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SPEECH IN PARLIAMENT

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THE BUDGET & THE PLAN

*Capitalist Offensive and the
People*

S. A. DANGE

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DISCUSSION ON GENERAL BUDGET

Mr Speaker, Sir, the opening paragraph of the speech of the Prime Minister, who is also in charge of the finance portfolio, says that he is very unhappy in regard to those events which landed him in the Finance Ministry. So far as we are concerned, we thought that the matter is quite happy, that the change was for the better, when the Prime Minister took over the finance portfolio. But then he says that he is not only unhappy but he is unfit for the job. There are rumours that we are going to have another change. I hope the change does not prove unhappy for the people. Let a happy change come about if you must have a change.

With that perspective before us, let me now turn to the other contents of the speech. It is already commented upon that there is nothing much to discuss in the speech. It is the old story; no new sensational taxation; nothing sensational in the budget to discuss. In fact, the Finance Minister himself put it as a pedestrian budget. Of course there is a joke going round that it is a budget which hits the pedestrian more. But it has nothing new. The hits, if they are there, are just inherited from the last year. Therefore, I will point out in brief what continues as from the old. For example, the same old features of last year continue in the present budget. We thought there might be some relief for people who deserve the relief, but there is none.

EVERYTHING IS GOING UP EXCEPT WAGES

For instance, I shall list seven points as being inherited from the old with one or two new items. Take taxes; they remain as before. Expenses; they do not remain as before. They jump from Rs. 719 crores to Rs. 796 crores. This jump is not due to any dearness allowance payment being made to Government servants, which is just about, I am told, Rs. 1 crore. So, the jump from Rs. 719 crores to Rs. 796 crores cannot be ascribed to the demands of the poor Government employees.

Then, coming to prices, they are also up; six per cent higher

than last year. The index of profits, though not given here, is also up. Food shortage is also up. So, these things continue going up, though the people's efforts have put the production also up. Though the rate of production has slowed down slightly, yet the production is going up. What has not gone up but has gone down is the relief to the people and settlement of claims of the working class, the middle classes and the toiling people, who are helping to produce all these things. But that also can be put up as an old story continuing from last year.

If you take the seven features of the budget, well, the budget is as it was; it is a heavy burden on the people. But, then, one should not come to the conclusion that there is nothing new in the situation. Almost a feeling has been created in the country that it is all normal; whatever sins were committed were committed last year in imposing taxes; so far as this year is concerned, it is all normal. No, sir. Some new factors have arisen in the situation, which might disturb the whole structure of the body and the whole perspective that is presented in the budget. The disturbance may be sometimes on the good side, may be partly on the bad side.

What are the two new things in the situation. One is—and some people are very happy about it; and I am not unhappy about it also—that the dollar has begun to smile on India. So long it was frowning and now it is rushing to the help of this country. So, there is tremendous praise in the press, tremendous jubilation in the ranks of the investors and tremendous jubilation in certain sections of the Congress party and, perhaps, other parties also.

U.S. AID—NO PHILANTHROPY

However, if the dollar has begun to smile and wants to come to our country for our aid, well, let us have it. I do not mind, provided, of course, the goods they supply in exchange for the dollar aid are really good, the wheat is really wheat and eatable, the machinery is really machinery that will function, the prices will be reasonable and the interest rates will not be the usual interest rates that are being charged. I think they should charge us not more than 2½ per cent as some other people are doing.

Therefore, the dollar aid coming to India is not bad. Along with it, there is the French help, the Japanese help and there is,

of course, the Soviet help and all that. But there is nothing new in the Soviet help. What is new in the situation is tremendous shouting in certain circles that since the Americans are coming to our aid, now at least the governmental policies with regard to America, with regard to foreign policy, might be influenced in some other direction and so on and so forth. Then, over and above that, a conclusion is slowly being injected in the minds of the people that it is really philanthropic aid, the tremendous riches of America are being poured into our lives just philanthropically without and selfish interests and so on and so forth.

REASON—RECESSION AT HOME

Now, I do not mind building up friendship with American people, as we should be friendly with other people also. But I do not want the friendship to be built up with American investors and bankers. That is my point. And in order to illustrate this point and to stop this praise in the wrong quarters being shown, I would like the House to pay some attention to one factor. Why is the American dollar smiling? Because, at home he is in difficulty. Recession has started coming in America. Therefore, the inventories of goods are piling up. They have got to be cleared out, and the best way to clear them is to hand over dollars, and along with them the goods, to India in the form of aid. It is certainly a legitimate aspiration for American capitalism to unload its goods on India when it has got recession and to palm them off as philanthropic aid for love and so on.

It is a fact that recession has come there. Therefore, the dollar aid is coming to us. Let us take it. But let us also take note of the recession and say: "Gentlemen, what about the price?" For example, even today when oil prices in America have fallen by 15 per cent or more, we have not yet got reduction in our oil prices. So, if the dollar comes to aid, do take it, but with caution.

GIVES 66 MILLION, REAPS 241 MILLION

As regards philanthropy, here is something which the House might note. There is a publication called *World Economic Survey—1955* published by the United Nations. Though the aid from America is stated to be philanthropic grant, charity,

desire to feed poverty-stricken millions of Asia for no reward, the United Nations' Publication says:

"In recent years, United States...have been receiving substantially more in the way of income on past investments than it has, on balance lent abroad, either on private account alone or on private and governmental accounts combined...." (Page 82)

People think that the Americans are giving loans and receiving back very little, perhaps even abuses; they are mistaken. American loans sent out bring in more profits than what is invested. For example the annual averages for the years 1948-54 of private United States net capital outflow is 1,639 million dollars. Investment income on private US investments is 2,196 million dollars. And the publication goes on to show that United States direct private investments in India, Indonesia and the Philippines total 66 million dollars for the years 1953-55, while the earnings total 241 million dollars, of which 203 million dollars were transferred to the United States. 66 million dollars they gave as philanthropy and they took back 241 million dollars. That also is philanthropy, but only for the investors.

Shri Naushir Bharucha: We must take into account the prior investments also.

Shri S. A. Dange: Let us take the period when dollar is smiling on us, and not when it was angry with us.

So, that is the new situation. And the newness casts on us the duty to be more cautious about taking loans. I do not say that they should not be taken. However, I want to press upon the attention of the House and you, Mr Speaker, that when you negotiate and send missions to buy things, well, they should not be sent under the chairmanship of the enterprising and celebrated Mr H. M. Patel or people like that. Let those negotiations be on proper basis, with proper prices and proper terms. That is something new which the country is taking and so we should consider that as a new element in the situation.

But there is another thing which is disquieting and quite new. If the recession helps us to get more aid, by all means let us have it. Why should we be sorry about it? Let there be more recessions in America, if we can get cheaper steel, cheaper

oil and other things. So far as their people are concerned, well, they will look after themselves, and we shall help them in that.

END OF BOOM IN INDIA

Then there is another new factor that has been indicated in the Finance Minister's speech. He says "the prolonged period of boom, which started in 1953, ended in 1956." Though the production is going up, the rate has slowed down and the boom, as the Finance Minister says, has ended. Then, what are the steps proposed in order to cushion the effects of the end of the boom? The only indication given is the decline in equity prices, as measured by the Reserve Bank's index of variable dividend securities. That is the only indication in the market.

There are already indications that production rate has gone down. There is an indication that textile mills are closing. The excise duties are becoming a little unbearable. Just financing the Ambar Charka with crores from the excise duty on cloth will not give us much good. And it is my opinion that a lot of money is being wasted on it for nothing. The excise duty had been imposed on the composite mills; now the power looms are also brought within the purview of the duty.

Here let me point out that the Ambar Charka plan cannot be a substitute for unemployment benefit. There must be certain subsidy for handicrafts in the villages, and I am for it; but not in the way in which it is being done; that is, at the cost of an industry, whose production is closing down. Not only that, it also causes unemployment.

Therefore on this question of cushioning the effects of the boom, the Budget Speech or the budgetary figures do not give us any indication as to how we are going to meet this problem. For example there is an Economic Survey. It goes on arguing this way and that, that though the boom might end this side, the inflationary pressures continue and that recessions on that side might harm our export market. But what is the net effect on the people—the working class, the middle class, their consumption, their incomes, their wages, their disputes, their strikes. What is going to happen to that if the boom has ended and already having a certain effect? Therefore this Budget requires not so much discussion of the quantum as the discussion of policy, because the quantum is more or less inherited from last year. But how are these new factors of recession there, a coming here and the boom ending here, are going to be c

ordinated with the development in future, i.e., in the next year, and with the developments which are already taking place? Textile mills are already closing down, some because of fraud and some because of genuine difficulties. All are not closing down because of frauds, nor are all closing down because of genuine difficulties, but there is a certain difficulty in the matter of meeting taxation and combining it with the demands of production and the price mechanism. Therefore here is the question of the newness in the situation and I hope hon. Members will pay more attention to this new factor than merely to the quantum figures in the Budget which we do inherit from previous years.

Capitalist Slogan: "De-nationalise!"

OURS: "MORE NATIONALISATION"

There is another thing which is also new. That newness was very visible yesterday. The hon. Prime Minister was invited to a meeting of the Federation of the Indian Chamber of Commerce and the big bourgeoisie there made straightforward direct demands on him. And what an amount of boldness we find on the part of the private capital. I will not call that meeting of yesterday a meeting of man-eaters. That will not be quite correct. Though it may not be very rude, still, it would not be quite correct. Here the cream of the finance of the country meets. They should provide to the hon. Finance Minister and the Prime Minister solutions for overcoming the difficulties of production in the country, for overcoming other difficulties in the matter of our economy. But what do they do? Their first demand is: "Denationalise!" That is their central slogan. If that is the central slogan of the big bourgeoisie and the monopolists in this country, then the whole nation will have to mobilise along the slogan: "Stick to nationalisation and more nationalisation." If they are going to proclaim a war on our economy, we will take up that battle.

They had the cheek to come and tell us, "Divide L.I.C., destroy its monolithic structure," so that these gentlemen can create holes in it and sink themselves in it and hand over a part of it to private capital and then for some time keep something for the State sector. They are in fact coming to a point when they would say, "Hand over everything, all your steel plants, all your other plants. You give us the money, give us the loans

and let us have the profits." That is their simple slogan. And what are their proposals? You should read the demands that they have made. "Income-tax is very high, dividend tax very bad, investment in new securities should not be taxed, bonus issues should not be taxed. Dividend tax should be withdrawn, expenditure tax should be withdrawn, wealth tax should be withdrawn." Everything should be withdrawn and they should be let loose on the country. These are their demands. Are they serious, this body of the cream of finance of the country? And these are the gentlemen who are given praise, that they are helping very well in the development of the Plan. The only abuses that are hurled are the abuses at the working class, which goes and demands higher wages, bonus payments, application of laws, hospitals, sickness insurance. They are said to be obstructing production.

These gentlemen of capital have put forward seven wonderful demands before the Prime Minister. "Cancel all taxes and we will help the economy,"—to sink further in the ditch perhaps. If this is the way the big monopolists in this country are going to react, then let me tell them that so long we have been putting restraint on our demands. If that is their demand, then we will say: "Nationalise more and more, nationalise all the key industries." And the first thing to be nationalised should be the banks. Again, I repeat that demand. It is through this institution that they are running away with all the things. And what gentry had assembled there? They are the captains of industry. They are the philanthropists who are helping employment to grow, and they are very moral. The only immoral people are the workers, petty middle class, always creating troubles and always making demands.

THE MORALITY OF OUR BOURGEOISIE

And what is the morality of this gentry? I am sorry that they did not pass a resolution against the Budget speech and certain implications of it. But here is the morality of this gentry which wants all this. What is it? Here it is found that they are evading by all sorts of ingenious methods their moral duty towards the nation. What is the moral duty of the bourgeois to the nation? That they take their normal profits, develop production, pay normally good wages and normal taxes—and good taxes—to the country so that investments grow, they get loans for their own development and that they are honest about it. But what

is the history of the last three years? When they are alive they evade and when they are dead then also they evade. What is the picture of the estate duty, death duties? Government expected something like Rs. 2-3 crores and got only Rs. 12 lakhs. Where is the money going? When the man died we knew he had enough. Then how is it that after his death it has vanished.

The analysis given here about the moral stature of the captains of industry—I do not want to name any particular captain, but their “elevens” and they are always such that they put us into defeats—is this: “These captains transfer properties through gifts to one’s near relations or associates, which is one of the commonest forms of avoidance of not only the estate duty but also of income-tax, wealth tax and even the expenditure tax. The only way of effectively checking this practice is to levy a tax on gifts also.” (Finance Minister’s speech, page 16.) I am not sure that when you tax gifts, then also they will not evade because it is proposed that gifts, in order not to be evaded, should cover the prior period of four years. These gentlemen will write their wills of gifts every four years. They are clever enough and there are enough lawyers to help them do it. But I am not reading that in order to suggest any fool-proof method just now except of nationalisation of banking. I am suggesting that this is the industry, this is the leadership of capital in the country, these are the captains of the industry, who are given all the aid, all the loans and all the opportunities not to develop production but to evade taxes. And they evade taxes in such a way that the hon. Finance Minister becomes desperate and says, “Now even gifts must be taxed.” He says, “The actual collections of estate duty have fallen short of even the modest expectations we had at the time of passing that measure. That is partly due to the practice of making large gifts *inter vivos* which will, hereafter, be checked by the levy of gift tax.” This is the commentary on the morality of capital in this country and those who dare to attack the morality of the working class. Let them read this comment.

What has got to be done is that this tax structure—however nicely you put it forward is bound to get more and more into deficit financing, more and more into difficulties of borrowings, more and more into difficulties of savings, because those who hold the main sources of capital, the main sources of production are themselves the most immoral so far as their duty to the country and the taxpaying are concerned. What are we going to do

about it? No approach of Gandhian morality will help them. They knew only one thing about Gandhism and that is to make donations and go away with the profits. They are not going to be cured by philosophy or anything of the kind. Therefore positive measures should be taken to stop this evasion of taxes and to stop them running away with State funds and the dues of the people.

They say they are developing industry. I want to make a remark in this connection. There is a certain degeneration setting into the ranks of our capital. For example, the other day we had the spectacle of the Prime Minister attending the 50th Jubilee of the Jamshedpur works. What a man the founder of that works was! Without caring for dividends, without State loan, without help, he and his friends went into the jungles and established an iron plant and found iron mines. He was an *entrepreneur* in the real classical sense of the term. That was the man who founded the industry, because he wanted the industry to develop, the man who laid down the basis of the first steel plant in India, because he really wanted steel to be produced in India. That was the man who was the real captain of industry and the proper representative of the Indian national capital.

DIVIDEND-HUNTERS, CHIEF MINISTERS AND STEEL WORKERS

But what are the present successors of that great founder doing? They build industry no doubt, but they want loans and double depreciation. They want taxes to be waived; they want loans from India and from America; they want to evade taxes. These people who today form the ranks of Indian capital degenerated from those classical *entrepreneurs* of the 19th and early 20th century in this country who really wanted to build industry in order that not only they may earn profits, but also that industry in the country may develop. Today their successors are mere coupon-clippers depositing their shares in the banks and the banks collecting dividends. With one or two exceptions who know how to manage the industry directly, they are more dividend-hunters than industry builders. That is their characteristic. "Dividend first; industry next" is their slogan and it will be a good thing if the jubilee would bring some sense to the successors of the founder of Jamshedpur.

Today for the sake of petty gains, workers' demands are being shut out in Jamshedpur, Burnpur and Kulti, and when people

get agitated, turn to trade unionism and when they want to demonstrate, the Chief Ministers of three States combine together, with the INTUC leaders helping them, in order to conspire to suppress this agitation of the steel workers of Jamshedpur, Burnpur and Kulti. Even today there is a strike there; why has that happened? You must take note of the fact that a certain degeneration has set in in the ranks of the captains of industry. That is the inevitable corollary of concentrated money power. That is the inevitable corollary of their being let loose to concentrate wealth in their hands like that despite all the wealth taxes that we are imposing on them. Therefore, this power should be smashed if our Five Year Plan is to succeed.

The question is, what to do next and how to meet the offensive of capital. As I was just saying, they themselves say, "Eradicate all taxes, hand over things to the private sector and stop the activities of the State sector." They do not want the State sector to grow. They say, "You will be in financial difficulties." Can these financial difficulties be met? Yes; my first appeal would be let us stick to the hard core or core, whatever you call it, of the Plan—heavy industries and steel plants. I was very sorry to find in the list of the hard core which was read out the other day, mention of heavy forgings was not there. You cannot produce steel and not have heavy forgings, because even the manufacture of a 5000 ton ship in the Vizag yard would be impossible if you cannot cast the crank shafts in our heavy forgings. If we have 3 million tons of steel and do not have heavy forgings, we are nowhere. Therefore, the core of the Plan must be a composite whole. I do not know why things are being related to this House in this peculiar way wherein in the hard core we have steel but not heavy forgings. In any case, I am told that negotiations and preparations are being made in order to establish heavy forgings plants and also plants for heavy electricals. We stand completely in support of the Plan in so far as it is resting on heavy industry and in so far as it rests on giving relief to the people, in so far as it rests on fulfilling the best part of the Plan in favour of the people. Therefore, we are with the Government in fighting this demand for denationalisation, this demand for running away with taxes, this demand for leaving the whole field of finance and industry to these captains of industry, which do not lead to much benefit for the people. Therefore, I would say that so far as the determination expressed in the Plan to stick to the hard core or the core and

also some of the welfare parts of it, though something may have to be pruned in certain spheres, is concerned, we stick to it and we hope that the Government also will stick to it and will not be cowed down by this offensive of private capital against the national sector. Despite bungling in the national sector, it is the national sector alone that is going to build the future of this country and the future of the people also.

We stick to the Plan, but what about the finances? Finances can be found. You will say, "If you want finance to be found, you must agree to taxes." Certainly we do agree to some taxes and we agree to certain deficit financing also. There is Rs. 200 crores or more of deficit financing in this budget. I am not afraid of deficit financing, but on one condition that prices are held and effective democratic controls are established. The only way to control the bad effects of deficit financing is that. Deficit financing is inevitable in a country which wants to develop heavy industry and when it has not got its own accumulation of capital. But the deficit financing which is taking place here is leading only to inflation, inflationary prices and inflationary profits. Therefore, this deficit financing is injurious as it is being carried out today, though deficit financing can be one of the ways of finding finance.

MOBILISE L.I.C. FUNDS, COMPANY RESERVES

So far as taxes are concerned, taxes on the people must be lowered to some extent and a certain amount of relief in the taxes on the people is necessary. In regard to savings, of course, we can find some money in savings. The workers and the middle-classes are asked to save. All the while the savings drive is going on, but when those who really have the money are asked to save, there are Finance Ministers who help them not to save. For example, all the L.I.C. funds whose total comes now to about Rs. 40 crores in a year can be raised to Rs. 50 crores easily; all that should be brought into the savings department for investment purposes in the governmental sector. That should form the basis for Government expenditure in capital outlay. But now a portion of it is allowed to run away to stock exchange.

My proposal is that all the L.I.C. funds should be brought into the governmental sphere of investment. Secondly, I would propose other sources of savings which are already there and which have not been carried out. For example, there is a scheme to ask the big corporations and companies to deposit

their depreciations and reserves with the Government and you know what a revolt there was. The revolt was such an acute one that T.T.K. had to fly to Calcutta and in pacifying the revolt, he did many other things which he should not have. After that, I do not know what is the income into the governmental treasury from these deposits called depreciation and reserve amounts. The reserves of these companies must be brought under Government control. Otherwise, the method of subsidiary formations and running away with the profits of one concern into the intricacies of another concern cannot be checked.

For example, it was because the Jessops reserves were not deposited with the Government of India that Mr. Mundhra could run away with Rs. 68 lakhs and invest them in Richardson and Cruddas, run away with reserves of Richardson and Cruddas and invest them somewhere else. Therefore it was certainly a good idea to demand that the reserves and depreciations should be deposited with the Government of India to be available to the industry when it wants to buy new plants or to expand, and so on.

STOP GROWTH OF MONOPOLIES

But why should we in our economy follow the peculiar cartel principles of American industry or British industry? For example, take the Delhi Cloth Mills. They started with cloth and now all the reserves and perhaps depreciations and their own internal accumulations are leading to sugar, sugar into chemicals and chemicals into paper and so on. The whole thing becomes a big empire. Why should this type of vertical development, horizontal development and cartel development go on? Why allow in this country one centre of capital accumulation to dominate several lines of industry and production?

Shri Kamalnayan Bajaj: What is wrong about it?

Shri S. A. Dange: What is wrong about Mundhra? You do not think he is wrong, is it?

Shri Kamalnayan Bajaj: The case of Mundhra is different; there are black-sheep everywhere.

Shri S. A. Dange: Then what is your way of solving the problem? I should like to know.

You see the cartel of Tata, for example. It was in fact disclosed during the discussions on the Company Bill how subsi-

diaries and holding investments in different industrial concerns lead to evasion of taxes and a lot of other evil. Therefore, if the profits of one industry are to be ploughed into or to be used in another industry, let that be done through the State mechanism. Why through the subsidiaries of the particular industrialists? Why should, for example, one Birla, or one Tata, or one somebody, have all these lines, through subsidiary investments of particular concerns which serve him as the foundation of a large measure of his profits. I am discussing the structure; I am not criticising the individuals as such. I am not concerned personally with what Tata does or what Birla does.

What I am saying is this. The whole system of economy itself is bad, because it leads to an unholy control over the necessities of life of the people, unholy control over the money mechanism, society and State, unholy control over vast sources of production in the hands of a small group of directors or individuals. This is unhealthy for society. That is why I am criticising it. Therefore, the idea of taking the reserves and depreciations under Government control was quite a good one, but it was given up.

Therefore I say that finance can be found, provided Government is intent upon seizing it where it really exists and not chasing after people who do not have it. For example, take the scheme of small savings from workers or peasants in the villages. You should not send instructions around to chase these people and take their bonus payments and invest them in National Savings Certificates, because that leads not to savings but to unnecessary irritation. Certainly saving should be encouraged: there are no two opinions about it. But it is to the way in which it is done that I am objecting. Therefore the point that I was making was that finance can be found. There are enough sources.

REDUCE OIL PRICES—SAVE 50 CRORES

Another source that I could suggest is this. We are having oil exploration. We are allowing the Burmah-Shell and Standard Vacuum to take crude oil from our country and they bring crude oil from other countries and refine it here. The cost of it you know: 500 per cent profit is made on each ton of oil. 500 per cent! The rates that they pay to the poor Arabs and the poor Persians and the rates at which they sell it to us you will be horrified to know. And yet when we ask them for a reduc-

tion in prices they are cheeky with us. We were going to get 51 per cent control in Assam Oil; now we are to satisfy ourselves with 33 per cent control. I hope we get some reduction in prices, because the prices are falling even in America. The Prime Minister at one time remarked that he himself was wondering why our petrol prices should be governed by Mexican parity prices. He could not see the logic behind it. So, this subject should be pursued.

The oil monopolists are very big people. They may threaten sabotage: I know it. But we are also very big people; this country is not small, nor its people small. Well, they threatened Indonesia with dismemberment; they threatened Egypt with dismemberment and defeat. They know what they got back. If they threaten sabotage here, we can also tell them what they will get back from us. Why don't we pursue it?

For example, on the total sales of oil, if we just get about 25 per cent reduction in prices—already in the English market prices have gone down by 15 per cent—we can make a saving in the people's expenditure; after that we can get those savings to us also in the State sector of the budget. We can make savings—if I am not wrong—to the extent of about Rs. 50 crores per year, and Rs. 50 crores per year is not a small amount. It may be less than that. Perhaps it may be said that we may lose in excise duties. But that loss would be less than the gain that we will have by such reduction in prices. But here it is a question of following a policy. Are we going to dare and oppose these monopolistic concerns? Are we going to dare attack these colonialists who get oil from our country at one anna or two annas a barrel and sell it to us at a fabulous profit. Therefore, I hope in matter of finance, in the matter of finding resources, in the matter of finding savings, Government will pay attention to this point and change their policy in the matter.

I am told that the Ministry which deals with this oil question is already handling the problem. I hope it succeeds in handling it in such a way that we do get a good reduction in prices. We charge excise on diesel oil; diesel prices go up because of the excise and the peasant who uses diesel engine comes up for subsidy from the Government. We cannot give it and then the food production gets into trouble. Why can't we reduce the price of diesel oil, so that diesel oil may be made available cheaper to the peasant and he gets the advantage of it? Why can't we do that? I am not speaking of motor spirit which may

be used by rich people or middle rich people. What about this very basic thing of cheap diesel oil for diesel engines which we are lending by thousands to the peasants. This problem of diesel oil prices is directly linked with our attitude towards these power monopolists. Are we going to challenge it or not? Therefore I hope the Ministry succeeds in its efforts to get certain modifications in prices.

SCANDAL IN DEFENCE STORES PURCHASE

Then, of course, there are other points—which I need not stress very much. But no amount of budgeting will be successful unless there is some check on the question of administration, on the question of wastage and on the question of leakage. For example, we are forced to push the defence budget up. There are gentlemen who lend us dollars and create war tension around us at the same time so that the dollars are very easily spent in ten days' time instead of in a year's time. To meet this policy defence budget has to go up. But can we not exercise some supervision in the spending in the defence departments? By all means spend as much as you like on the efficiency of the Army, the Navy and the Air Force, on the men and the machines. But in the whole structure there are bad elements also. There is corruption, there is leakage, there is want of supervision. I hope the Defence Ministry will pay some attention to it.

Here is one choice bit which I can present to you, which is already known to the Government. According to the Report of the Public Accounts Committee for 1955-56, orders were placed for vehicles with a private firm, which the report says were totally unnecessary. It cost us Rs. 6 crores 80 lakhs for nothing. When they are asked why, the reply is that they had given a guarantee to the firm that they would keep it running. Are we going to have defence spending for keeping a private factory running? Then they placed orders for cars which were unnecessary, or which were not necessary at that time. Why should this happen? Rupees six crores have gone. You may say it has not gone, we have got the cars. But the Defence budget has gone up by Rs. 6 crores. Therefore, when the budgetary grants under Defence go up and when we are told it is all for defence of Kashmir, or defence of the country against aggression, part of it is not for that; part of it is just for profiteering though a larger part of it is patriotism. That is the real defect. Therefore, when the defence estimates are going up, I would

like the Defence Ministry to pay some attention to the leakages. When leakages are shown by workers they are victimised. Today in Bombay in the Plymouth works, workers are chased out of employment because they dared to show these leakages and report them to the Government.

HAL STRIKE—ENSURE TU RIGHTS

Of course, the whole thing depends upon getting the co-operation of the people. But that cannot be done by mere co-operation committees. The cooperation must come right at the centres of production, that is big factories and the fields, and this cannot be achieved unless you give at least minimum human treatment to the working classes. If the plan of production is to succeed the working class must get its democratic rights and human treatment. I do not ask for anything more, anything utopian or anything that is not possible.

But what is the treatment that you get? For example, even in government factory, in Bangalore, two people shot and demands pending and hanging for three years—just because the Manager there would not like to see a trade union there. These Managers have got to be taught that whomsoever the workers elect, they must see—shooting or no shooting. Similarly there are these other disputes pending. For the sake of production, for the sake of the budget and for the sake of development, please meet the demands which are quite legitimate demands in various industries.

Tea income is falling, I am told. When we ask for a wage board and for an enquiry into re-plantings, comes an ex-Labour Minister who says, appoint another committee. And another Minister had to say on that matter, "Gentlemen, we have had three committees, we do not want more committees, we know how tea can be grown."

Therefore I would like to say that some attention should be paid to the question of the demands of the workers, the middle classes and, of course, the question of the peasant with regard to food. I do not want to go into that subject. The land question is there, which is related to the food question. How it will be dealt with, I am not sure, so far as the present policy of the Government is concerned. And in the end....

Shri Tyagi: Sir, may I point out that both the Finance Ministers have left the House? Would you please call one of them back?

Shri S. A. Dange: It is all right.

Shri Tyagi: It is general discussion on the budget.

Mr. Speaker: The hon. Member who is on his legs does not object.

Shri S. A. Dange: I do not object, because, after all, it won't put much in their head by listening to me. Because, our Prime Minister says he does not understand the subject and he is unfit for it; so far as the other friend is concerned, I do not know. In any case shorthand reports are there to help them. So I do not object. It does not matter.

Shri D. C. Sharma (Gurdaspur): The man who understands is here.

PRODUCE MORE, PAY MORE AND SAVE MORE!

Now, coming to the slogans, the last slogans, the slogans that are given to us on this matter are like this: "Produce more." But there is a recession and the boom has ended. What will happen with the production, I should like to know. In the economic survey there is no answer to it. And then the next slogan is, "Export more." But the economic survey says there is recession and there will be difficulties. So, how to do it? And then they say, "Save more." But the incomes will fall with the boom. So, who is going to save? In this way I do not know where the slogans will lead us. I would say, "Yes, produce more, pay more and save more." That would be a better slogan.

Mr. Speaker: Why not consume more?

Shri S. A. Dange: Yes, consume more, and reduce profits.

Shri Braj Raj Singh: And time also.

Shri S. A. Dange: Are you complaining about my time?

Shri Braj Raj Singh: No, I am addressing the Chair.

I would say produce more, reduce profits and prices, pay more and save more; invest in the State sector and do not fall a victim to the threats of monopolists. Stick to the Plan and the essential features of the Plan. Let us develop our economy not for the profiteers but for the people.

11 March 1958