we have got our schemes of very ambitious planning of industrial development in the country and when there is a favourable atmosphere, I think, nothing will be more prejudicial to our national interests than to suggest anything which would be a hindrance or which would discourage the activities of the private sector. Here is the private sector which is prepared not only prepared but is also anxious to make its contribution—which has shown by its actual achievements during the long period when it had to fight against heavy odds, what valuable contribution it has made to the national economy but various directions in which the industrial expansion has been brought about.

We have also got figures just now regarding the increase in industrial production and there is every indication of our industrialisation being speeded up if only our Government and our other ideologists will just give a little time to the private sector. In my opinion, there need be no undue haste to eliminate this concentration of power and inequalities. But, everything has to be done at the opportune moment. In the resolution it has been said that no useful purpose will be served by making a division of poverty. It is in the context of the pressing need of the

moment that I appeal to the Government that the greatest possible incentive should continue to be given to the private sector and at a time when things are moving up, I appeal, that these disquieting trends towards giving discouragement to the private sector should be avoided.

With due respect to Acharya Kripalani who just now said about potentialities of employment from industrialisation, I want to say just one word. Recently they had a survey conducted in the United States of America and it was shown that for every 150 persons employed in industry, there were another 1500 or 1800 persons who got employment in subsidiaries or other occupation. These are the conditions in America where everything is mechanised. Here in our country for every hundred persons employed in factories it is natural that 2000 or 3000 extra persons will get their employment in other spheres.

I do not want to take much time. Yesterday my hon. friend, Mr. Tulsidas quoted what Mr. Winston Churchill had said recently. I quote other words of his spoken in the last war to America. "Give us the tools and we would finish the job." I say with all humility and with a full sense of responsibility.

Let the private sector be given the tools and they will finish the job of solving the unemployment problem and of promoting the economic development of the country. There is absolutely no doubt about that. With their achievements in the past, with their future plans and the way in which they have been able to serve the country during all these years, in spite of the criticism that has been levelled against them, I claim that the private sector will do it much better. For God's sake give us the chance during the next five years and you will surely do the job.

Mr. Chairman: Before I call upon Shri Das, let Shri Meghnad Saha make his personal statement.

Shri Meghnad Saha: The Prime Minister made a personal attack on me in this House saying that I had ceased to be a scientist. I am therefore asking your permission to make a statement.

Mr. Chairman: May I make one point clear? In this House every Member stands up and argues on facts and figures. If facts and figures are to be controverted and replies to be given, I think the hon. Prime Minister should be on his feet always, because all his statements are being controverted on this side. I would, therefore, request the hon. Member not to go into facts, but to kindly confine what he has to say about his person.

Shri Meghnad Saha: About a month ago, on October 22, I was asked by long distance telephone by the Ministry of Natural Resources and Scientific Research to proceed to Moscow to represent India on a Cosmogonic Conference, the next day.

I was unwilling to go at such short notice, but I was told by the Secretary that my name was sent by the hon. Prime Minister to the Russian Ambassador and that the Russian Academy of Science also wanted me to be there on the 26th November, and that if I did not go, I would be not only acting contrary to the wishes of the Prime Minister, but also causing some embarrassment to him. So I proceeded to Russia at 24 hours' notice, and attended the Conference and delivered a scientific lecture, which was appreciated. This shows that the Prime Minister did not consider me a back-number in science even a month ago.

I may add that I have done very little in science, but my name would be remembered for some hundreds of years while some politicians here will go to unregretted oblivion in a few years.

Mr. Chairman: The Prime Minister himself has acknowledged in his speech that the hon. Member was eminent scientist. He need not have said anything more.

Dr. Lanka Sundaram: Was!

Shri B. Das: Two speeches have been made by the Government representatives, one by the Finance Minister and the other by my esteemed leader, the Prime Minister. As far as the economic policy defined by Shri Deshmukh is concerned, I endorse it fully that our policy shall be short-term policy and mixed economy. He has explained that socialism should be the end or the goal. There I agree with the Finance Minister that it should be a long-term policy.

I am grateful to Shri Deshmukh for declaring that at last the Imperial Bank, the master of the Reserve Bank, will be converted into the State bank.

An Hon. Member: Do you believe it?

Shri B. Das: In 1934 when I was a Member of the Reserve Bank Joint Select Committee and when the Reserve Bank Bill was passed, we expected it to do something on the lines of rural credit. Shri Ambegaokar, who is now going as a Deputy Governor of the Reserve Bank, was appointed as the young I.C.S. officer to develop the rural credit system in India. It was 1934, and the rural credit system was later developed little by little, but the Reserve Bank went farther off because it obeyed its master, the Bank of England. The Bank of England controls the economy of the Reserve Bank even to this day. The Reserve Bank became a State-owned Bank but not the National Bank. In 1948 I told late Shunmukham Chetty that it should be a national bank and not a State-owned bank as its financial policy was controlled from London. The questions which my friend put were put by me and Shri Shunmukham Chetty assured us that the Imperial Bank would be converted into a National Bank, but it could not be done at once owing to certain other policies and complica-

tions. In the meantime all the invisible balances in the office of the Imperial Bank have vanished and spirited away. The few Indian Directors continue in their old-fashioned way as capitalist Bankers. However, I still welcome and I hope that the Finance Minister will take steps to have the State Bank Bill passed in February or March next so that we may start our rural credit and give agricultural credit; the Bank should function for India and Indians and not function for a few, whether they are Indians or Englishmen.

I wish to deprecate the way people talk of the private sector. I belong in a small way to the private sector. We are not here out to exploit and the advocates of private sector, my friends Shri Somani and Shri Tulsi-das,.....

Dr. Lanka Sundaram: You are not a private sector. The Prime Minister says that the peasant is the private sector.

Shri B. Das: Permit me to differ. Let me take my own view. We have all helped capital formation. Even you, Sir, cannot call yourself a socialist, nor can I call myself a socialist I am not a socialist. Just now my friend, Shri Tripathi spoke about capital formation. What is the big idea? He has very much helped the labour to get the salaries they are getting since the beginning of our Independence. But the labour is doing one-fourth of the work that they were doing when they were under the old colonial system of government. In addition to Shri Tripathi, Shri Khandubhai Desai and other Labour leaders, I address the labour leaders on this side also: What are they doing about capital formation? Never mind the private sector, but what are they doing to help capital formation in the country? If some of them want, my friend Shri Deshmukh will bring notes from the Nasik Press and thereby capital is created. Then, I do say to those advocates of the labour world that they do not understand what capital formation means. As for private sectors, we are as humble, as honourable, and

as gentlemanly as any Member on the Congress side or my friends on my right. We have done according to our lights and according to the position of business at the time.

In the Prime Minister's Bill that was introduced yesterday to amend the constitution does he contemplate the expropriation and confiscation of all industries and thereby get more industries in the public sector? If so, it is a wrong policy, it is not the Gandhian policy, My esteemed friend...

Shri Velayudhan (Quilon-cum-Mavelikkara—Reserved-Scheduled Castes): Only if it is necessary.

Shri B. Das: Allow me to finish. My esteemed friend, Acharya Kripalani, spoke of the Gandhian doctrines. I also am a humble follower of Gandhian principles. I believe in truth, honour and honesty. In the 1946 Resolution of the Congress, they never advocated expropriation or confiscation. That is the scheme of some of the State Governments, and if they could have they will take over all the industries to the States without compensation, thus without making any effort to build up industries—whether it is agriculture industry, cottage industry or any of the village industries. They are most anxious to take over the heavy industries without compensation. So, capital formation is as much a problem for thinking for the Congress and the Finance Minister as it is for the leaders of the Socialist and Communist parties.

I do hope that some labour leader who rises to speak after me will make it clear how labour is going to increase production in the State industries and how labour is to help capital formation. I have already said that the Railways are paying three times the wages to its employees. In other industries too the same catastrophe is happening. But there must be a minimum quota of work that labour must turn out. If labour does not do this and labour leaders go on agitating for more wages, how do they expect the Congress Government, or even a Labour

or Socialist Government which may be formed and occupy the Treasury Benches to raise capital, and go on with the development of the public sector. These are problems which stare us in the face; it is no use going on condemning each other.

Shri V. P. Nayar (Chirayenkil): Mr. Chairman, yesterday the Finance Minister told us how the current industrial policy of this Government has ushered in a sort of stability and how this stability has recently resulted in an inducement of foreign capital for further investments in this country. Sir, I tried to understand the position; I tried to analyse facts as they are and find out where was the industrial stability which was inducing the foreigners to increase their investment in India. Today I heard the Prime Minister also supporting the Finance Minister and making a speech, of course shifting the emphasis to certain other matters.

Sir, what has the Industrial Policy of 1948 meant for our country? That is the question which we should pose and for which we should get an answer. Let us take the facts one by one. Can the Government now deny that in the field of industrial production, various industries are in the grip of foreigners? I can give any number of examples, but I do not want to do so now. Even the Finance Minister admitted yesterday that for the last five years, on an average Rs. 30 crores have been remitted as profits by the foreign interests which are entrenched in this country.

Sir, the exact extent of the foreign investments in this country are not precisely known: the latest figures are not available. Possibly the Finance Minister said, that the Reserve Bank has made a re-survey. He referred to that. I would very much like to.....

Shri C. D. Deshmukh: Is making a re-survey: not complete.

Shri V. P. Nayar: But in the absence of the latest figures, I want to say only this—I do not want to quote the percentage—that at least in so far as the coal industry, the jute industry, ship-

[Shri V. P. Nayar]

building industry, plantations, chemicals, dye-stuffs, mining, fuel oils, banks and insurance at least are concerned. The foreigners have a grip, not an ordinary grip, but an octopus grip.

If you look at the bank profits of 1953, you will find that five or six exchange banks have together cornered about 50 per cent of the entire profits made by all schedule banks. That is the way in which foreign interests are entrenched. Now what is more disgusting is that Government allow them to take away the profits without making any direct investments. The profits reaped are not in proportion to investments. The pernicious system of managing agency is continued. The profits made by foreigners are not confined to the private sector either. Yesterday Comrade Hiren Mukerjee said that some of us who would speak later would give some details I shall be giving some details.

Here is a policy in which Government says that they are enlarging the public sector. But side by side with that what we find is that the public sector which is enlarged has also come more and more into the hands of foreign investors and foreign interests. Sir, this point may not seem to be very appealing at first, but I shall try to prove it by reading some of the recent agreements which have been entered into between the Government of India on the one hand and parties outside India on the other.

You will be surprised, Mr. Chairman, to find in this wonderful agreement with Krupps-Demag—I do not call it an agreement, it is nothing but a slavery bond—there is a provision. Is this the result of the industrial policy? I want to know, from the hon. the Finance Minister. Paragraph 2 of the memorandum on the Indo-German Association on the Indian steel project says:

“The German combine wishes to contribute its share capital in India in proportion to the payments received in Germany over orders placed with the combine.”

Later on I find that for mere consultation, the Combine—I am reading from paragraph 7—

“will receive a fixed fee of \$4.5 million for the aforesaid services as consultants. The salaries, allowances and travelling expenses of the resident engineers and other technical staff as well as the cost of maintaining an office in India will be separately borne by the Government in addition to the payment of basis fee as mentioned above.”

These are the conditions under which we have got into agreements.

Sir, take another agreement. There are in the public sector the Hindustan Machine Tools, the Hindustan Cables, the Indian Telephone Industries in respect of which there are certain agreements, with some giant international combines. Sir, here is an agreement of the Indian Telephone Industries. I am reading from page 8 of the agreement, which is available in the Library. It says—

“that the Directors shall be given in the company about 6,667 shares of Rs. 100 each,”

and it is found that 70 per cent of the capital of the company and also 10 per cent of additional shares which may be issued subsequent to the incorporation of the company, payment may be made by the said Automatic Telephone and Electric Company, Ltd., in cash or in kind.”

How is it that this Automatic Telephone Company is going to pay the share capital in kind, I fail to understand. May be they will charge their services and treat it, or may be they will send some equipment. These are the types of agreements entered into.

I was amused to find in another agreement which the Government of India have entered into with the Standard Telephones and Cables, Ltd. And there, strangely enough the field of operation of exports of articles manufactured in India by these Hindustan

Cables is given: Burma, Ceylon and Nepal shall be deemed to be the export territories. It would appear that Nepal is consuming and Burma is consuming quite a lot of this article! I am reliably told that this Company is to tender advice to the Government of India in regard to purchases. I wish to point out one instance. This company requires an article known as antimonial lead. In India there are firms which manufacture antimonial lead, as I find from the *Trade Bulletin*. A particular quantity, 500 tons, or so, of antimonial lead was to be bought. Tenders were invited. The Indian manufacturers sent in their tenders. I am speaking subject to correction and the hon. the Finance Minister, or the Commerce Minister, who knows the facts, may correct me if I am wrong. I understand that the Commerce Ministry was pretty strong, but the files went underground in the Production Ministry. In this matter of antimonial lead which the Indian manufacturers want to supply and do so at cheaper rates, it could not be bought because under this agreement, the Hindustan Cables were obliged to act on the advice of the Standard Telephone Company and they suggested the name of Messrs B. R. Enthovens of England. So, antimonial lead which is made in India and which could be used here and which could give employment to manufacturing industries was not bought because we are bound under the fetters of an abnoxious agreement to abide by the advice tendered by the Standard Telephone Company.

If you go through the reports on the iron and steel industry, in which the public sector is being enlarged, you will find that not only Government have permitted the collaboration of Krupp and Demag but even in the existing units of the company, what Government have sought to do in recent years is that they guarantee certain loans from the World Bank and thereby place this most vital industry at the feet of the U.S. dominated World Bank. The Government have granted loans to the extent of Rs. 8 crores or Rs. 9 crores to the IISCO and TISCO. Now, I understand that the Government have guaran-

teed 34.5 million dollars as loan for the IISCO and about Rs. 10 crores to the TISCO. What is happening to this World Bank loan? You know that the World Bank does not ordinarily give loans unless it is satisfied that the money which is given as loan will be "properly" utilised and that satisfaction is derived only by allowing the World Bank officials to go through the accounts of the particular concern which takes the loan. Here is the iron and steel industry which has a very great role to play in the economy and strategy of the country. Even in the private sector of this industry, Government have granted a loan of Rs. 8 crores. Government have further guaranteed some loans from the World Bank, with the result that all steel production—whatever be the class or character of the steel produced—will be known only to the great friends of Shri C. D. Deshmukh, the Americans who are controlling the World Bank. This is the position which we have. If this is the case in respect of foreign combines, and undertakings in respect of the public sector, I would like to point out to the House what we have had from the Public Accounts Committee by way of information about some of the so-called experts who are also working in the public sector. I shall just read some passages from the Seventh Report of the Public Accounts Committee, Vol. II.

Mr. Chairman: You have taken more than ten minutes.

Shri V. P. Nayar: Seven minutes.

Mr. Chairman: No, I am keeping a watch of the time taken.

Shri V. P. Nayar: Please give me a few more minutes. I am sorry that Shri B. Das is not here in the House. He posed a question in the Public Accounts Committee and the things that were revealed appear at page 118 of the report, in the course of the evidence tendered. This relates to an American called Mr. M. H. Sloucum. It was revealed on this occasion by Shri A. N. Khosla, who was the Secretary of the Department concerned, that Mr. Sloucum's emoluments were Rs. 2½ lakhs

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for his four month's work in India. He was supposed to be supervising the Bhakra-Nangal project and for four months in the year he was obliged, under contract, to be here in India. That contract was not for one or two years but for a period of ten years, and Mr. Slocum, for this work of supervising, was receiving about Rs. 60,000 per mensem. The Secretary to Government had the guts, the gumption, to tell us before the Committee that although Mr. Slocum was in America, every minute of his time was spent on the Bhakra-Nangal project, a fact which is evidenced by sending telegraphs daily. That is what he said. "Mr. Slocum might be taking a day off, or something like that, the Government have been receiving telegrams from him every day to the effect that he was busy all the time on Bhakra-Nangal work. He is sending telegrams from America to the Ministers concerned here and proving that every minute of his time is spent on the project." This is the type of foreign influence which has been allowed to have a decisive voice—whether as experts or as collaborators or as participants in the company.

The hon. Minister painted a very rosy picture of the industrial stability in the country. I want to pose certain questions to him, and I shall quote some facts and figures. Let us take the textile industry. If he quotes some figures of production and says that the index of industrial production is 130, I am not bound to believe it, because the Prime Minister himself the other day—I think it was in March, 1954, when he spoke at the meeting of the Indian Chamber of Commerce, and from the press report of which I am saying—said that he is not guided by statistical progress. He wanted real progress of the 360 million people. I am not going to be convinced by what the Minister of Finance might say by giving some figures. I admit that there has been some increase in some fields of industrial production, and the textile industry will be one among them. But

what is the position? We are far short of our consumption when compared to the position in 1944. Can the hon. Finance Minister deny that? Now, the textile production is said to have touched peak production, the Everest of production, and there is export of it just for the reason that all the produce cannot be bought by the people here. Then again, take the other side of the picture of the textile industry. What about yarn? That also has touched the peak of production but the handloom weavers, who are dependent entirely on the price of yarn which is manufactured by the mills, have not got the benefit of even one pie, nor has the worker of the textile mill received anything more. Take jute, another industry which has touched peak production. There, it is a case of the monopolists complaining that the foreign markets are crumbling or dwindling. They have reduced our jute prices. They have persuaded the Government to slash down the export duty, and what is the benefit of this situation? The benefit is that there is large-scale unemployment among the jute growers. There is retrenchment in the jute mills. The income of Government is dwindling. Yet, the hon. Finance Minister comes before us and says that there is industrial stability. Take the case of tea. I heard with attention the statement made by the hon. Minister of Commerce and Industry this morning in the House. Mr. Atkinson made a speech the other day at the meeting of the UPASI—Tea Section, in which he said that certain companies will be declaring dividends of 100 per cent. We are not interested in such companies declaring 100 per cent. dividends. We are interested that our consumers of tea should get tea at prices which they were paying sometime ago. What is the price of tea for the consumer today? We are interested in the workers in the tea gardens getting better amenities. At a time when there was a crisis, the tea-planters slashed many of the amenities and they have not been restored although—and in spite of the fact that—tea prices have soared up beyond all

previous levels and have registered a great increase.

Mr. Chairman: The hon. Member must now stop. He has taken more time than he should have taken.

Shri V. P. Nayar: Two minutes more, Sir. In the case of sugar, the Planning Commission itself in its report admits that there is decrease in production. There is a decline in the total acreage under cultivation. Why? Because there is stability in the industry on account of the very best industrial policy pursued by Government: It is not a question of more production. What is the position of the consumer of sugar? Has the consumer of sugar got anything better? There also, the profit section of the sugar industry is coming up. In 1944, the industry had only 22 per cent profit, but on the first year of this Congress Raj, the profits soared up to 60.5 per cent, and in 1951, the profit was at least eight times that of 1945. This is the way the industry is growing. There is peak production. Everything is good, but the cane-grower gets less and less a price. The total acreage is dwindling and production itself is dwindling. But here, Shri Deshmukh tells us that there is industrial stability. Is this stability?

Mr. Chairman: Please resume your seat.

Shri V. P. Nayar: One word about coal, and I have done.

Mr. Chairman: He has taken about 18 minutes already.

Shri G. H. Deshpande (Nasik-Central): I rise to welcome the statement on the economic policy placed before the House yesterday by the hon. Finance Minister. The hon. Member from the Opposition, Shri H. N. Mukerjee, described the statement as a multi-coloured umbrella. We are not enamoured of multi-colours. We have only one colour here and that is the Indian colour. In the small corner over there, there are a number of colours in this House. There are all the seven colours of

the rainbow, in the small corner, and even more.

Shri Punnoose (Alleppey): Except black!

Shri V. P. Nayar: They are better than white caps.

Shri G. H. Deshpande: Having listened during these two days to all the criticisms that were levelled at that statement I have come to the conclusion that so far as the fundamentals of the policy are concerned nobody has taken any objection to it. Nobody in this House has said that there should be no private sector at all. There was some difference about the emphasis, there were some suggestions regarding the implementation of the policy. I do think that Government will take advantage of all these suggestions. But basically speaking and fundamentally speaking, nobody has taken any objection to it.

I want to place before the House only one matter and that is why I am taking some time of the House I am coming from the rural area. During the last three or four years, according to the policy based on the 1948 resolution, nobody can deny that considerable progress has been made in the development of our agriculture and even of our industry. Especially, considerable progress has been made in the development of agriculture. But during the last six or eight months there is a turn. The prices of agricultural commodities have gone down, and the agriculturists are rather passing through anxious moments. They have invested in the development of agriculture considerable sums and most of them are not in a position to pay back their debts.

Take for instance this import of sugar. We are importing sugar on a large scale. Government have given protection to the factory owners. And now Government is moving in a proper direction by encouraging the cane-growers to establish their own factories through their co-operative societies. Government is coming forward to help them in a liber-

[Shri G. H. Deshpande]

manner. In my own constituency we are trying to establish a sugar mill of agriculturists on a co-operative basis. But what has happened? The steep fall of prices has made it impossible for the agriculturists to raise enough capital that is necessary for the establishment of the mill. If this sudden fall, in the agricultural prices will not be withheld, will not be checked, if proper steps in due course without any delay will not be taken, I do not know what will happen in the rural areas.

[MR. DEPUTY-SPEAKER in the Chair]

I want to say that there is urgent necessity of taking proper steps and stabilising the prices of agricultural commodities, so that the agriculturists will be contented, satisfied and so that they will have some enthusiasm in them to proceed further with the development programme. If the agriculturists suffer, then the purchasing capacity of the rural areas will go down, and even the industries will suffer.

One word more about the industries. We are talking in this House about the big industries. I do not want to enter into that domain. But during all these years we have stood for the rural industries, we have stood for the cottage industries. And though Government have done much during the last two years, no progress has been made in this direction. That cannot be denied. We have not made any considerable progress on that account. I am myself associated very closely with the work of a Community Project in my constituency. Therein also my experience is we have made considerable progress so far as the development of agriculture is concerned, but in spite of our best efforts we were not able to make any progress whatever in building any industry. I have followed the progress reports of the Community Projects in the country very closely, and no great progress has been made with regard to rural industries. There is

an impression that the cottage industries are receiving a step-motherly treatment. That impression ought to be wiped out. Unless and until we very seriously organise these institutions the unemployment in the country will not be wiped out.

Mr. Deputy-Speaker: Which is the main mother?

Shri G. H. Deshpande: Immediately some steps ought to be taken. I am not one of those who would like to say or maintain that nothing has been done for opening more and more avenues of employment. Government have opened more and more avenues of employment. In the State from which I come, during the current year public works worth Rs. 30 crores are going on. Never during the last one hundred years, never in the history of that State, public works of that magnitude were going on. You can imagine how many people must have been employed on all those public works worth Rs. 30 crores, and that has to be spent in one year.

But that is not sufficient. That cannot be denied. And we cannot solve this problem unless and until we take to rural and cottage industries. Then the medium size industries ought to be encouraged; decentralised industries ought to be encouraged. During the last war the power looms in the textile industry played an important role. In Bombay State you will find that during those days of scarcity of cloth these power looms have worked very nicely. There are power loom owners who own one power loom, three power looms. And they are in difficulty today. You will find that in Mulgaon, near Dhulia in Nasik District power loom owners are deprived of their facility of yarn. They have served the country during war very well. They have not profiteered themselves like mill-owners, and the stuff that they used to produce was reaching the masses and serving them by cheap price with good products.

What I wish to say is there are two things that I want the Government to take notice of. One is the steepfall in agricultural prices and its serious consequences. That factor must be taken into consideration. And more stress ought to be laid on cottage industries, small industries, medium size industries. I do not want to say a word about the big industries, about private sector and all that. I say these things that I have just mentioned are more important and more stress should be laid on them. These are the only two matters that I wanted to place before the Government. I am thankful to you for the opportunity you have given me.

Shri Joachim Alva (Kanara): Sir, in the House of Commons whenever any Member gets up he declares his interests in that particular motion. That is a very healthy convention which we ought to imitate, whether the person concerned is a Minister of the Union Government of India or is an elected Member of the House. He ought to straightaway declare his association or interests with any motion that is before him and in which he takes part.

Sir, Field-Marshal Harding, one of the British Military high-ups, when lecturing to our young cadets in India the other day placed two high ideals before them. He said, "Aim very high; and secondly duty before everything else!" The Prime Minister's statement and the Prime Minister's objectives really aim very, very high indeed! But I want to know how many officers of the Government of India, be they in a minority or be they in a majority, observe that high ideal in practice and, above all, keep their country's interests highest in the sense that they are ready to sacrifice everything before it especially where foreign interests clash before our own national interests.

Today, I want to take up only one point—about the operation of foreign firms in this country. The operation of foreign firms has sucked the vitals of our national economy. They have

drained away the last resources in our land. As time is so limited at my disposal, I would only quote two passages from the memorandum of the Indian Steamship Owners' Association. They said:

"Even today no non-British can own a part or whole of a British ship; nor claim a share of the subsidies or loans that British shipbuilders enjoy."

They also stated in their memorandum:—

"British shipowners demanded in 1918, the reservation of the entire Inter-Imperial trade to British ships only; they even claimed, during recent years, that the bargaining power of India in regard to any trade agreement she may conclude with a foreign country should be utilised, not for the promotion of Indian shipping, but for consolidating the position of British shipping which had been undermined by the War."

This is the way other nations emphasise their own interests. Let us see how they operate on our own land. I shall quote only one instance in India—the Lever Brothers. Lever Brothers is an international firm, and is the largest trading concern of the globe. It operates in 40 countries through 516 companies and it has 337 factories. Thus it is the world's largest trading company. Not one newspaper in this country will write anything against Lever Brothers for the simple reason that it doles out Rs.75 lakhs a year through advertisements. Not one single paper, A or B or C has the guts to write a word against Lever Brothers. I do not know even how many high-ups are for or against Lever Brothers. The Lever Brothers have crippled our soap industry. In 1952, we produced 86,400 tons of soap of which only 26,000 tons were made by Indian concerns. In 1953, the production was 80,000 tons out of which 60,000 tons were credited to Lever Brothers and only 20,000 tons to Indian concerns! Lever Brothers are producing 75 per cent of the entire output. I want to know what

[Shri Joachim Alva.]
 facilities this firm gets through their operations in our country. Lever Brothers have got huge factories and huge plantations in the continent of Africa. I do not know how much copra or other materials they bring into our country to operate against the 4 or 5 Indian big soap companies. Some of them may even have to close down. Levers and others of its colour are gigantic concerns which are operating in this land by taking the finest and ablest of our young men in their officer-cadres and thus make them tools to destroy our economy.

Further, I want to know what agreement was arrived at with foreign oil companies. I want to know whether our Government insisted on having a single Indian director on the Board of Directors of these Oil Refineries, which are going to operate in this land for the next 25 years. There is a U.N. report which says that the rate of interest for foreign investments in this land is 17 per cent while they get hardly 10 per cent in their own country. They are not only going to get 17 per cent, but they are going to get all sorts of favoured conditions, as much as they demand. They are not even going to take oil from one port to another in our tankers.

I have very little time at my disposal. I shall also refer to the three big corporations that have been started. I want to know whose brain it was in the Finance Ministry or in the Commerce and Industry Ministry that invented these three confounding names! Even a postman will not be able to deliver the letters to them properly. I shall have to hold a paper before me to read their names properly: (1) the Industrial Finance Corporation of India, (2) Industrial Development Corporation and (3) Indian Industrial Investment Corporation. I challenge, even a Minister of Government to hold a paper in his hand and distinguish between tweedle dum and tweedledee! This Industrial Investment Corporation is going to

be a hydra-headed monster in our economy. I want to know how the Government of India permitted or tolerated the appointment of Mr. Beale as the managing director of this concern. Mr. Beale, who was the cashier of the Bank of England will look into Indian economy like a mirror and portray the conditions in our country in such a way that you will see how the British industries will be benefited through this Corporation. Why have all these confusing names been invented so that even a postman will not be able to distinguish these names and go about putting letters in the wrong boxes. We have been recently in that great land of Turkey which is known as a great land of democracy. Even there, the International Bank has ushered in no heaven on their economy through loans. We are going to enthrone private enterprise in such a way that they will be principally concerned with high profits, low wages and gross unemployment. I might say that even the great Roosevelt with all his powers, was helpless when he brought forward the Full Employment Bill. The nomenclature of that Bill was "Full Employment Bill." But in the title, the term 'Full' had to be dropped because high business pressure brought such an opinion in the lobby; that they thought it fit to drop out the word 'Full'. I want to know how Mr. Beale is going to bring British or other foreign capital to India. I fear these foreign firms are going to sit on our heads like serpents and we shall not be able to extricate ourselves unless we follow principles that will have to be firmly and soundly laid down by us. Mr. Beale's appointment might have been in the hope that his presence may bring in more British capital, which I consider as very problematic.

Then I come to the foreign banks. There are 17 of them in India strangling the entire Indian economy. If you go to a British bank and want a loan, he will invisibly ask you whether you are going to insure in a British company. He will ask you, whether the carrier is going to be a British

carrier. He will ask you whether you have booked your passage in a British firm: After having secretly satisfied himself that you have done all this, then he will give your company the overdraft. The loans are for the white man, for the white company; not for the black man. Why do you have these seventeen foreign banks on our soil? The Finance Minister with his partiality for the British and Americans allowed the British Bank of the Middle East to operate in Bombay, when a Dutch bank went out of business. I want to know why the National City Bank of New York, in the city of Bombay is allowed to handle our moneys going to Goa? We allow Goans to remit about Rs. 50/-. Why should it not be done through some Indian agency instead of an American bank though it is well known no Indian Bank can operate in Goa. These are hard facts which we have to remember and I think it is high time that we gird up our loins. We won the freedom of our land by the great Dandimarch and the great August Rebellion. I fear all this will be frittered away by these unsound and dangerous methods. I am afraid we are going to sell away Bombay like Surat as was done by the notorious East India Company, and the Oil Refineries of Bombay may one day be armed with gunboats and we shall be helpless. The Americans once kicked out the British Tea chests in the Boston harbour; but Indian freedom may be flung out of the Bombay harbour through American pipe lines.

Look at the state of our tea gardens. Three-fourths of them are owned by the Britishers. A sum of Rs. 30 crores is their investment. They are carrying out Rs. 100 crores annually in return. Is this planned economy? Why is it that poor workers from down south who are working as coolies on a paltry wage with middle men permit the despatch of Rs. 100 crores every year out of the land?

Let us take tobacco. I do not smoke; I have never smoked in my

life. Quite a lot of us smoke. But they smoke foreign cigarettes planted by the gigantic concern of the Imperial Tobacco Co. That Company is another octopus. If we make an analysis we will find that from morning when we wake up and clean our teeth with a brush—that is again another curse for the brush and paste are all manufactured by foreign firms in India with grandiloquent boards of India Limited—right up to the time when we lay our ashes in the Ganga or anywhere—we use everything foreign.

Mr. Deputy-Speaker: Is not Ganga Indian?

Shri Joachim Alva: Turkey has built up her cigarette factories with German machinery. This is a thing which we shall have to consider seriously.

In China, there are 230,000 technology students while we have only 85,000. In America they have a million students while in Russia they have 1½ million technology students. That is a standard by which we have to judge our economic progress here. We have got a Raman, a Saha, a J. C. Bose and a number of other top-ranking men. But, the rank and file has not increased. Anyone who wants to study nuclear physics should be given every chance. No scientist who has had his training abroad should be allowed to be unemployed. I know a young man who has had training in London's Farady House for four years and was living in a Railway servants' quarters on a job on Rs. 150. It is the duty of the State to employ those whom we send abroad for training. We should not allow any foreign engineers to come here. Our great and grand and old Viswesvarayya built up iron and steel and other nation-building factories in Mysore. He is one of our elder statesmen and may hit a 100 years. He has just said last week that there is no necessity for a single foreign engineer. We have young, very hard-working, able engineers. I know of many who have had training in England and America and yet have no jobs. It is the duty of the State to find out jobs for them

[Shri Joachim Alva]

and harness all their knowledge and energy. We should find work for all the young men who are sent abroad for training in technological subjects, otherwise we should not fritter away foreign exchange. Why should we get foreign engineers at all? American British or Russian Engineers who come here should be allowed to come on a five year basis to build up factories. They should build our factories, train our young men and then leave our shores. We should have foreign loans without a single entanglement or involvement; we should not have anything with which guns will come later! Unless we do first things first, unless we give the highest priority to these basic ideas and methods, the political freedom for which you and I and all of us fought will be sabotaged.

4 P.M.

As I told you already Lever Brothers want to push up their products regardless of our own, native factories. They have pushed vanaspati down our throats, and that has destroyed our love for the cow and ghee. Ghee is now the rich man's luxury. Unless we see the clear danger of Lever Brothers vanaspati, our own soap industry will not only be destroyed, but even our culture.

One more point and I shall sit down. My hon. friend Shri Somani said: "Give me Rs. 4½ crores, and I shall build two cement factories". I was looking at the Industrial Finance Corporation's report where they have given Rs. 50 lakhs of loan to the Digolijaya Cement Factory of Saurashtra with which he is associated. We shall not grudge him if his factory is going to succeed. He is a great friend of mine, but all the same I must say that the capitalists never rid themselves of their acquisitiveness, their greed for greater ventures at the cost of the poor man, and unless we are going to hold the bridle strongly, we have no chance. Here, this capitalist says: "Give me Rs. 4½ crores, and I shall build two more

factories." Why not the State, the Union Government, take upon itself the job of building more factories, so that the private men who get so much of capital out of foreigners and the International Bank will not deprive the people of their right of enterprise.

Thank you, Sir, for giving me a chance to speak.

Shri T. T. Krishnamachari: All good things come to an end, and even Mr. Alva has now been silenced.

An Hon. Member: Far-fetched.

Shri T. T. Krishnamachari: Twenty speakers have spoken, barring the Finance Minister and the Prime Minister, but I am rather sad to reflect that the cumulative wisdom of Government has not increased as a result of listening to all these speeches. It is also a pity that the debate, out of which my hon. friend Shri Asoka Mehta thought much good would come, has more or less become a damp squib.

[Mr. SPEAKER in the Chair]

It produced no valuable suggestions, nor did it even produce a sense of realism among the Members of the House.

My hon. friend and colleague, the Finance Minister, in his speech yesterday touched on one point yesterday which I thought would have started reverberations in the whole House. Some of us who have been sitting on this side in the past, and you occupied a very prominent position;—I beg your pardon, I thought the Deputy-Speaker was still there—the Deputy-Speaker occupied a very prominent position amongst us in those days. We had been agitating for bringing the Imperial Bank under the control of Government. It is an agitation which has been going on for a long time. Oftentimes it was the lone voice of Mr. B. Das, subsequently other voices joined, but I think it was in 1948, that the Deputy-Speaker, Shri Mohanlal Saksena and myself were the joint sponsors of a Resolution asking the Government to nationalise the Reserve Bank and bring the Imperial Bank under Government control. So,

we had the good fortune at that time to work in close co-operation with the Government, and I believe we had something to do with drafting the answer which the then Finance Minister gave in February, 1948, I believe, holding out the promise, an immediate promise, of nationalisation of the Reserve Bank and a promise at not a distant date of bringing the Imperial Bank under Government control. Between 1948 and 1954 is a long time. The Finance Minister announced, after all these 6½ years, that Government have decided, on the recommendations of a Committee, to bring the Imperial Bank under Government control, and not merely that, but to make it the effective instrument of the credit policy of Government in order to provide money for the rural sector. Barring Mr. Das, nobody seems to have appreciated the phenomenal change that such an act of Government would bring on not merely the credit structure of the country, but on the entire economic structure. If that is a point that cannot be realised and relished, I do not see what use there is of discussing the economic policy of the Government.

Again, yesterday the Prime Minister asked for leave to move a Bill to amend the Constitution. Amendment of the Constitution is a very difficult and important task, and the particular Bill that was placed before the House, with the House's permission, is something which has far-reaching consequences. It lays down very clearly the economic policy of the Government of India, the policy which they propose to pursue in future, their determination to delve into every aspect of economic activity to be controlled and regulated for the benefit of the common man. Perhaps, hon. Members did not read that Bill yesterday. Some of them must have read it today. I found no mention of that Bill or its contents.

Shri B. Das: Except myself.

Shri T. T. Krishnamachari: I humbly beg Mr. Das's pardon for having not heard him mention it. I am merely mentioning this in order to

pinpoint the fact that in any appraisal of the economic policy of the Government, any assessment of the work that has been done all along and any delineation of our hopes and aspirations for the future, what happens to be most important is lost sight of in a few petty little matters of such a company doing something, some company not doing something else, oftentimes supported by facts and figures which are wrong. A great country certainly deserves better treatment at the hands of its rulers and the House will pardon me if I once again express my sense of disappointment that on this occasion we, who have a right to expect a lead from the House, and certainly from the Opposition, have failed to obtain that lead. That we have failed to obtain their approbation I can understand. That we have failed to obtain their lead shows that hon. Members opposite are not really interested. They might make a debating point here and there; they are not really vitally interested excepting in the debating points that they make or they fail to.

The broad principles governing our economic policy have been dealt with by my hon. colleague, the Finance Minister. The philosophy for it has been furnished by the Prime Minister this morning. But one omission which our respected leader, Babu Purushottamdas Tandon pointed out, I would like to refer to. I am not so much concerned about what he said in regard to taking the investment to the villages. Of that a little more anon. What he was pained to see and observe was that there is no stress on the moral aspect of the issues before us, the moral aspect of the economic progress that we are envisaging. I would like to tell him that that is a thing we are conscious of all the time. In fact, the whole idea of economic progress is to strengthen the moral fibre of the common man, as without some kind of material backing morality does not find any anchor. A few days ago, speaking at a conference of international commercial men, in my

own way, speaking about socialism about which the Congress Party is thinking seriously....

Shri B. Das: Not all. Everybody is not sincere.

Shri T. T. Krishnamachari: I mentioned that the socialist concept that we have in our mind lays great store on the moral values of socialism rather than on the material values.

Shri Sadhan Gupta (Calcutta South-East): Certainly not on the economic values.

Shri T. T. Krishnamachari: For this reason; if we speak in terms of economic welfare, that welfare, even according to a well known professor of economics, Prof. Pigou, is measured in terms of the rod of money and nothing else. A great country with a great soul is certainly not going to allow its soul to be measured by the yardstick of money. Therefore, when we emphasise on the moral values of socialism when we feel that it is immoral to be very rich, it is immoral to see people starve while at the same time you go about in your big cars and live in palaces and flaunt your wealth—that is a thing, that this Government is wedded to see does not occur—in fact, the whole idea behind Government's economic policy is to see that there is greater equalisation of wealth. (*Interruptions*). Interruption are inevitable. As my hon. friend Acharya Kripalani grows older, the less restrained he becomes. It cannot be helped because the nerves have got a way of loosening themselves as the age comes, and I am afraid you would grow old, and I would also grow old.

Shri S. S. More: Is that the reason for old men being made Ministers?

Mr. Speaker: Order, order. We are now carrying on a debate.

Shri T. T. Krishnamachari: I would like to assure our revered leader Babu Purushottam Das Tandon that whatever else we might say or we might not do, we shall not certainly give up the moral values on which

the entire fabric of the Congress Party has been built.

I shall go on seriatim to some of the speakers. While voicing a sense of disappointment, at the same time, I must mention two speeches as being outstanding. The speech of my hon. friend the Deputy Leader of the Communist Party, who I see is not here, was a good one, he always delivered a good speech, and more restrained, as he usually is. I have no complaint with what he said. He does not believe in our philosophy. He does not believe in our objectives and aims. He belongs to an altogether different faith, and if he denies that we do not worship the true God, I have no complaint to make.

But I am afraid he was not quite correct in whatever he said, because the dialectics of that Party does not lay much stress on the value of truth, and facts and figures have got to be used for the purpose of supporting their own case, however bad they might be. He said something about cement production, for instance, and the ACC compelling Government in order to raise prices, or offering to strike. This is the first time I had any news about it. Actually, the installed capacity for cement was 4.33 million tons in the year 1953-54, and the production was 4.04 million tons, which is extraordinarily good. There has been no slackening of production, so far as cement is concerned; nor did the ACC offer to strike because I do not think there was anything, except sporadic strikes in cement factories.

In his speech, the King Charles's head came back again, i.e. British capital. He said that British capital must be nationalised, and no compensation should be paid. There was only one slight error in that argument, namely, that Shri H. N. Mukerjee was oblivious of the fact that there is published on Friday every week in the newspapers a statement of the assets and liabilities of the Reserve Bank of India. He never cares to look into it. He will find there that as against a note issue,

we have a backing of sterling balances, ranging oftentimes between 730 and 735 crores—sometimes it is two or three crores less. A wise man like Shri H. N. Mukerjee must have realised that while there are 730 crores of our money with U. K., we have not got even as much of British capital or British assets in this country. And if I nationalise it, whatever good it might do to his soul, certainly it would not do any good to the fiduciary backing behind the note issue in our country. These are facts, but facts are of no use, so far as the Communist Party is concerned.

As for all the other things that he said about Ministers talking about production or deluding themselves and so on, I do not know if my hon. friend the Deputy Leader of the Communist Party ever visited a lunatic asylum. The first thing that he sees is that one lunatic says to the other lunatic, you are a mad man, and sometimes, he says that the visitor is a mad man. Oftentimes, hon. Members see people on this side of the House in their own mould. We apparently do serve as a mirror rather than as human beings working for a particular cause. I cannot help it. The eyesight of my hon. friend cannot be remedied even by a clever ophthalmic surgeon. I am very grateful to him for his peroration. His peroration was good in parts, like the curates's egg. Such part of it as is good we will accept; the other part which is bad we will drop.

Now, I come to my hon. friend Shri Asoka Mehta, the Deputy Leader of the Praja Socialist Party.

Dr. Ram Subhag Singh (Shahabad South): He is not the Deputy Leader.

Shri T. T. Krishnamachari: Is he not? I thought he ought to be.

I must compliment him, if he would not consider me impertinent, on a speech which contained by and large the largest number of constructive suggestion, though he finally ended on the note that this Government

had no reason to exist. I quite agree. But one thing he said was this. He took up an unfortunate document that somebody said was prepared by the Secretariat,—not wholly, for parts were prepared by the Secretariat, and parts were prepared by some of us—but either we are not as intelligent as the Secretariat or probably slightly less responsible. He said it was insipid like a nursery rhyme. This is the first time that I have heard that a nursery rhyme was insipid. My hon. friend's childhood must have been extremely neglected. I thought nursery rhyme was something that enthused us very much, and made us remember of those days in which what we said was something sensible, which well do not often say when we grow old. Each man to his own particular poison; nursery rhymes are insipid to Shri Asoka Mehta.

What he also objected to was to our saying very often that we have no doctrinaire approach. I quite agree. I think I should stand corrected. Hereafter, I must say, my doctrine is this. Why not? What does it matter what name you call your principle by? I would call it a doctrine, or a slogan or something else. If he has any quarrel, I for one, will cease to use the words 'doctrinaire approach' in the future.

He very cleverly tried to make a slight distinction between some of us here, and the Treasury Benches and the Prime Minister. That is the usual trick that is adopted by the Opposition, and after all, it is an old one. *Bhedam* is a very common trick in all politics. You have got to divide the members in the Treasury Benches and say, one man is very good, and the other people are very bad. But unfortunately, we are functioning in a system of government where there is what is called Cabinet responsibility, which is collective. Much as I would not like to lay any charge or responsibility at the doors of my Leader, we all share that responsibility in an equal measure.

So there is no point in either Shri Asoka Mehta or, sometimes the Communist Party, distinguishing between one member of the Cabinet and another, saying one is superior, the other is inferior. We propose to be either condemned or praised all as one....

Acharaya Kripalani: All are Prime Ministers!

Shri T. T. Krishnamachari:.....and not as individuals. Anyway, Shri Asoka Mehta says that the industrial policy outlined does not hold that promise of implementation that the speeches of the Prime Minister hold, whenever he makes a speech. Again, I think the defect must be in my hon. friend's hearing. What difference is there if a speech is made by one man in a slightly different way from another person in another voice, so long as the content is the same and so long as the head of the Government says that "this is what I propose to do and what I will get done"? I fail to see the logic behind an argument of this nature.

Again, my hon. friend, Shri Asoka Mehta, in assessing what he sees by his eyes as the method by which policies are forged by Government, saw a lot of conflict. I think the hon the Prime Minister very rightly laid stress on that point today, that there is no point in seeking to discover an antithesis where none existed, and where none can possibly exist in practice. He said that there is a conflict between the public and the private sector, there is a conflict existing in every region, even within the Cabinet itself. If that will do him any good, he can say that there is conflict between man and man.

Acharya Kripalani: Between man and wife.

Shri T. T. Krishnamachari: No two people see alike, no two people think alike. (*Interruption*). If hon. Members make an interruption, they must make it louder, if they want a response.

Shri E. K. Chandhuri (Gauhati): I was only referring to what my friend Acharya Kripalani, said.

Shri T. T. Krishnamachari: So far as the conflict between the private and public sector is concerned, here I think I would like to explain a little. My colleague, the Finance Minister, in his opening speech did make the point that there could be no basic incompatibility between the public and the private sector in a planned economy, and he also emphasised the point, which was further underlined by the Prime Minister today, that in a rapidly expanding economy, the rate of progress of the public sector would be considerably more than that of the private sector; and if the progress was maintained in terms of proper percentages, the percentage of improvement in the public sector ought to be something phenomenal as against that of the private sector. But again it is mentioned that there is conflict between the public and private sector. That is precisely what the Government are seeking to resolve. If there is conflict, Government with their authority, with the laws that they have at their command, the powers and regulations that they have, seek to resolve the conflict. In fact, the whole idea of the amendment of the Constitution, which has been put before this House by the Prime Minister, is to see that the regulatory powers of Government are augmented so as to resolve conflicts, so as to resolve inequalities between one section and another. In that particular amendment, we are not seeking so much an aggrandizement of the State ownership as a slight diminution of differences as between one sector and another, between one person and another, between the landlord and the tenant, between the managing agencies and the shareholders, between the shareholders and the policy-holders in insurance companies and so on—which I think is the duty of Government, and which is what we are seeking to do. We realise that there are conflicts. The conflicts are there; it is the duty of Government to see that those conflicts are removed and a synthesis evolved.

So far as this question of the private and public sector is concerned. I do not know why either on that side or on the part of those outside who repre-

sent what is called the private sector, this question is being emphasised. I would not blame hon. Members on the other side repeating this question of conflict between the public and the private sector. Leaders in the private sector have often emphasised this idea of a conflict between the public and the private sector. In fact, Shri Asoka Mehta, did read certain passages from the speeches of a well-known industrialist which apparently seemed to indicate that there is a conflict as such or a conflict between the private sector and Government. As the hon. the Prime Minister said this morning, the private sector is represented by a very large mass of people. He mentioned the small peasant proprietor. From the purely industrial point of view, I would like to mention another category of people, the man who ultimately saves some money and puts it to use for productive purposes and invests it in companies; he is also a small man, not a big man.

An. Hon. Member: *Laissez faire.*

Shri T. T. Krishnamachari: In fact, if hon. Members will look into the shareholding of the Imperial Bank, they will find that the majority of the shareholders have less than ten shares—even in the shareholding of a big bank. That is the small man, and if we are going to industrialise this country in the future, we want the savings of the small man, whether they come into investment in equities, whether they come into the national defence bonds or the national savings certificates; he also belongs to the private sector. So when we are thinking about the private sector and providing safeguards for it, I think we have no difficulty at all in assuring the small man that his savings will be guaranteed, and he will be paid back any money that he has invested either in equities—whether Government-owned or private-owned—or in Government bonds. We still think he is the backbone of the private sector, because no industrialist, no managing agent, really brings in all his money into the industry, he depends upon the investor. If that is understood, hon. Members here might realise with some

appreciation that the Government in seeking to safeguard the private sector are seeking to safeguard the common person whom we want to save and to invest. Well, if private sector means something big, somebody who has got a large amount of money, and that man has got to be safeguarded, I am quite at one with hon. Members on the other side to see that we are not out to do that kind of thing. In fact, there is no particular logic in people on this side of the House assuming the garb of poverty and making the rich people richer. For whose benefit? Not for our benefit. (*Interruptions*).

Acharya Kripalani: Poor man's benefit!

Shri T. T. Krishnamachari: Therefore, in seeking to limit the private sector or the public sector, we have what is called a pragmatic approach. There is no point in anybody disputing it—I am speaking purely from experience, as a person who has, for good or evil, been in charge of the commercial and industrial destinies of this country for more than 30 months. It is not possible to demarcate any sector in a planned economy as belonging either to the private sector or to the public sector. If anybody attempts it, he will be attempting folly, because in an under-developed economy, when our resources are inadequate, when everything that we have has to be put to some kind of use which will generate more production, and therefore, more wealth, we cannot afford these nuances of demarcating spheres and saying, 'I will have none of it; I won't enter that'. It might ultimately be that with the plan as it goes on evolving, with industries growing more and more, there will be a dovetailing, rather than a separation, of the private and public sector. It will be the duty of Government to fill up gaps. It may be that private enterprise being under the management of private individuals to whom undoubtedly the profit motive is an important one, do not care to fill up a gap from out of which they will not gain anything. We cannot afford to leave a gap there. If the gap is big, it will gap the whole sector and if the gap is small, if it does not

[Shri T. T. Krishnamachari] worry Government very much then they go and help them. Therefore, there cannot be any hard and fast rule in regard to assigning respective roles to the public and private sector. And it does happen that in industries where the capital is big, naturally the public sector comes into operation.

Here, I would like to refer to a charge made against the Government by the eminent scientist Shri Meghnad Saha, who said that Government have offered to lend or made provision to lend to a particular industry three crores of rupees. He was doubtful whether the Cabinet had sanctioned it. Well, nothing big happens which does not get Cabinet sanction. And, if all the Members of the Cabinet do not sanction it, well, they take the responsibility for it nonetheless. If, on a vote, when it is submitted to the House, the House should decide that they won't grant that money, the Cabinet would be in jeopardy.

Shri Meghnad Saha: All that I said was that a loan of Rs. 3 crores is given to Messrs Atul Products which is run by a particular industrial magnate. This grant has not come through the Industrial Finance Corporation or any other of the five or six other Corporations which have been devised to divert public money into private pockets. But this was granted at the last supplementary budget. I wanted to know why it has not come through the proper channel, whether you have received the sanction of Government or the Cabinet in giving this loan or grant.

Shri T. T. Krishnamachari: Every decision taken by Government has the sanction of the Cabinet. So far as this is concerned, I was about to answer the hon. Member. The amount that was sanctioned was three crores and it is not drawn yet. And, it could not be met by any of the Corporations because of the magnitude of the amount necessary. The industry for which that help was offered is a very vital industry. In course of time it is expected that that particular unit will produce about 20 per cent of the total needs of dyestuffs

in the country. The conditions that were imposed were that they should provide as much private capital. And, in fact, the offer of government help indicated to the market that the industry will prosper and the money was forthcoming immediately by private subscription. I understand that further moneys are likely to come forward from private subscription so that all the amount of money that Government offered to give them will not be called for unless they are going to expand further. I also understand that there are participants wanting to put money into it so that it might be ultimately that that unit might grow bigger and might manufacture more than 20 per cent of the dyestuffs needed. And, this is a part of the plan that we should become self-sufficient in the matter of dyestuffs. Government have done this consciously and deliberately, not with a view to help any individual but with a view to build up an industry which is of the greatest importance to us. In the last twenty years we have been talking of dyestuffs. All attempts at producing it have failed. Here was a chance where it could be produced and therefore Government offered the help. I may also tell the hon. Members of this House that as a result of the interest shown by Government in this venture of manufacturing dyestuffs, two other concerns have started with sufficient capital, background so that I do hope to see in about two years' time that the dyestuffs industry in this country is firmly established. I offered no apology for what the Government has done. (*Interruption*). I have no time; I must finish.

In this connection, I would like to say—rather repeat the hopes expressed by my hon. colleague, the Finance Minister, that we want 12 million jobs during the next Planning period. But, I would like, so far as the Opposition is concerned, to utter a word of warning that that will be possible only if the necessary sacrifices are forthcoming from all parties. I find recently, looking into a research made by an econometrician in regard to the possibilities of providing fuller employment and the

consequences of it. It is not always possible to provide fuller employment up to the target figure, if that also carries with it the increase in the standard of living. Sometimes, in order to achieve fuller employment, we might have to lower the standard of living and to the extent we are prepared to lower the standard of living, to that extent out targets in regard to fuller employment will be achieved. A synthesis of these two demands has to be made somewhere. But, there is no point in saying, you are not paying as much as you ought to; there must be an increase in wages; otherwise employment is no good. Well, if this is the attitude, you cannot have fuller employment.

Acharya Kripalani: I thought the Plan was for raising the standard of living. Now we are told that it is not.

Shri T. T. Krishnamachari: Hon. Members have seen or rather heard our objectives in regard to the raising of the standard of living. We are proceeding rather slow, merely because we want to employ everybody that is unemployed. That concept is a thing which one has to understand and realise. If you really want fuller employment, fuller employment in ten years, certain compromises are inevitable and the two things cannot go together. My hon. friend is perfectly right to ask me if you are going to stratify the standard of living in all sectors, what are you going to do in regard to other sectors. It is the Government's duty to see that the sacrifice is equal and not unilateral. So far as the textile industry is concerned, we can provide more employment tomorrow if we can have six hours shift. I do not see why it should not be done. I think six hours shift will increase production and will lower fatigue. But, we are not prepared to make that sacrifice. At any rate, leaders won't take the plunge; perhaps, Mr. Asoka Mehta might, but Mr. Hiren Mukerjee will not.

An. Hon. Member: This is divide and rule.

Shri T. T. Krishnamachari: I think dividing and ruling is much better than to have what is called a split-mind.

Mr. Asoka Mehta unfortunately made a few statements which were not quite germane. I think he said something about 12 lakhs of persons in two years in China. The whole idea of 12 lakhs of persons taken out of the context from one picture may not convey anything. We do not know whether they were employed before or not, whether they were fully employed or employed seasonally. It will hardly convince anything so far as we are concerned.

The other point he made was again slightly misleading. He said that companies were not re-investing a significant part of their profits and he referred to the Reserve Bank analysis and also to the commentary thereon by the *Eastern Economist*. The Reserve Bank Analysis which extended over 757 companies with a paid up capital of Rs. 337 crores or 44 per cent of the total paid up capital of all Joint-Stock companies in 1951 is as follows:

In 1951 the gross profits of the companies analysed was 109 crores out of which depreciation was 26 crores, tax payment 20 crores, and dividend 28 crores, leaving a balance of 37 crores to be retained by the Company. On the other hand, the net addition to fixed assets was 7 crores and the increase in inventories was 56 crores. So, I do not think I can draw any conclusion that one can draw from the query raised by the *Eastern Economist* in regard to this particular matter. None the less, I would once again acknowledge the useful contribution made by Mr. Asoka Mehta to the debate and whatever he has said about which I have not made a reference, he can take it that the Government will take due note of.

I would like to make one reference to my hon. friend Shri Dabhi. Of course, Mr. Dabhi cut the Gordian knot and he wanted a solution for his troubles. He suggested a remedy that the Minister should be relieved of his responsibility for cottage indus-

[Shri T. T. Krishnamachari]. tries. But, unfortunately, I am not in a position to agree to what he says. But, I must say that my hon. friend who, I have no doubt pursues the path indicated to us by the Father of the Nation with a zeal much greater than mine, and therefore should be expected to be a person who does not hurt. Nor did he realise the facts of the situation. Before this particular Ministry came into office, the grant that we were making for khadi was two lakhs of rupees to the All India Spinners' Association. For khadi alone, more than a crores of rupees was spent in 1953-54, and Rs. 3 crores have been allotted in the current year, and still he wants me to be relieved of this particular responsibility. Apparently, the crime is that I have given them Rs. 1.8 crores in 1953-54 and Rs. 3 crores in the current year as against a few lakhs which they were getting before.

Acharya Kripalani: How many crores do you give to the big industries?

Shri T. T. Krishnamachari: We do not give any money to big industries. In the matter of village industries, Rs. 52 lakhs were spent last year and over Rs. 1 crore spent this year. The complaint is that Government have not given all that the Board asked for. Last year we gave than what they asked for and they were not able to spend it. I must say to the credit of the Board that it does not want to waste money. It has to find the proper method of spending it. In regard to cottage industries and small-scale industries, the difficulty so far as we are concerned is not that we have not got the money to spend, but we have not got the agency to spend. If I am to create an organisation myself from our side, of the money I have set apart, enough will be swallowed up by the organisation. In point of fact, the All India Khadi and Village Industries Board spent a large proportion of grant on organisation. We are dependent very largely on the States for the purpose of spending the money.

One or two matters that he mentioned are of trifling nature. I am very

sorry that somebody in the Board should have briefed him about it, but as Shri Dabhi might have known, it is no doubt true that there was one particular organisation in Madras which had been working in 1947—it is the Khadi Co-operative Society—and it was told that it would not be recognised and a rebate of three annas in the rupee would not be given to them. The fault against them was that they were not paying adequate wages. Here is a case of a person wanting the grant, but he would not get the entire amount unless he paid adequate wages, and he says "If you do not pay the rebate, we can not pay adequate wages." The Madras Government took a serious view of the matter.

Shri Dabhi has said a few other things, and it is the lot of a Minister to be prepared to receive them, but I merely want to tell the House that it is not proper.

Another matter which I would like to mention is about the matter of differences between me and the All India Khadi and Village Industries Association. I went to their show room in Bombay and I found somebody purchasing silk worth—Rs. 13 or Rs. 14 a yard and they were given a 15 per cent. rebate on the purchase. I quite agree that we should give rebate on khadi. We should give rebate even on inferior silk, but a rich man who is prepared to pay Rs. 15 a yard—and he is buying 5½ yards for his wife—does not need this rebate, and I do not think I am justified in asking the tax-payer to pay 15 per cent rebate to him. The Board did not like it. There are differences and these differences are in the interest of safeguarding the money of the tax-payer so that the money will go to the people who deserve it and not to the rich man who can afford to pay Rs. 15 per yard.

Shri Dabhi (Kaira North): May I ask a question as to whether the Board offered to resign?

Shri T. T. Krishnamachari: The matter must remain with the Board

and with me. If the Board propose to take Shri Dabhi into their confidence, I do not propose to take him into my confidence.

Another important speech that was made was by my friend, Shri N. V. Gadgil. About my hon. friend, I must speak with a great amount of trepidation, because he was a distinguished member of the previous Cabinet and is, therefore, expected to realise both the shortcomings of Government as well as its strength. But I am afraid that, in asking the Government to do certain things, he just missed all the points that were made by my hon. colleague, the Finance Minister, and the points that were made by the Prime Minister. What he wanted was that the textile industry should be nationalised, and the jute industry should be nationalised. The Prime Minister has been saying time and again that we do not propose to nationalise these units. If at all we start nationalising units in that sector, it is going to be new units. Many of the hon. Members here tell us about the delinquencies of the various State organisations, and Shri Asoka Mehta told us, though he made a very flattering reference to me about the lack of a managerial cadre. What is the object of taking textile mills where out of 400 units, about 30 are very bad, another 30 are nearly as bad, and another 30 not particularly good. The fact he forgot was that new resources do not develop by nationalisation. If I take over a textile mill from somebody else, new resources do not develop. The hon. Member will be quite correct in saying that the fiscal technique should be adopted for the purpose of mopping up the money available. If he had said "Give them some incentive to make savings, but see that that money is not spent, that money should be used only for new ventures, so that new capital is made, instead of dispersing it on dividends, I would have appreciated it.

I do not propose to say anything very much about the remarks made by my friend, Acharya Kripalani. Unfortunately, the trouble about him

is that he is not able to appreciate a joke, and he might repeat it. We leave it at that.

One point that he mentioned was about the question of diesel engines. Diesel engine production dropped a little because of imports. Why were they imported? Not because of a free policy of imports; they were imported for a specific purpose, namely, the Grow More Food Campaign of the Government of India which needed diesel engines. It is not so much a question of internal production as to find the facilities for the agriculturist to grow more food. As to the relative importance of the two, the powers that be decided that we must import the engines and give them to the agriculturists. A large quantity of engines were imported and given to the agriculturists, but I can tell him that the position is now satisfactory. We have banned the import of diesel engines of less than 30 horse-power for a period of two years and I expect it will more or less continue until such time as a ban is not necessary.

Shri V. P. Nayar, the Chitragupta of the Communist Party, came out as usual with a number of facts and figures and statistics, all of them wrongly conceived, wrongly understood certainly, and presented in a wrong manner. He mentioned something about the Krupp-Demag agreement made by industrial concerns run by the State. When we ask for capital participation of foreign concerns for industrial concerns run by the State, the basic idea is not so much that we get a certain amount of money from them, but that we have certain amount of security for good behaviour. Surely, Shri Nayar understands that Government could find the small money that Krupp-Demag are putting into this venture. It is not that we do not have the money, but it is better to have some of their money into it to see that the performance is properly carried out.

In regard to the agreement in respect of services and technical fees, it may be that Shri Nayar thinks that

[Shri T. T. Krishnamachari].

Rs. 2 crores is very high. Certainly, Government have compared these figures and they are satisfied that the fees paid are reasonable.

In regard to standard telephones, he said there was a rivalry or conflict between the Production Ministry and the Commerce and Industry Ministry. I am afraid his veracity is certainly open to question. He spoken about antimony lead. The real fact is that antimony lead in this country is made out of ores imported from Bolivia. We were formerly getting it from Pakistan. The very large quantities of lead that we need are again imported. There is no question of antimony lead being available locally. Maybe somebody had large stocks. I do not think there is any serious conflict between one Ministry and the other. At the Supply Department stage two officers might have differed. But what was done, by and large, was right and proper, so far as the country was concerned.

Of course, Mr. Slowcomb is a target. But I am assured by no less a person than the Prime Minister that the value of his services in expediting the completion of the Bhakra-Nangal Project is so high that no price is too high for him.

Finally, I would like to assure my hon. friend Mr. Deshpande that Government are always watching the trend of prices and my hon. colleague Shri Ajit Prasad Jain will not let any opportunity to pass for the purpose of protecting the interests of the agriculturists.

I would also like to refer to my hon. friend Mr. Alva. One trouble about my hon. friend Mr. Alva is that his eloquence outruns his discretion and therefore whatever he has said has very little bearing on facts.

I will now come to the end of my story. As I have said I welcome the opportunity of the microscope being turned on Government's economic policy, and whatever has been said by hon. Members which has to be

taken note of will be certainly taken note of, and when we come back again with our Budget to the House we may perhaps hear more about our performance, or lack of performance, whatever it might be. Nonetheless I must express my gratitude to such hon. Members—I would particularly like to mention, Mr. V. B. Gandhi, Mr. A. M. Thomas and Mr. Bhagwad Jha Azad—who have given their valuable support to Government's economic policy.

Mr. Deputy-Speaker: Does the Finance Minister want to say anything?

Shri C. D. Deshmukh: No, Sir.

Mr. Deputy-Speaker: I shall now put the amendments to the vote of the House. I shall first take up Mr. Lingam's amendment.

Shri S. S. More: May I rise to a point of order? Is substitution amendment in order?

Mr. Deputy-Speaker: It is in order. It has been the usual practice that whenever such motions have been made that a particular thing may be taken into consideration, substitute motions have been moved that having taken that into consideration the House is of the opinion, etc. etc.

The question is:

That for the original motion, the following be substituted:

"This House having considered the economic situation in India and the policy of the Government in relation thereto, is of the opinion that—

- (i) the policy of Government is in harmony with the policy statement of the 6th April, 1948;
- (ii) the objective of our economic policy should be a socialistic pattern of society; and
- (iii) towards this end the tempo of economic activity in general and industrial development in particular should be stepped up to the maximum possible extent."

The motion was adopted.

Mr. Deputy-Speaker: All the other amendments are barred on account of the adoption of this motion.

MESSAGES FROM THE RAJYA SABHA

Secretary: Sir, I have to report the following messages received from the Secretary of the Rajya Sabha:

(i) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 18th December, 1954, agreed without any amendment to the Preventive Detention (Amendment) Bill, 1954, which was passed by the Lok Sabha at its sitting held on the 13th December, 1954."

(ii) "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Tea (Amendment) Bill, 1954, which was passed by the Lok Sabha at its sitting held on the 14th December, 1954, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recom-

mendations to make to the Lok Sabha in regard to the said Bill."

(iii) "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Indian Tariff (Third Amendment) Bill, 1954 which was passed by the Lok Sabha at its sitting held on the 14th December, 1954, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(iv) "I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 20th December, 1954, has passed the following motion:

MOTION

That this House concurs in the recommendation of the Lok Sabha that the Joint Committee of the Houses on the Bill to amend and codify certain parts of the law relating to minority and guardianship among Hindus be instructed to report on or before the 31st March, 1955."

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 22nd December, 1954
