

‘ श्री सभापति : जैसा व्यवहार किया जायेगा उसकी चर्चा जरूर की जायेगी । आप वैसा व्यवहार करेंगे तो आप अज्ञेय कर सकते हैं ।

**THE FINANCE BILL, 1981—contd.**

SHRI SANKAR GHOSE (West Bengal): Sir, we are glad to discuss the Finance Bill and glad to see the Finance Minister, because there is a lot of expectation when we see the Finance Minister these days, after his recent speeches that if the Bearer Bonds do not succeed then he may consider fresh taxation or fresh borrowings. Mr. Finance Minister, correct me if I am wrong. Therefore, when we see him, we think that apart from the Finance Bill which Mr. Siso-dia moved yesterday, the Finance Minister may come up with something new also about mobilisation of resources and filling the deficit gap.

Sir, so far as the Finance Bill is concerned, we are primarily concerned with the taxation proposals, and on the taxation proposals there are four points which I wish to mention first. The first point is regarding the imposition of import duty on newsprint on which, as a result of a lot of discussion, the Finance Minister has given some relief to the small newspapers. But, basically the criticism remains that all the previous Finance Ministers had spared the newsprint which was imported and ultimately this import duty on newsprint will really be a tax on newspapers, on information, on knowledge, on literacy. Therefore, it is not very desirable. And when the Budget gap as the presented was more than Rs. 1500 crores, to get only Rs. 21 crores out of newsprint was not worth this effort. This will mean that the prices of newspapers may rise. This may mean that people have to rely on Government controlled media. None of these consequences is desirable.

The second point I wish to make on the taxation proposal is that the Finance Minister has mentioned that some changes are to be made to provide power to the Central Government to exempt or reduce income-tax or surtax in favour of people involved in the oil business—really the foreign people that are coming in—and also there is a statement that on production sharing basis some arrangement may be entered into with them. This is a very ticklish question, production sharing (basis and complete exemption. The line must be drawn somewhere and we have to be very careful that in getting oil, which we need very much, we do not over-step the limit. This is a question of what concessions have to be given; total exemption and total production sharing may not be desirable; some line has to be drawn somewhere.

The third point I wish to make on the taxation proposals is that the Finance Minister has given concessions this time to the income-tax payers, not the small lower middle class people. Last time he gave some concessions to the people deriving income from the agricultural sector. Because of inflation there has been a great accumulation of wealth among the really affluent and, therefore, some measures, apart from the concessions that have been given, have to be taken. One measure is to tax the conspicuous consumption and another corresponding measure is to give relief to the really poor, not merely one per cent of the people who pay income-tax. These should have been there. Now, so far as the taxation on the conspicuous consumption is concerned, there can be various measures that can be thought of. And so far as the question of giving relief to the poor is concerned, the public distribution system should have been strengthened much more than it has been done. These are the areas which need to be looked into. The prices of essential commodities are

going up. Every householder knows about that. So the concessions should not have been given only to one per cent of the tax-payers but to the vast majority of the people.

The fourth point I make on the taxation proposals is that the way these proposals have been framed, may give rise to some confusion or some suspicion in the minds of the States that the proposals have been so framed that they do not get their proper share. Now, out of income-tax, the last Finance Commission provided that the share of the States will be 85 per cent instead of 80 per cent as before. So that a greater share of income-tax goes to the States. Now the concessions in income-tax the Finance Minister has given this year will be Rs. 115 crores, out of which the States will lose Rs. 86 crores and the Centre Rs. 29 crores. So this may give rise to the feeling that some good thing has been done but at somebody else's expense. This is a problem which requires consideration. And in regard to the auxiliary Customs duty, there also the States will not get a share. Therefore, an impression should not be allowed to be developed that out of the measures of taxation that have been imposed the States' share will decline. Another point in connection with this which I was mentioning is—I had mentioned it previously also;—about the total resources transfer. The Finance Minister had said that he had given the revised figures of last year. But I will not take the revised figures. But I will take the assistance for Central and Centrally sponsored schemes of the Plan. In 1980-81, the total amount of grants was Rs. 975 crores which has been reduced during the current year to Rs. 922 crores. The revised grants were Rs. 1,056 crores. I am leaving that out for the time being. But even the original grants of 1980-81 for assistance for the Central and the Centrally sponsored schemes were reduced from Rs. 975 crores to Rs. 922 crores. Similarly, assistance to the States for development outside

the Plan has been reduced from Rs. 157 crores during the last year to Rs. 114 crores. So, all these things need to be looked into. Then, Sir, connected with the question of taxation is the question of the tax laws.

Sir, previously, the Finance Minister had mentioned something on the last Budget. He had said that he wanted to simplify the taxation system. The Income-tax law which is bulky and which is unwieldy and which gives rise to a lot of litigation can be easily reduced to a half. Nobody knows what the Income-tax law means. Therefore, that work of simplifying the tax laws, particularly the Income-tax law, should be taken up immediately. Then, Sir, the other thing is about the Appellate Tribunal. So far as the excise appeals are concerned, that promise of the Finance Minister is there and we hope that he will tell us a particular day when this promise will be implemented. Now, connected with the taxation question is another aspect. The Finance Minister has now reduced the base of taxation so far as Income-Tax is concerned. So far as agricultural income is concerned, he has reduced the base of taxation here also. Now, what are the measures which are required for better collection of taxes? These have to be formulated very clearly. There is another aspect of this question. So far as the tax resources that we collect are concerned, in all the previous Budget speeches of the Minister, there was something said about the wasteful expenditure in the Government departments and certain commissions were set up in certain times. But I find no mention anywhere this time of this wasteful expenditure that is being incurred. Everybody knows that there is a lot of wasteful expenditure and all are concerned about how it should be curtailed. For this purpose, Sir, a definite and concrete measure has to be formulated. There is some Commission, I think, chaired by Mr. L.K. Jha. I do not know what

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the full terms of reference of this Commission are. This aspect also needs to be looked into. There is another aspect of the question relating to the reduction in wasteful expenditure, and that is the question of subsidies. In that, I think, the Finance Minister and the Planning Commission Members are not speaking with the same voice, in the same tone. The Planning Commission is all the time mentioning about the reduction of subsidies. They are saying that they do not get even the maintenance expenses of the irrigation projects, out of transport, out of power, etc., not to talk of any surplus. They do not get even the maintenance expenses and go, there is no question of getting any surplus. What are the measures that are taken to see that the rate of subsidies is reduced? The Finance Minister, I think, had said that it was not very easy to reduce the subsidies. So, I think it is necessary that the Finance Minister and the Planning Commission should speak with the same voice on this question.

Now, Sir, coming to the general approach, the financial and monetary approach, the Finance Minister has, in this Budget and in the previous one also, has adopted an approach of collecting real resources outside the Budget and outside the Finance Bill. Last year, about three thousand crores were collected on account of price rise and this year, with the rise in the prices of petroleum and steel and coal, about Rs. 1,700 crores have been collected outside the Budget. Again, on account of the increase in prices of steel and coal another Rs. 550 crores would be collected. Technically you can say that this is not a budgetary measure. But, if they suffer a loss, Sir, these things will have to be taken into account and, to that extent, the budget deficit would have increased. Now, the State is playing the massive role now not merely insofar as maintenance of law and order is concerned, but also

insofar as developmental activities are concerned. The old concept of collection of resources by way of taxation is there and there is the injudicious method by which Mr. Charan Singh got Rs. 240 crores by taxing the petroleum products. And, Sir, last year, the Finance Minister collected about two thousand crores on petrol and petroleum products alone on account of the rise in their prices. But now if the method of resources mobilisation increasing is through price rise rather than through taxation, then I think it is necessary to ensure that this artificial distinction between resource mobilisation through price rise and taxation should not stand in the way of Parliament and the nation should be presented with a clear picture of what resources are being mobilised either through price rise or through taxation. This artificial distraction of saying that this is price rise is no longer very realistic in the present day circumstances, because with price rise the Central Exchequer would have to pay for it, and it would be reflected in the deficit. The method that has now been adopted this year and last year had meant that the resources had been collected outside the Budget and Parliament and the nation have been given a *façade* how it has been done. The total burden that the people have to bear should be presented to the people clearly. It should be told: this is the price rise, this is the taxation increase; so that there is a real discussion on that, otherwise what is happening is that the real resources mobilisation is outside the Budget, outside the Finance Bill. And when the Finance Minister comes he merely says: I have imposed a very light burden. He will get a very responsive Press; he will get 'okays' on the next day. But the total discussion does not take place on the real economic policy of the Government. And if this trend continues, then the Budget and the Finance Bill will not become a major event in the economic policy of the nation; it will ultimately become a non-event. And

this is also not very desirable. Therefore, some reorientation of the approach is necessary with regard to this matter. The resources released through price rise should be discussed in Parliament and the entire picture of the Budget should explain the entire thing. The Budget does not explain the entire thing because it is said, technically it is outside the Budget. Technically it is so. But the modern economics as it is developing, substantially it is not so. Therefore, it must be discussed; it must be placed before the nation and parliamentary discussion should take place. Otherwise, we are discussing only about Rs. 200 crores taxes imposed by the Budget; about Rs. 1700 crores resource mobilisation outside are not discussing. This is another approach that requires changing.

Now, so far as the deficit financing that has taken place is concerned, we remember when the Finance Minister presented the Budget—we were sitting in the Lok Sabha galleries—and before he disclosed the deficit, very dramatically he took a sip of water, and then he disclosed—to the hushed house. (Interruptions)

SHRI N. K. P. SALVE" (Maharashtra); That was to create suspense.

SHRI SANKAR GHOSE; That created suspense. The Finance Minister is a great pastmaster in this art of drama. (Interruptions) And he created suspense, and then everybody was thinking that it must be a huge amount. And then he said: sixteen hundred crores... (Interruptions) That hlbforic glass, if it is brought today, after the bearer bond scheme, then perhaps the Finance Minister will take another sip and there would be another hush.

AN HON. MEMBER: He will take liquor.

SHRI SANKAR GHOSE: That is a matter of opinion. Now, after this (bearer bonds, will that old glass of water suffice? The question is, last time Rs. 1400 crores was the deficit. Ultimately, to Rs. 1500 crores, Rs. 500 crores was added. This time the deficit was Rs. 1500 crores, because Rs. 1000 crores was in the Finance Minister's pocket—the 'magnificent' bearer bond scheme Rs. 200 crores last year and Rs. 800 crores this year; I do not know whether it is Rs. 400 crores; the Finance Minister will tell us. If it is Rs. 400 crores, then there is a gap of Rs. 600 crores. To Rs. 1500 crores deficit, is added another Rs. 600 crores. That means, it is Rs. 2100 crores. Like last time another Rs. 500 crores is added. At the end of the year it will be Rs. 2600 crores. So what other rabbit the Finance Minister will produce? The bearer bond scheme may be another one, because I saw a cartoon with a huge, big, fat industrialist asking; When do you open your sale next year? This year it is closing. Now, when do you open next year? Maybe there is some other scheme next year. If the Bearer Bond has failed, to that extent there is a 600 crore gap and to that extent the deficit has increased. It is a very serious situation because during the entire Sixth Plan, the Planning Commission had contemplated a deficit of 5000 crores of rupees of which the last year's deficit and this year's deficit taken together is about more than 4000 crores of rupees. We have already consumed 70 per cent of the deficit of 5 years and there is a great pressure on prices. The Bearer Bond Scheme has failed, for whatever reason it may be. In addition, there is this pressure on prices. I can understand the Finance Minister saying as perhaps he told the Lok Sabha that he is thinking of new taxes or some borrowings or something new. If the budgetary arithmetic on the (black-money bonds etc. has failed, the prices are bound to rise because a great inflationary pressure is there. There is a deficit of

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about 1500 crores, now of about 2200 crores. There is a total additional burden of 1100 crores on account of petroleum products, of 550 crores on account of increase in the steel and coal prices, etc. Apart from this, about 400 crores of inflationary potential was injected in the economy. Therefore, a great measure has to be formulated to check this price rise. So far, the measure that was contemplated to reduce the deficit was the Bearer Bond. That also raised a question. We had thought that there were two kinds of currencies, the white one and the black money. Now, there is a kind of mulatto currency, neither black nor white. It is perhaps grey which is legalised black money. It is taxless currency. It does not pay income-tax, wealth tax, etc. It is taxless currency. It is not a kind of parallel economy. It also raised another question. The people get an impression that after all the Government will have to come to us through some voluntary disclosure scheme or bearer bond scheme. Will the people not get the impression that if the evasion is big enough, large enough and attractive enough, then the Government will have to succumb and regularise it? What is the impact of that on the honest taxpayers? That is the big question. How do you ensure that the honest tax payers pay their taxes? Ultimately, the people who really avoid taxes in a big measure get away through these schemes.

So far as the money provided for this Plan is concerned, the central Plan has increased by 17 per cent and the total Plan has increased by 20 per cent. But the Sixth Plan is not on the basis of 1980-81 prices; it is on the basis of 1970-80 prices. In the last two years, inflation has increased to the extent of 30 per cent. Therefore, the increase in real terms will not be very much. The problem is

that so far as production is concerned, it is either in the agricultural sector or the industrial sector. In Agriculture, the rain gods have been generous and the production has been good. Even then, if we are to ensure employment to the people the fact is that we have to give a lot of emphasis to the agricultural sector. This figure is also mentioned. The central outlay last year was 949 crores of rupees. It has been reduced to 871 crores this year. Another thing linked with it is the employment programme. I have raised it before and the Finance Minister had said that the Planning Commission was looking into it. Now the Planning Commission has also examined it. But ultimately that Rs. 340 crores was reduced to Rs. 187 crores. It was said that the States will provide the matching amounts. I should have expected that the Centre will retain Rs. 340 crores and if the States were to provide another Rs. 340 crores, that would have been desirable because we cannot solve this unemployment problem through the process that we are pursuing so far. Our growth rate has been more or less 3.5 per cent. Out- population growth rate has been 2 per cent. So, 1.5 per cent is the net growth rate we have had over the decades. Unless we do something on the employment sector, we cannot really make any dent on the unemployment problem.

There are certain figures of the allocations for the agricultural financial institutions which require careful examination. I find that this year the allocation is Rs. 111 crores. It is Rs. 2 crores more than last year. But last year's revised allocation was Rs. 231 crores. Now, it is necessary that we do provide more funds for the agricultural sector because, as everybody knows, more employment can be generated in the productive agricultural sector. And the rough estimate is that of Rs. 1 crore is invested in big industry, it will give employ-

ment to 100 people, in the light industry, it will give employment to 1,000 people and in the agricultural sector to 5,000 people. This is only a rough estimate. But nonetheless this is the sector which is more important. I find that the bank credit to the agricultural sector had come down in 1971-80 to 27 per cent from 29 per cent in 1978-79. This is a trend which is disquieting.

The Vice-Chairman (Shri Dinesh Gosawami) in the chair)

So far as the Industry is concerned, last time also the Finance Minister said about the carrot and the stick policy, and that the industrialists always come with a lot of demands for concessions and exemptions, and that considerable concessions had been given but nonetheless the real response is not coming. In the case of agricultural sector, the response is from the rain gods. And in the case of industrial sector, the response has to come both from the private sector and the public sector. Unless they act to generate surpluses, we are in for difficulty. I think, the Finance Minister has taken that about Rs. 2,310 crores will come from the internal resources of the public sector undertakings. I think that is the figure. Now, we have to be very careful as to how this amount comes. We find that out of Rs. 16,354 crores invested in the public sector, in 1979-80, the net loss had been Rs. 74 crores. If this net loss is to be wiped out, it may be done in two ways. It may be done by simply raising the prices without improving the effectiveness or the efficiency. Now, if by raising the prices these Rs. 2,310 crores is recovered, then it will be merely feeding the fires of inflation. Therefore, what is the mechanism that has been devised to see that the public sector enterprises give these resources by not merely raising the prices but by increasing the efficiency? So far as the public sector is concerned, the main infrastructure is coal, power and steel. The commanding heights of these sectors are in the hands of

the Government and, therefore, we have to show that the public sector works, we have to show that the public sector generates the surplus, we have to show that nationalisation is not merely a question of institutional approach and there must be work-ethic for nationalisation. In nationalising an industry, both the management and the worker should feel that the unit belongs to the nation and they must show that the performance in the public sector is better than the performance in the private sector. Unless that work-ethic is developed, unless that attitudinal change takes place, all this investment that has taken place in the public sector will not give us the result that we really want.

Then, Sir, on the question of prices, the prices are rising. Some people say that it is 15 per cent and others say that it is more. If prices are rising, then there are two aspects to be considered. What is the reason, for this price rise? And what is the policy to check this price rise? So far as the reasons are concerned, generally three reasons are given. Firstly, that it is imported inflation, oil price rise. There also I would like that the Finance Minister and the Petroleum Minister speak with one voice. We have given the figures. So far as the Petroleum Minister, Mr. Sethi is concerned, he says the oil price rise component is only 1.35 per cent. Finance Minister said that 26 per cent inflation is due to oil price rise. This has to be reconciled because in answer to a question the Petroleum Minister says this has a very negligible effect on the price rise. The Finance Minister says that it has a much bigger impact. Even on the analysis we agree. Then, what is the policy that we shall formulate? The other explanation of inflation generally given is that it is because of a poor harvest. But that question does not come in because we had good harvest. The third explanation given is hoarders and blackmarketeers. But with all the vast powers that the

[Shri Sankar Ghose] Government have taken, this explanation really does not hold water. There is enormous power with the Governments so far as hoarders and blackmarketeers are concerned. The Government should exert all its powers and in this end the entire country will be with the Government. All the country will be with the Government if these powers are exercised in dealing with hoarders and black-marketeers and strengthening the public distribution system. So far as price rise is concerned, there is the question of general approach to the question. So far as I recall and the Finance Minister should correct me if I am wrong, he is on record as having said, my dose of inflation can be a stimulus to the economy. Whether he has said that I do not know. But I would like to submit that in a developed country where more or less people have employment, a mild dose of inflation can be some stimulus to the economy; that may be all right. But in a poor country if a mild dose of inflation even 1 per cent or 12 per cent inflation in a year or 15 per cent inflation in a year is there, it will erode the purchasing power of the people. Therefore, we must know what the Government's policy on these things is. In India if we did not have the real problem of unemployment or the problem of people living below the poverty line then a philosophy saying that a mild dose of inflation is stimulus to the economy might be all right. But so far as India is concerned, there are some figures I have seen in the Economic Survey and other documents that they have given, which say that the index number of the *per capita* net national product in India has declined from Rs. 150.4 in 1977-78 to 1979-80, i.e., before the Finance Minister came in. I am not speaking from a partisan aspect. But I am only saying that because of inflation the real purchasing power of the people has declined. And, therefore, in India if a small dose of inflation may be some stimulus to industry,

it will really cause great hardship to the people living below the poverty line. And, unless we can give purchasing power to the poor people, and unless we have a strong public distribution system, and unless we can ensure that jobs are generated or self-employment opportunities are given, then we shall be in great difficulty.

So, before concluding I would like to make this appeal again to the Finance Minister, particularly about employment which we have raised again and again in this House, that the promises that were given of at least one person to be employed from each family, that was given in the ruling, party manifesto, should be fulfilled. That was a very welcome promise. I mentioned it before and I mention it again. And the whole country will be with the Government if it comes with a rural programme so far as that is concerned. To give that kind of employment, you have to strengthen the minimum needs programme, you have to strengthen the rural works programme, you have to strengthen the irrigation projects, afforestation projects, dairy, animal husbandry, fishery, agriculture, and allied sectors, Antodaya project, employment guarantee scheme on the Maharashtra pattern. Unless that is done, we shall go along the old line of having rural growth of 1.5 per cent and people below the poverty line will remain below the poverty line. Other nations following the socialist path or the capitalist path, whether it is Yugoslavia or Thailand, they all achieved 6 per cent growth rate. We are achieving 3.5 per cent growth rate. With that growth rate we shall not be able to make a dent on the people who are below the poverty line. And, therefore, I would appeal to the Finance Minister that with regard to this employment programme, not merely employment without production content, but employment programme having a production content, those programmes must be intensified and allocations must be made in such a way that our huge manpower is utilised and this

huge manpower is not treated as a liability but as a great asset so far as India is concerned. Sir, ours is one country in the developing world which has one of the highest saving rates, one country in the developing world which has the highest taxes, one country in the developing world which has the largest scientific manpower, and we also have the food and the foreign exchange reserves. Therefore, there is a great opportunity and I hope that some concrete schemes will come so that we can really make a dent so that people who are living below the poverty line get a relief. Thank you.

SHRI N. K. P. SALVE: Mr. Vice-Chairman, as I rise to support the Finance Bill, I wish to practically reiterate that the Budget and the Finance Bill of this year were received by a very wide cross-section of our people with a very high degree of appreciation and approbation; particularly it was exceedingly welcomed by the lower middle class people who have been suffering incalculable hardship and harassment and in the proposals contained in this Finance Bill, they could see some relief, some sunshine.

However, it is undoubtedly true, that ever since the Budget and the Finance Bill have been presented to this House and to the Lok Sabha there has been incessantly an increase in the wholesale price index and it has been undoubtedly showing an upward trend. Undisputedly, Sir, we have not as yet been able to tame the inflationary forces which have been oppressing and which have been ravaging our economy. But the question is, is it fair and proper that the entire inflationary trend, the rise in prices, the increase in the wholesale price index, is being attributed to certain structural deficiencies of philosophy and measures taken in the Budget and the Finance Bill? Some critics have been a little uncharitable to the Finance Minister and one of them said that the Budget was poli-

tically clever but economically unsound.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): He is a professional critic.

SHRI N. K. P. SALVE: And further, the price increase, the increase in the wholesale price index, was attributed or was put as a proof of the lack of soundness in the proposals contained in the Budget and the Finance Bill. Undoubtedly, every student of macro economy would know and will accept that both the Budget and the Finance Bill are an exceedingly potent power in the hands of the Finance Minister to regulate the entire economy of the country as such, and surely it is a very powerful weapon to fight amongst others inflationary pressures if they are oppressing the economy. I challenge anyone anywhere to produce a Finance Minister who will be so ingenious to be able to control the inflationary pressure in the economy in the circumstances in which we are today without there being the fullest co-operation from all those segments of the economy who equally control the forces of supply and demand. Particularly in the private sector, if the people who are responsible for production, who are responsible for supplies, who are responsible for distribution and who also to a large extent are responsible for demand management, are not going to fully co-operate with the Government and the Finance Minister, the ingenuity of a Finance Minister, in any controlled economy of the type that we have, is never going to bear with us. Therefore, I was very carefully listening to the evaluation which Shri Sankar Ghose was making of the various proposals in the Budget and in the Finance Bill and he did come out with a few suggestions. The difficulty is so far as his criticism is concerned—he did spell out, according to him, some apprehensions and he did spell out some of the objectives—under the given circumstances what better



[Shri N. K. P. SALVE]

could have been done to achieve these objectives has not been spelt out by him or by anybody. We have the limitations and the constraints on our resources. These resources have to be mobilised in a particular manner. Within these constraints and limitations, and the powers which are given to the Finance Minister who is responsible to Parliament, the best has been done. If one were to make a very objective and an honest evaluation, one will find that there are two reasons which are wholly and solely responsible for inflation and one will not have the slightest doubt in demarcating or finding out what those two reasons are.

The first of the two is that the entire economy—I think, it will be admitted—is very perniciously entangled and enmeshed in perennial shortages. We have to, dedicatedly and devotedly work to convert this economy of shortages into an economy of surplus, if not an economy of surplus, at least an economy where our supplies are adequate. Unless work towards building up an economy of adequacy, it is impossible for us to be able to really curb inflation. One need not be a genius in economics to be able to accept this proposition. There are many reasons why we have not been able to bring about a larger degree of supplies and why we have not been able to bring about a situation where the supplies outstrip the demand. There have been infrastructural constraints. Consequently, there have been constraints in regard to under-utilisation of capacity and so on. These are all aspects which possibly are outside the purview of this subject on which I want to make my submissions today. Be that as it may, the fact remains that there are shortages and that we are languishing, we are grating, in this phenomenon of shortages.

The second reason is this. There is a tendency, I submit, towards excessive profiteering in the private sector coupled with an absolutely inalienable

attitude towards tax evasion. Now, if these are the two factors, if these are the two reasons, which exist in our country, to say that the Finance Minister is alone responsible for checking inflation, is certainly not taking a very realistic view or a fair view of the matter. I was in Bombay yesterday and someone told me that a bag of cement costs Rs. 120 in the blackmarket as against the official price of Rs. 27 or Rs. 28. When I was talking to someone, he said 'Well, the entire blackmarketing or racketeering or profiteering which is going on in cement is on account of the unrealistic pricing policy'. I asked him the question 'Assuming that we raise the price of another Rs. 10 from Rs. 27 to Rs. 37, how will you explain the difference between Rs. 37 and Rs. 120?'. This tendency towards economic offences, this tendency towards racketeering, this tendency towards profiteering, is increasing. Of course, Shri Shankar Ghose is very right when he said that the Government, with its massive police powers, should be able to come down heavily on the people-activities. But such things are very easily said than done. In a free country such as ours, police powers in respect of economic offences can go only to a certain extent. A certain social consciousness, a certain social awareness is the sine qua non, is an indispensable condition, which alone can help us in checking this malaise of price rise.

There has been some attack on the Finance Bill and the Budget, that these Budget provisions, these Budget proposals and the proposals in the Finance Bill, have not been sufficiently or adequately incentive oriented and, therefore, it has been said that any Budget an fiscal measure, which is not adequately incentive-oriented, will not be conducive to the supply management approach which approach has been adopted by the Finance Minister for the last two years. The critics say that supplies of goods and services; cannot be augmented to outstrip de-

mand unless there are adequate incentives given in the private sector, possibly, in the public sector, to augment production, to be able to maximise, to be able to optimise productivity and to augment production as such. I again submit that this criticism is certainly not justified because to an astute and a discerning student of public finance, particularly of fiscal jurisprudence, one thing would have become absolutely clear that our thrust of the fiscal policy in the last two years has been on an entirely different basis. It is clear and particularly, it is an utterly glaring drift, a glaring change which we have brought about in the methodology that we want to adopt to achieving our objectives and our goals.

So far as the fiscal measures are concerned, I submit with all humility, but with all the emphasis at my command, that they have been far more pragmatic, far more realistic than doctrinaire. Once upon a time we used to consider that to be able to achieve objectives of social justice, to be able to establish egalitarian society, along with augmenting the revenues into our exchequer, go on raising the rates of taxation, whether they be direct taxes or indirect taxes. The result has been that at one particular point of time the marginal rate of income tax was 97.75 per cent and we believed that this was going to augment our resources. We thought that that is going to eradicate enduring disparity in wealth or opportunity of power. The result was, it was found that this sort of a doctrinaire approach was wholly counter-productive. With this system the rich became richer and the poor became poorer. So far as augmentation of revenue is concerned we realised that when we reduced the taxes, the revenue increased. But if this approach is not incentive-oriented, then I submit, they are looking into the matter with coloured glasses, they are not being fair. The criticism is purely for the sake of criticism. Ultimately, the Finance Minister himself has said that he will give further

relief in taxation and make it more incentive-oriented provided there was appropriate response to the measures he has taken, and no Finance Minister worth his salt can jump in a manner so that if he fails in the jump he would have fractured his legs and along with that the economy of the country. Certain degree of circumspection and caution is necessary in this approach which has been adopted and the point to which we have come in this approach is the right point, and I have no doubt in my mind that should there be a proper response, the incentive-oriented approach or the 1 approach of supply management can be more effectively implemented.

I would now come to certain basic postulates or requirements in our tax system as such. The first and foremost thing which I can never over-emphasize, especially with reference to our direct taxation, is an absolutely imperative necessity with the highest degree of urgency to simplify the tax structure. It has a complexity which makes it absolutely incomprehensible for the highest of the tax lawyers, the best of the tax lawyers, who consider it best to discuss or to understand a particular section or a proviso or a rule only when there is a dispute; otherwise they leave it to Gods. Somebody writes it, we pass it and someone else interprets in such a manner that ultimately the interpretation has nothing to do with the intent of the legislation. So, Sir, when I talk of simplification, I wish to make it clear to Shri Venkataraman, our Finance Minister, that mere redrafting in simple language—assuming such an exercise is possible and we can put our entire tax laws in a simpler language, in a more comprehensible language—is not going to simplify our tax structure. If you want to simplify the tax structure, you must simplify the pattern, you must work on simplifying the tax pattern and then only it is possible.

And when I am on the direct taxation, there is one more suggestion I want to make. That is, if you-

[Shri N. K. P. Salve]

want to eradicate and finish once for all the utterly futile litigation in direct taxation, then get rid of those provisions in the Income-tax Act, in the Wealth Tax Act, in the Gift Tax Act, in the Estate Duty Act, which are made supposedly for purposes of giving fiscal incentives, for purposes of giving incentives for savings. In fact, if we ask him how much you have achieved as a result of any particular term or any particular incentive, he will say I have no idea. How many backward areas have been able to get infrastructural facilities because of the provision in the Income-tax Act? As far as I know, not even one. And still we are deceiving ourselves. In season and out of season, every-time, there is a fiscal legislation, there is a Finance Bill, there is a taxation law, there is an amending Bill. Mr. Venkataraman—when I say Mr. Venkataraman, I mean the Finance Minister—comes with some sort of a scheme of incentive for this and for that and ultimately we do not have any data as to how far we have achieved that objective. Get rid of these incentives, bring down rates of taxation, make the laws simple and make the pattern of taxation law system simple and purely regulate the entire working on the collection with the help of rates, reduced rates of taxation. In this country today if you want voluntary compliance, it has been proved beyond doubt that any amount of exercise of police force is never going to help you augment your revenues, is never going to help you collect the money you want to collect. Unless you have two officers behind every assessee, which will make the entire cost prohibitive, it will be impossible for you to be able to successfully administer the direct tax laws. If that be the position you will have to depend on voluntary compliance, if you want to depend on voluntary compliance, you will have to bring down the taxes to a point where the people will be agreeable to paying taxes, where they will consi-

der payment of taxes is more rewarding than evasion of taxes. Therefore, I submit get rid of the incentive provision and fix an acceptable and rational rate of taxation. The time has come when we should demand of him that the rate of taxation in the non-corporate sector should not exceed 50 per cent and after getting rid of these incentive provisions in the corporate sector We should consider fixing the rate in the corporate sector between 45 to 50 per cent of income. But only one incentive should be kept. This will go a very long way in bringing about accelerated industrialisation in the country and also bringing about a certain solution to a very vexed problem of black money investment in productive channel. And that is, Sir, let a provision be made—the only provision for incentive—that any person who puts up an industry will be entitled to write off 75 per cent of the value of the land, building, plant and machinery in the year it is spent. This is nothing more than accelerated depreciation.

Also, he may consider, in view of the difficulties we are having on account of housing, why not also allow 75 per cent of the money spent in building a house to be written off should an assessee want so. I will submit, if that is so, if the people were to bring their black money into construction of immovable property, they will show the correct valuation of the money spent. And once they show the correct valuation of the money invested, higher wealth tax will be collected. Today the wealth tax collection is on very unrealistic valuation. On properties which cannot be constructed for less than Rs. 20 or 25 lakhs, value shown is 3 lakhs or 4 lakhs of rupees, but if it is provided that out of the Rs. 20 lakhs which you spend, you will be allowed 15 lakhs to be written off as revenue expenditure, the person will have no qualms of conscience in showing Rs. 20 lakhs as the value you will be augmenting

in a practical manner your wealth tax collection.

With reference to the provisions of the Finance Bill, I want to draw the attention of the Finance Minister to clause 16 of the Finance Bill which seeks to insert a new section—section 167A for the Income Tax Acts. This new section has been inserted with a view to plugging the loopholes as a result of which there was massive tax avoidance by persons creating large many assesseees in the status of association of persons, creating trusts in which they left the interest or the benefit of beneficiaries indeterminate or unknown. To that extent, I entirely agree with the philosophy. But, Sir, I think it has escaped the notice of the draftsmen and the Finance Minister that while doing this, and subjecting the association of persons or the trust where the benefit of the beneficiaries is indeterminate, that would be subject to maximum marginal rate of income tax. They have forgotten that certain categories would get into this clause of maximum marginal rate of taxation and it will be causing hardship even to incomes which are receivable by the trustees on behalf of the provident fund, superannuation fund gratuity fund, pension fund or any other fund created bonafide by a person carrying on a business or profession exclusively for the benefit of persons employed in such business or profession. So far as this levy of maximum marginal rate of income tax on trusts is concerned where the shares of the beneficiaries are indeterminate or unknown, it must leave some exception and the exception it leaves is in proviso (4) to section 164 (I). I am sure Mr. Venkataraman will consider my suggestion when he is replying. And I am sure Shri Ven- ! kataraman will consider my suggestion and when he is replying he will let us know what he has to say in this matter.

There is another provision which I draw the Finance Minister's attention, 315 RS—12

because I was very intimately connected with that enactment. It related to prohibition on the public charitable and religious trusts who were completely abusing the exemptions under this section by investing their funds into equity shares. Massive empires have been built by people literally under the name of charity, because this is a classic example of how charity begins at home. We therefore inserted a clause that you cannot invest these monies except in the norms prescribed without losing tax exemption. This was as a result of the recommendation made by the Select Committee which worked out the Taxation Laws Amendment Bill of 1975 and this clause was inserted. Finance Minister after Finance Minister extended the date of unloading of the shares. A time finally came when the Finance Minister said firmly that we are not going to put the date off any further. But I want to draw his attention because he may not be knowing this.

Courts have taken a view on an interpretation of this particular section—13(1) (d)—where they refer to "Any funds of the trust or institution invested or deposited or continuing to remain invested or deposited for any period during any previous year commencing on or after the first day of April 1981 otherwise than in any of the forms or modes specified "subsection 5 refer only to such investments as were the investments made by the trust as such and that they do not take in investments which were received by the trust by way of donations, etc." This view has been taken. I suggest that instead of waiting for five or four or three years and then making a retrospective amendment, kindly clarify the position straightway as far as possible because, let not the intent of the legislation, at least in this respect, be misunderstood by courts.

Sir, I want to submit something about capital gains. There is a very strong lobby working, saying that we

[Shri N. K. P. Salve] should restore 54E as it stood then. I personally feel that several countries have the salutary provision of taxation on capital gains and there is nothing objectionable in capital gains as such being taxed.

SHRI R. VENKATARAMAN: You are the only person who said it.

SHRI N.K.P. SALVE: I have no doubt in my mind, whatsoever, that capital gains has an element as much of a gain as there is in revenue gains and, therefore, it has to be taxed. But we have to rationalise the provisions of law governing taxation of capital gains and for fair taxation of capital gains you are allowing the substitution of the market value of an asset, acquired while computing the capital gains to be deducted from the sale price. The market price, price you are entitled to substitute, is the one existing on 1st January, 1964. That was 17 years ago and today that is so utterly unrealistic. Therefore, I submit, kindly consider that this date may be advanced to 1.1.1974 or, it would be better if it is 1.4.1975. Along with this, I want him to consider a very practical suggestion I want to make. If it is possible to link up the wealth tax value with capital gains, it will be of very great advantage both for wealth tax purposes and for the purposes of income tax. Provide, by a section, that the value of an asset sold will be, in case the capital gains is long-term capital gains, the 'average value shown of an asset in wealth tax for the preceding five years. Once you do this, everybody will keep on showing their value for wealth tax purposes at a reasonable level. In the long-term. Sir, to a State it means nothing to forego a little in present, if people would come to more honest payment of tax. One would not mind payment of wealth tax at a higher rate spread over years on a much higher amount if in the long run it benefits them. But capital gains as such capital should be liable to

taxation after due amendments to rationalize the same.

These are some of the suggestions. I want to make. Yesterday in Bombay I happened to be in the chamber of an eminent lawyer when some representatives of the dye stuff industry came, and they were speaking in extremely disconcerting terms about the entire state of affairs of the dye stuff industry. They say it is attributable to an entirely irrational indirect tax policy which they are subjected to. Very heavy excise duty is levied on organised sector while there is absolutely no taxation whatsoever for production coming from the small sector, people who have assets worth Rs. 7.5 lakhs. *Inter alia*, I was told, this concession is subjected to a very grievous abuse as such. But, whereas I have all the sympathy for the small sector, I am unable to understand why we should have levies on organised sector to an irrational extent. I am told that every dye-stuff producer in the country in the organised sector in last two years is sustaining massive losses and unless some measures are taken immediately, some of them will have to close down. I request him to kindly look into the matter with the urgency that it deserves. If it is a deserving case, then certainly some relief must go to them most urgently.

This takes me to a somewhat delicate issue, and that is about the relationship of Parliament with the Supreme Court. Sir, I think it is most unfortunate that a situation is developing where some sort of confrontation is coming between Parliament and the Supreme Court. I for one consider that if ever such a confrontation comes, it is the most unfortunate phenomenon that can come about in the history of Parliament or in the history of the Supreme Court. Sir, I submit without the slightest reservation that, while we are speaking of anyone who is not here in Parliament, never should we use irresponsible, abusive invective or intemperate

language, much more so when we are speaking about the Judges in the High Courts and the Supreme Court. And if anyone has used such a language, it is a clear and palpable violation of articles 121 and 211; I have not the least doubt about it. But, having said this much, should we be absolutely helpless spectators, pure embellishments and take every beating that might come to us from courts. It is impossible to construe article 121 as meaning that Parliament is shut out from completely discussing anything which transpires in the Supreme Court. Articles 121 and 211 refer purely to a discussion with respect to the conduct of any Judge. We are prohibited from discussing the conduct of any Judge. We should not—repeat not—ever impute any motives to a Judge. Nor should we personally criticise any Judge. But does it mean that we must take the beating lying down and never discuss any proceeding in the court or discuss any other matter which is related to a judgment? Now in the case of the LIG never before has it happened—I am making this statement in the House with the utmost responsibility that where there is a mandatory provision prescribing, regulating a certain payment by employer by law in clear terms and such liability as provided in the law is a subject-matter of challenge by employers but employer has been asked to pay the entire money in the tooth of an enactment because the provision is under challenge in a court. Now I am not on the question whether the challenge is right or wrong as far as the employer and the employees are concerned, this is a dispute which Mr. Bhupesh Gupta will take up with Mr. Maganbhai Barot. I am on a different question. And that is about the relationship of Parliament and the Supreme Court. In the case of L.I.C. being directed to pay full amount demanded by employees against clear mandate of Parliament to the contrary, what inference are we to draw? Are we to consider that this judgment is one which shows

due respect that we deserve? My submission is that if there is a valid criticism of the Judges, if there is knowledgeable, responsible criticism of a judgment, it must be taken in good grace and no judge must ever think that he is immune from criticism. I want to quote Felix Frankfurter, one of the most eminent of the Jurists in the USA. He was the Associate Justice of the Supreme Court, a very eminent man in the legal field. And what he has to say about the criticism of Judges I quote:

"Judges as persons or courts as institutions are entitled to no greater immunity from criticism than other persons or institutions. Judges must be kept mindful of their limitations and their ultimate public responsibility by a vigorous stream of criticism expressed with candor however blunt."

Now that is the view of an eminent Jurist used to freedom of speech in the United States. Therefore, Sir, I ardently hope that we do not have any difficulties in this matter and judges do not show intolerance at fair criticism.

Sir, I want to submit one thing for the consideration of the Finance Minister. I was told in Bombay that at the moment the non-resident Indians are allowed to make deposits in the country only in dollars and pounds and that if this facility is afforded in Swiss francs or Deutsch marks, large deposits would be mobilised.

SHRI R. VENKATARAMAN: I will explain.

SHRI N. K. P. SALVE: If this can be done, it will be a very right decision.

Sir before I conclude, there is one aspect I want to refer to. And, Sir, it is the tremendous problem of population explosion. I cannot do justice to my speech .....

SHRI NARASINGH PRASAD NANDA (Orissa): Mr. Salve, will you please tell us what your ideas are about the scope of the interim order that was passed by the Supreme Court?

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Mr. Nanda, please do not raise this question now. Mr. Salve, I think you need not reply to this question.

SHRI N.K.P. SALVE: Mr. Nanda, r legal advice, I take money, If what you want is legal advice, it will not be possible for me to tender any legal advice now.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): I do not think that two lawyers have to take money from each other. Anyway, I do not think that our time will permit any discussion on this.

SHRI MURLIDHAR CHANDRA-KANT BHANDARE (Maharashtra): Give him one Bearer Bond.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Please avoid that question now. We will have a discussion on law also later on.

SHRI N. K. P. SALVE: T will reite rate only one thing. Sir, I will reite rate only one thing. Permit me to reiterate only one thing. It is that in the teeth of an enactment and in view of all the precedents all these years, never has an employer been compelled to P^y the entire amount wher\_e the liability of payment by an enaetinent is disputed .....

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): You have made that point. Please conclude now.

SHRI NARASINGH PRASAD NANDA: Sir, he should tell us what the limitations are on the Supreme Court passing an interim order when the matter was pending. That he should say.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): H\_e is not speaking on behalf of the Government. Mr. Nanda, he is not speaking on behalf of the Government

SHRI NARASINGH PRASAD NANDA; But he is arguing on their behalf.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): He is only stating his view, and putting forth his argument . Doe\_s it mean that when some lawyer Members speak from this side, they will ask them to explain? In that case, where will the , debate end?

SHRI NARASINGH PRASAD NANDA: I am not saying anything else. I am just asking him to tell us what his views are on the order passed by the Supreme Court.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): I would rather suggest that both the lawers *cp.n* fight it out outside.

SHRI N.K.P. SALVE: Sir, Mr. Venkataraman will deal with that aspect of the matter because he is a more eminent lawyer.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): There will be lawyers from your side also.

SHRI N. K. P. SALVE: Sir, I am on my last point.

SHRI MURLIDHAR CHANDRA-KANT BHANDARE: Sir, h\_e is responsible for the Presidential reference.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): I do not want a third lawyer to come in between the two lawyers. I

SHRI N.K.P. SALVE: Sir, in the end, I want to refer to the question of population explosion without wh'ch I can never do justice to my speech at this stage on the Finance Bill or *ta* the Budget. Everything we are planning and we are striving hard to achieve to be able to accomplish a certain growth rate in real terms.

SHRI NARASINGH PRASAD NANDA: Why do you bring in the Supreme Court in your speech on the Finance Bill?

SHRI N.K.P. SALVE: I will tell you why. It is for two reasons. I consider it to be the most important matter. I do not want any confrontation between Parliament and the Supreme Court and I do not want any improper language to be used.

SHRI SYED SHAHABUDDIN (Bihar): There is no confrontation between Parliament and the Supreme Court as such at present.

SHRI N.K.P. SALVE: Mr. Nanda, so far as the Finance Bill is concerned, everything under the sun can be talked about.

SHRI R. R. MORARKA (Rajasthan): That is right.

SHRI NARASINGH PRASAD NANDA: No. It is not the Finance Bill, but *it* is the Appropriation Bill.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Please go on, Mr. Salve.

SHRI N.K.P. SALVE: Sir, I am on my last point and I am coming to the question of population explosion.

I would like to submit that all our endeavours, all our plans, all our efforts, towards bringing about a growth rate of five or six per cent per annum will mean an absolutely false a hopelessly deceptive and untrue calculation unless we can check the population explosion. And Sir, for this it is necessary that we take a very realistic approach and bring about a cafeteria approach in the rural areas, make available to them all the facilities, the up-to-date facilities, for family planning. That must be the topmost priority in our list of priorities. The priorities were being enumerated by Mr. Sankar Ghose. I thought that he would somewhere mention about the population explosion and also how to control or stop this explosion. Sir, cafeteria approach in the rural areas, I submit, is the only solution which must also include all possible

facilities for the medical termination of pregnancies and if within the next two years we are not able to stabilise our population, but allow it to grow in the manner in which it is growing now, that is, at the rate of 2.5 crores a year, I do not know what disaster will overtake us and any number of Venkataramans with all the ingenuity at their command may not be able to accelerate our growth rate for our growth rate will always be hopelessly neutralised by growing population and it will never go above 1 per cent. Therefore, Sir, I would like to submit that if we seriously want our dreams of economic growth to become realistic and to materialise, then utmost and best efforts need to be made with utmost urgency to control the population explosion. Thank you, Sir.

SHRI R. VENKATARAMAN: Very good.

THE VICE CHAIRMAN: (SHRI DINESH GOSWAMI): Mr. Sezbivan. Not here. Yes, Dr. Siddhu.

The<sup>1</sup> Vice-Chairman (Sbri Aivind Ganesh Kulkarni) in the chair.

DR. M. M. S. SIDDHU (Uttar Pradesh): The hon. Finance Minister, while introducing the Budget, said that the proposals we had made in the Budget presented to Parliament should demonstrate that the Government is responsive to all the reasonable demands and would be ever ready to redress genuine grievances. Sir, one has to live to complain about that. You take any newspaper, and see the headlines about the number of persons who have died, not of natural death, but something like a dead body found in JNU, an officer having died, dacoits in Uttar Pradesh, taking persons to the wall, shooting them, going to another village and repeating the same thing, Phoolan Devi, the 'notorious queen' as they call her, is threatening again that she will do it again, and last of all, a brawl in a liquor shop, and so on. A person, if he were to live, will be able to enjoy some of the fruits of raising the standard of



[Dr. M. M. S. Siddhu] living the benefits of the egalitarian society. But, alas, we are suffering from the ills which we thought, when Independence comes, will disappear. Otherwise, how is it possible? I do not blame any political party for it. But all of us are responsible that we have not been able to create a sense of security among the people, to integrate them emotionally. Nationally we have failed to create a sense that a brawl between two persons befalling to different communities does not necessarily mean a communal riot, and over and above that, if all these things were to happen Sir, where are we leading to? Will it strengthen the nation? But the people first must live and learn to live together. It is good that the hon. Prime Minister had been there, and I hope things will not be repeated. But, it is a pious hope that I have, because we have not created anything by which a national fervour could be created. We have not changed our educational system. We have paid lip service to it. We have thought in terms of economic or fiscal targets. We have forgotten about physical targets as far as social security, for instance, is concerned. For instance, how much money is being spent as a whole on the elementary and adult education? How are you going to change the attitude of man? All of us want him to live. In that direction unless and until we make vigorous efforts other than calling the Integration Council, leaders meeting at one place or the other we will not be able to achieve the results. Casteism, communalism, linguism, chauvinism we all condemn at one time or the other. Still things are going on. Take for instance, the hon. Members of the Legislatures harbouring dacoits. And they have been named. An individual has been named in Uttar Pradesh. That is why, I will not like to say, the legislature in Uttar Pradesh. What has been the result? The dacoits who were harboured have taken vengeance on the Scheduled Castes and the Scheduled Tribes

people because they think that they were the informers. Therefore, something more has to be done for them. I appeal to the Government and through you, Sir, I appeal to those persons who have not lost sanity that this should end.

Sir, I come to the main point again

" and that is where Mr. Salve left, i.e. population explosion. Mr. Karan Singh, when he was the Health Minister, when he went to Bucharest to attend a conference on population, said that "development is the best contraceptive." In Taiwan as well as in South Korea, examples have been quoted that contraceptive measures are able to bring down fertility rate once the development occurs. Development and lowering of the fertility rate, of the morbidity and mortality go together and, therefore, Sir, the whole policy about the population strategy has to be thought over again. It is a matter of concern that in this sector, as far as the total outlay for health is concerned, although for family planning money has been increased in the outlay, in the health sector the outlay as a whole does not show any appreciable difference. As a matter of fact, from the First Plan, when it was 3.3 per cent of the total investment, it has come down to 2.9 per cent in the Sixth Plan. If we are thinking of positive health for a person where he can enjoy the fruits of the resources which you are mobilising, then this sector needs more attention. We have been talking more about the rural areas. Even the health care in the rural areas requires another look. The old system may not be working properly. We must find out how and where we shall be able to give better medical aid to the villagers. Why have we got more than 80 per cent of the jobs in the urban areas? We expect more doctors, to be employed in the rural areas and still the rural people do not receive attention. Still you will be surprised that there are hospitals where the total drug bills is only Rs. 3000 per annum. With this paltry sum, how on earth he can treat a patient, much less to give him any solace?

The next point is about the Rural Development Plan connected with the Minimum Needs Programme. The hon. Finance Minister had already explained once that the figures which were given earlier are 50 per cent because the 50 per cent share will be forthcoming from the States. I am fully conscious of it. But as far as the physical targets are concerned, are we sure whether we will be able to reach them? For instance, I do not want to compare one Plan with the other. I say that the Janata Plan was a Draft Plan and this is the Sixth Plan. If you take the elementary education, between the age group of 6 and 14, 90 per cent were to be covered. Now, 95 per cent are to be covered in the age group of 6 to 14. Earlier in the age group of 6 to 14, 90 per cent were to be covered. Now 50 per cent of the age group of 11 to 14 will be covered. In other words, the physical targets have been reduced. Same is the case with rural water supply and the housing for the landless. Earlier it was 8 million, now it is 3.6 million. In the case of urban slums, earlier it was 13 million and now it is 10 million. In the case of nutrition, 6.6 million people were to be covered by the programme. Now, it is 5 million people. And I need not go into the figures because these are the targets of the family planning were never achieved earlier. Therefore, with the mobilisation of the resources, which section of the society is going to benefit? As you said, probably, you have taken good care, you have tried to satisfy the middle class. At least you have tried to wipe the tears from them. It is a good thing that you have done. I welcome it. You have tried to think in terms of increase in the productivity or giving impetus to produce. But, Sir, take the case of those persons to whom you have given the incentive either in the last Budget or in this Budget. On many occasions you have yourself commented that in spite of all that you did to the private sector, they have not come to your expectations. It is not once that you have said it. You even went further

to say that you might have to revise your views about them.

Then, Sir, when we come to the resources that you gather and when you want to give them to the corporate sector and others, I want to draw your attention to the reports of the Public Undertakings Committee which were placed on the Table of the House a few days back, dealing with the Industrial Development Bank of India, which give a picture which is very disturbing. Sir, I quote para 520 of the Report regarding the assistance to the backward areas. It says:

"There is a pronounced regional imbalance in the assistance rendered by the IDBI. The Committee regrets that the share of the North Eastern region was almost negligible. It was around 1 per cent. Under a special programme of development of the backward areas introduced in 1970-71, the IDBI sanctioned an assistance of Rs. 1,999 crores. An analysis of the assistance has indicated that the top 50 districts of 245 backward districts assisted by the Bank accounted for the bulk of the assistance and their share ranged from 69 per cent to 35 per cent. State-wise, there top districts accounted for 60 to 70 per cent of the assistance to the States \_\_\_\_\_"

Similarly, it has also been pointed out that the North-Eastern region did not get the requisite share. As a matter of fact the North-Eastern region received around one per cent. The other two industrially developed States, Maharashtra and Gujarat, amounted for 32 Per cent of the total assistance of Rs. 5391 crores by the IDBI in the last sixteen years. Therefore, Sir, the IDBI is the apex financing organisation through which sick mills and other projects are funded.

Sir, as far as the State Finance Corporations are concerned, they also give a very dismal picture. Of the money that has been advanced to them, nearly half of the money is in arrears. This is a very disturbing feature for the economy. All the time

[Dr. M. M. S. Siddhu ] we are thinking of the gap, the uncovered deficit. Here is the money that you have advanced and if 50 per cent is to be wiped off, what will be the state of affairs of the economy where you want to generate more productivity. Sir, it says: The overall arrears in the repayment of loans advanced by them were to the extent of Rs. 214.6 crores as at the end of March 1980. The Committee are very much concerned about the situation. They desire the programme of upgrading of the State Finance Corporations should be put through early and good performance ensured.

Then, Sir, I will not like to go into the delay that occurs in sanctioning the applications for assistance and others. But it has been pointed out in the Report that the projects, when their applications are pending, if they are not expeditiously disposed of then the case of those projects will rise due to the rise in prices and, to that extent, the project becomes costly. Therefore, Sir, I will only plead with the hon. Finance Minister that the financial institutions funded by the Government from the loans or through the public exchequer should work efficiently and the money that is given to mills etc. is there. *(Time bell rings)*

Sir, only one word more. I will not dwell on any other points. I will say only one thing and that is very revealing. Paragraph 6.75 says: The position of defaults in the repayment of assisted units disturbed the Committee. The amount of overdues was of the order of Rs. 93.33 crores at the end of June 1980. Of this, Rs. 51.78 crores were more than 18 months old. The Committee would like the position to be depicted in Annual Reports relating to them.

As many as 244 out of 600 companies assisted by the IDBI under the project, finance scheme, were in arrears to the extent of Rs. 82.4 crores, 45 per cent of which was accounted for by eight companies alone. 1

I mark the words 'eight companies'. Therefore, this is a matter which the hon. Finance Minister must look into. As far as the question of black money is concerned, until and unless you take measures to reform tax structure and go into the reasons why and how the people are accumulating this black money or money for parallel economy, no amount of voluntary disclosures, police raids, punitive measures, may help. It is time to have another look at the structure of the mixed economy as a whole. We have to think, in terms whether creation of shortages, running mills at lower capacity giving them more profits than they could otherwise get when they run efficiently and to full capacity, will help the economy. If the corporate sector can get more profits, hidden or otherwise, only then they will go in for more production. Therefore, Sir, the question of black money is to be tackled at the source from where it trickles down. If we are not able to do it, we must take it that these two or three or four exercises which have been done since Independence, have failed. Sir, the parallel economy is such which the House as a whole has always condemned but have we any other way out? We expect the hon. Finance Minister to spell out some action. We do not want him to tell us that he is going to do but we do expect that he will take some action by which this black money or unaccounted money may be curbed.

Lastly, I would like to say one thing more, that is about the land prices. It has been rightly said that a Bill is about to come with regard to capital gains tax. But what about the price of land that is shooting up for which the Government, the semi-Government sector that is the DDA and other development authorities of various towns are equally responsible? Will it not be the time that we have another look as to how these development authorities are working? I would also request that for distribution, we should encourage help, support and give assistance to corporate sector which may-

be the only means by which better distribution can be done. With these words, I conclude. Thank you.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I rise in support of the Finance Bill. For the first time we had a Budget with no tears in the eyes of the housewives and all cheers *loi* the entire family. It was for the first time that there was no scramble or purchase of essential commodities because nobody really expected heavy taxation for the consumer articles. For the first time things did not disappear from the market and true to this, the Budget placed no additional taxation, I am going to deal with the various other provisions of the Budget shortly but I will very briefly deal with the criticism which has been made when it was said that it looked nice but it was economically unsound and so on and so forth. Sir, two things were said that really the money was collected earlier through the Railway budget and also through increase in the price of petroleum and petroleum products. Now, so far as the Railway Budget is concerned, I think, everybody knows that it has to precede the General Budget and in the Railway Budget, we had to increase the tariffs, because, we have decided to expand the Railways. The Railways are the most vital part of the infrastructure of our country and we could not allow the expansion of the Railways to suffer and because of this, we had to increase the tariffs.

Sir, this Government has been taking bold and unpopular decisions, because, whenever the decisions are bold, they are unpopular. But the Railway Budget I do not think, has anything to do with the skill with which the Finance Minister has balanced his Budget. So far as the prices of petroleum and petroleum products are concerned, I can only say this that they are beyond our control; they are governed by the prices charged by the OPEC countries and, I think, this is not also a valid criticism. Despite

these two things, the Finance Minister deserves to be congratulated, because, he has not let loose any inflationary trends because of the Budget. Because, Budget, according to me, is the greatest push for the inflationary spiral, but this Budget if anything, has contained this inflationary spiral.

I am happy, because, in this House, I speak for the middle classes and I also speak for the poorer classes. I think, a significant achievement of this Budget has been the raising of the Income-tax exemption limit to Rs. 15,000. I wish, the fixed income groups who are really fixed in these times of very difficult, very dear, days of high inflation, are really relieved of all the burdens so that they can live their lives with dignity. One thing for which I congratulate the Government, one thing about which I am proud, as far as the Government's performance is concerned, is that we are now consistent with our fiscal approach. We are consistent with our fiscal approach of no high taxation. In fact, the Finance Minister has repeatedly told the country, firstly, on the floor<sup>1</sup> of this House, here, as well as on the various occasions he gets to address the nation through the various other organisations like the FICCI, that if the economy behaves, if the industry behaves, he will further reduce the rate of taxation so that the people can adjust their business affairs and people can certainly have the confidence in this Government that this is not a Government which is going to increase the taxes, but this is a Government which is going to reduce the taxes. I am quite sure that though the effect of the exemption continues up to Rs. 25,000, it will not be long before this exemption limit is further raised so as to relieve the middle classes of the difficult times. With this, he has removed thirteen lakh assesseees. This brings in the question of tax collection to which I shall refer a little later. I shall deal with that point separately.

[Shri Murlidhar Chandrakant Bhandare]

Then, I am proud about what has been done for the weaker sections. We have the National Rural Employment Programme, which is an amplification, which is a better modification, of the Food-for-work Programme and there is a provision of Rs. 180 crores for this. There is the Integrated Rural Development Programme and there is a provision of Rs. 198 crores and a hope that three million families will go above the poverty level because of this Integrated Rural Development Programme. I may mention that all these programmes have to be implemented with considerable discipline. There has to be a very strict vigil, watch and monitoring because we provide for things, but unfortunately they do not percolate to the level which is meant to be benefited by such programmes. I am quite sure, with the discipline that the Finance Minister displays, he will keep a close watch on this integrated rural development programme because it is our commitment to bring 3 million families above the poverty line, I am hopeful and I assure him all cooperation from all sections of this House in making this programme a success and in his next Budget he will come and tell us, tell the House, that his expectations have been fully met and fully realised.

Then we have Rs. 110 crores for rural water supply. We have Rs. 110 crores again for special component plan for Scheduled Castes. We have Rs. 85 crores for tribal sub-plan and we have Rs. 92 crores for special hill development programme. I am mentioning these things in great detail because we, the Government, the party and the party leader Shrimati Indira Gandhi, are committed to the welfare, to the upliftment of the weaker sections, and it is all the more necessary that I highlight the features of the Budget, which mean and design, pro-fee and farther the interests of these weaker sections.

Then I come to the question of inflation. Sir, last time we took pride

that we brought down inflation from 22 per cent to 15 per cent. Figures differ. Some say, it is 23 per cent to 13 per cent, but I think the correct figures are 22 per cent to 15 per cent. Though you had anticipated the cost push on account of railway tariff rise and on account of the rise in the petroleum product's price as barely one per cent, by now the rate of inflation, by the end of last week, has risen to 17 per cent and the inflation is already up by 2 per cent. The difficult days of oppressive summer till July are ahead of us. Unless we watch the situation very carefully, I am afraid this rate will go on galloping and all efforts will have to be made, all discipline will have to be brought upon to play on this very crucial issue of inflation. And it is in this context that I will refer—because I have said it in my speech on Special Bearer Bonds—in great detail to the havoc which the black money plays. We find sugar disappearing from market. We find that sugar is available at very excessive rates. And yet we know that these are all things which are really matters of manipulation by the hoarders, by the blackmarketeers, by the profiteers, and the instrument with which they manipulate all these things, the prices of these essential commodities, is the black money. I am indeed sorry although I do not subscribe to the theory of special bearer bond that the Special Bearer Bonds for reasons more than one have not received the success they ought to have received. That has made things a little more difficult. But, Sir, I would only request the Government to augment, to strengthen, to fortify the public distribution system. I want this to be particularly done in those urban areas where the weaker sections reside, where the poorer people reside, in the rural areas where the poorer people reside. It is no use having a fair price shop or a Super Bazar in the heart of Delhi. I want the Government to go to those jhuggis and jhonpris where there is no fair price shop at all and I think this Government must see that unless this public distribution system improves, there is little scope for a common man, for a poor man to get essential commodities

at reasonable rates or at fair prices. I think a lot can be done by the M.Ps themselves. I think immediately after we go in recess and the House is adjourned, at the end of the week, when the oppressive summer starts, the oppression of inflation, will also start, the prices will rise, the commodities will disappear, we must take it upon ourselves to cover those areas which we represent to see that there is an effective public distribution system. Let us not wait only for the Government to do it. Let us ourselves do it. Let us make a voluntary effort with the cooperation of the people at large. I feel the time has come, when we talk about the accountability of the executive, when we talk about the accountability of the judiciary, when we talk about the accountability of the press, when we talk about the accountability of the bureaucrats, when every Member of Parliament must at the end of the year submit a return of what he has done in the discharge of his duties towards the nation. I expect that annual return, like the income tax return, to be filed by every Member of Parliament so that we know how active we are, we know in what direction we have worked and our image and our reputation also increases. Today we are only judged by what happens between 11 and 12.

श्री राजेश्वर सिंह (उत्तर प्रदेश): पालिया-  
मेंट मेंबर ही नहीं, प्राइम मिनिस्टर भी ।

SHRI MURLIDHAR CHANDRAKANT BHANDARE: Everybody and I must tell you nobody works as hard, or harder than the Prime Minister, luckily.

There is one thing on which there seems to be unanimity. I am glad that there is unanimity in this House in this debate on the problem of population explosion. I think nothing can be said to over-emphasise the problem of population explosion. I have got some figures here—comparable figures of 1950 and 1978 which I have collected from the book published by the United Nations—The Demographic Year Book of 1979. And I am taking the figures of

the advanced countries to show what we must do in order to reach the same degree of prosperity and welfare in our country. For example, the United States of America had a population of 15.2 crores in 1980 and 150 crores in 1950 and today after 30 years, it is 218 crores.

DR. MALCOLM S. ADISESHIAH  
(Nominated): Billion.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I am sorry, I stand corrected. You are quite right, it is billion. Compared to our population growth, their growth is really negligible. I suggest that we should not be ashamed that it is the foremost task before the nation to control population, because whatever planning we might do, whatever budgets you may lay out, nothing is going to work and everything is going to be upset unless you can control the population. As a first measure, I suggest, let us stop using subterfuges, let us stop covert and overt names like Family Welfare. I think the term "Family Planning" connotes what we should do and the term "Family Welfare" is really vague. Just because there have been certain aberrations in the past or the people do not like it...

PROF. D. P. CHATTOPADHAYA (West Bengal): Why do you object to that term? "Planning for Welfare". You can take both.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: AH right, Planning for Welfare. That is even a better suggestion. But, unless you bring in this Family Planning, I don't think that we will be giving the emphasis which is really necessary in this case. I find that hardly Rs. 155 crores are provided for in your budget for this Family Planning. I would humbly submit that this is a case where we should go all out. Only the day before yesterday, on Sunday, I was attending a seminar in the Constitution Club where ladies after ladies came and said that the time has come when there should be compulsory sterilisation. And I request this House, forgetting all the pre-

[Shri Murlidhar Chandrakant Bhandare] judices, keeping away all other considerations and only keeping the national interest at heart, to find out whether a time has come or not to seriously consider that after there have been two children over the age of Ave or seven there should not be compulsory sterilisation. I think we should not be afraid of these things because^ everybody believes that a small family is a beautiful family, everybody believes that the protection, the care, the affection which one gets in a small family is much better than in a large family. I remember a family. One of the leading lawyers of Bombay had 11 children—nine daughters and two sons.

SHRI SYED SIBTE RAZI (Uttar Pradesh):  
A complete team!

SHRI MURLIDHAR CHANDRAKANT BHANDARE: When I met one of the daughters, she said, "I do not remember to have talked with my father because he did not have time for 11 children." Therefore, I would urge upon all the Members here and the Government to go ahead with vigour and with a thrust towards this programme of Family Planning.

Sir, there is one thing on which I want to say. Whenever you have any fiscal measure, you must take into account that that measure is going to be challenged in the Supreme Court and it is going to receive a serious setback; in any event, it is going to be delayed on its start and there is going to be considerable lag between the time when you want to take off and the time when it will actually take off. (Interruptions) Take, for instance, last year. We passed the Bill authorising levy of tax on receipts of 5-star hotels and other things. That tax has been challenged and recovery of that tax has been stayed. Last year's budget provided, I believe, Rs. 10 crores annually on this account, but that is now held in suspense. Then the Special Bearer Bonds were challenged, though there was no stay. While rejecting the plea-for stay, from what I read, the Chief Justice has said, "Why do you want

the stay? After all, this matter is te~.d- ing in the Court. No wise man will buy your Bearer Bonds." This is what I have read from the press and not from one paper but from almost every daily paper of that day. Then you have the provision of acquisition of property, if it is acquired with a view to commit fraud on income-tax, that is also under challenge and there is also a stay order so far as that is concerned. This is not to talk about the LIC thing. All that I want to say is that it is not an occasion to say all this but these are all fiscal measures and the least that is expected of the Supreme Court is to dispose of these matters with as much dispatch as possible.

There are only two things I want to say. One is you are attacking the black money; I do not know why you are persisting with Charan Singh's agricultural bonds in the matter of capital gains. If you really want people, as has been said by my friend Mr. Salve, to voluntarily contribute, you must allow them to invest the capital gains not in the agricultural bonds but in the fixed deposits of the nationalised banks, so that today's tendency to take more and more of these capital gains in what is known as No. 2 currency which evades capital gains tax is avoided. I would request you to consider very seriously this suggestion because I find that unless you have an integrated approach to all these problems, it will be difficult for you to tackle this demon of black money. Last time you said that you will have the Excise and Customs Tribunals, but they have not yet been set up. There is a long way to go for plugging the loopholes in taxation. And, as the Finance Minister has said, though the income-tax officers may not please, they should also not tease. What I find is that the income-tax officers are just not mindful of the problems and they either fail to tax where they should or they over-tax to the extent that people are left with a feeling that it is a matter of real harassment.

Sir, on the whole, I recommend this Finance Bill for the support of this House.

SHRI NARSINGH NARAIN PANDEY (Uttar Pradesh): Why should we file our returns? It is a very good suggestion that he has made, that it can be with the Chairman.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): That should be filed with the leader of the party. This was also tried by Shri Mohan Dharia but nobody followed it.

श्री जगदीश प्रसाद साधु : (उत्तर प्रदेश) : श्रीमान्, हम लोग बजट को पूरा करने के अन्तिम चरण में हैं। पिछले दो वर्षों के बजट देखने के पश्चात् दो-तीन बातें सामने आती हैं। पिछले साल भी यह हथकंडा किया गया था और इस साल भी यह हथकंडा किया गया है जिसका उल्लेख हमारे सभी चट्टोवाध्याय जी ने किया है। दिखाने का प्रयत्न किया है कि हमने कोई नये कर नहीं लगाये हैं और अगर लगाये हैं तो बहुत कम लगाये हैं। लेकिन दूसरी तरफ चालाकी के साथ बजट से पहले से रेलवे के भाड़े से लेकर स्टील, कोयला, सीमेंट आदि जितनी भी मुख्य चीजें हैं उनकी कीमतें बढ़ा दी गई थी। उन वस्तुओं की कीमतों के बढ़ाने के फलस्वरूप बाजार में सभी चीजों की कीमतें बढ़ी लेकिन आम आदमी को दिखाया गया कि मानो बजट के कारण नहीं बढ़ी हैं। बजट से अथवा किसी पिछले दरवाजे से सरकार कीमतें बढ़ा दे तो जिम्मेदारी सरकार की ही है। लेकिन इस सम्बन्ध में मुझे एक बात और ध्यान में आती है। इन दो बजटों से यह दिखाई देता है कि सरकार संसद् से कुछ वचन कर आर्थिक कार्रवाई करना चाहती है जो कि अच्छा नहीं है। वास्तव में आवश्यकता इस बात की है कि हमारा जो राजनैतिक जीवन है वह तो संसद् से कंट्रोल होता ही है, लेकिन हमारा जो आर्थिक जीवन है उस पर भी संसद् का पूरा पूरा कंट्रोल होना चाहिए। लेकिन आज यह दिखाई दे रहा है कि कंट्रोल,

वह नियंत्रण, घटता जा रहा है। यदि आप पिछले बजटों पर दृष्टि डालें तो आपको पता चलेगा कि सब से पहले सन् 1921 में पहला बजट पेश किया गया था। यह सेप्टुअल गवर्नमेंट का बजट था। ब्रिटिश सरकार के जमाने में यह बजट पेश हुआ था। ब्रिटिश सरकार के सामने हिन्दुस्तान की भलाई का कोई लक्ष्य नहीं था। वे चाहते थे कि किसी प्रकार से कालोनिअल इकनॉमी अपना कर अपना भला करें। लेकिन फिर भी उस समय उन्होंने कमेटीयां बनाई। फाइनेशियल स्टैंडिंग कमेटीज को यह अधिकार था कि वह देखें कि कौन-कौन से एलोकेशन्स हैं और कितना खर्च है और उन पर नियंत्रण किया जाय। उसके पश्चात् कोई कमेटीज नहीं बनीं। सन् 1953 में सब से पहले हम लोगों ने यह प्रक्रिया आरम्भ की। ब्रिटिश जमाने में जो कालोनिअल बजट होता था वह बहुत थोड़ा होता था :

उस समय के बजट से, आज कम से कम चार सौ गुना और पाँच सौ गुना बड़ा बजट बनता है। इस बजट का निर्णय कौन करता है? आपके एक मात्र वित्त मंत्री ही बजट के सम्बन्ध में निर्णय लेते हैं। वित्त मंत्री के अलावा कैबिनेट के अन्य लोगों को इसके सम्बन्ध में कुछ भी पता नहीं होता है। प्रधान मंत्री जी को कुछ बातों का पता होता है या कुछ बातों का पता प्लानिंग कमिशन को होता है। इतना बड़ा हमारा देश है। आवश्यकता इस बात की है कि संसद् का, जिसमें जनता के चुने हुए प्रतिनिधि होते हैं, नियंत्रण इस पर बढ़ना चाहिए, लेकिन आज वह घटता जा रहा है। दो बजट यहाँ पर हमारे फाइनेंस मिनिस्टर द्वारा आ चुके हैं। इन बजटों को देख कर यही लगता है कि दोनों बार एक ही से चालाकी की गई है। इतना ही नहीं, मैं इस सरकार से यह कहना चाहूँगा कि जो हमारे देश की प्लानिंग है, जो योजनाएं सरकार बनाती है, उनमें



[श्री जयदीप प्रसाद माथुर]

कम से कम संसद् का सहयोग और परामर्श लिया जाना चाहिए था। छठी पंचवर्षीय योजना चालू हो गई, लेकिन छठी पंचवर्षीय योजना की एक प्रति भी संसद्-सदस्यों को अभी तक नहीं दी गई है अगर संसद्-सदस्यों को छठी योजना की एक प्रति दी जाती तो कम से कम वे उस पर डिस्कशन तो करवा सकते। छठी योजना पर कोई डिस्कशन नहीं करवाया गया। अगर वित्त मंत्री महोदय यहां पर होते तो मैं उनसे पूछता कि आखिरकार हम लोगों ने क्या जुर्म किया है कि छठी योजना की एक प्रति भी हम लोगों को नहीं दी गई? आवश्यकता तो इस बात की थी कि एन० डी० सी० में यह योजना जाने से पहले संसद् सदस्यों के सामने उसकी एक प्रति रखी जाती और वे उस पर डिस्कशन करते। इसलिए मेरा कहना यह है कि वित्त मंत्री को इस पर सोच-विचार करना चाहिए कि संसद् का सरकार को आर्थिक और वित्तीय नीतियों पर जो नियंत्रण होना चाहिए, वह क्यों घटता जा रहा है इस बात पर भी सरकार को विचार करना चाहिए कि उस नियंत्रण को कैसे बढ़ाया जाय। आप कहेंगे कि हाउस की जो इकनॉमिक कमेटियां हैं, जैसे पी० ए० सी० और पी० यू० सी० है, वे इन बातों को देखती हैं। लेकिन पी० ए० सी० और पी० यू० सी० कितना काम कर सकती है, इसको भी देखने की जरूरत है। जितनी भी हमारी कमेटियां हैं, चाहे वह कंसल्टेटिव कमेट्री हो, वह कितना काम करती है, यह हम सब जानते हैं। जितने भी सवाल खड़े होते हैं उनके 1/1000 हिस्सा भी वे पूरा नहीं कर पाती हैं। पिछले सालों में जितनी भी आडिट रिपोर्ट्स आई और

उनमें जो आपत्तियां उठाई गईं उनको देखने से इस बात का पता चल जाता है। सन् 1976-77 में जो आव्जेक्शन्स आए उनमें 390 में से केवल 40 पी० ए० सी० के सामने आ सके। इसी प्रकार से सन् 1977-78 में 380 कैसों में से केवल 35 कैसेज पी० ए० सी० के सामने आ सके और सन् 1978-79 में 360 मामलों में से केवल 33 मामले आ सके। ये जो 390, 380 और 360 कैसेज आए और जो आडिट रिपोर्ट्स आई उनके पूरे आव्जेक्शन्स को अगर देखा जाय तो शायद इनसे 10 गुना अधिक होंगे अर्थात् 360 कैसेज के तीन हजार से भी अधिक आव्जेक्शन्स हो जाएंगे। इनमें केवल 33 कैसेज को पी० ए० सी० देख सकी। यह आपका वित्तीय नीतियों पर और वित्तीय खर्चों पर नियंत्रण है। इसलिए आज आवश्यकता इस बात की है कि सरकार की वित्तीय नीतियों और व्यय पर संसद् का नियंत्रण बढ़ाया जाय, इस पर विचार किया जाना चाहिए। आप जानते हैं कि वित्तीय और आर्थिक नीतियों का प्रभाव हमारे रोजमर्रा के कामकाज पर लगातार बढ़ता जा रहा है। हमारे प्रारम्भिक जीवन से लेकर बड़ी सी बड़ी बात तक, हमारा वित्तीय और आर्थिक नीतियां समाज को प्रभावित करती हैं।

5 P.M.

आजादी से पहले तो यह था कि रेल कहां चलेगी अबवा छोटे मोटे काम कहां होंगे, इतना ही मात्र था। आज डेवलपमेण्ट के जितने काम हैं उनसे ले कर बच्चों की शिक्षा कहां तक होगी और यहां तक कि भंडारे साहब ने कहा है कि सरकार को आबादी को घटाना चाहिए, उन्होंने आबादी को बढ़ने से रोकने की चर्चा की है सारी की सारी, एक एक बात पर आज सरकार का नियंत्रण है। होना चाहिए। मेरा मुद्दाव श्रीमन् यह है कि जब हम फाइनेंशियल बिल

पास कर रहे हैं तो सरकार गम्भीरता से इस बात पर विचार करे कि संसद् का आर्थिक नीतियों पर, वित्त नीतियों पर किस प्रकार से नियंत्रण बढ़ाया जाना चाहिए। कन्सल-टेटिव कमेटी है फाइनेन्स मिनिस्ट्री की लेकिन सब जानते हैं कि कन्सलटेटिव कमेटी में कैसे काम होता है। रेलवे की कन्सल-टेटिव कमेटी जैसे है, वे उसमें क्वेश्चंस रख लेते हैं और उसके जवाब, उसको छोड़ कर चर्चा नहीं की जा सकती है। मैं आई० एण्ड बी० मिनिस्ट्री की कन्सलटेटिव कमेटी में था। शाम को 9.30 बजे बुला लेते हैं और क्वेश्चन दे देते हैं और उन पर चर्चा समाप्त हो जाती है अन्य चीजों पर चर्चा नहीं चल सकती। इसलिए मेरा निवेदन है कि जहाँ तक आर्थिक प्रश्नों का सम्बन्ध है उन पर संसद् का कण्ट्रोल बढ़ाना चाहिए। अभी गत वर्ष या गत वर्ष से पूर्व एक इण्टरनेशनल सेमिनार हुआ था। हमारे देश के प्रतिनिधि भी वहाँ गये थे। उसमें यह सुझाव दिया गया कि वित्तीय दृष्टि से कम से कम हर देश में, स्थाई समितियाँ होनी चाहिए। इंग्लैण्ड में यह लागू किया गया है। मेरा सरकार से निवेदन है वह इस सिफारिश पर गम्भीरता से विचार करे। इसका भारी लाभ होगा हम लोग यहाँ बैठते हैं, बजट पर बहस करते हैं, फाइनेन्स बिल पास करते हैं, सप्लीमेण्टरी बजट पर बहस करते हैं, लेकिन इसमें सब दलों के लोग अपनी दलीय नीतियों से बंधे हुए बात करते हैं। मैं जो बात कहूँगा तो वह एक विरोधी दल के सदस्य के नाते कहूँगा और आपकी टीका कहूँगा। अगर आपके दल का कोई सदस्य खड़ा होगा तो वह आपका समर्थन करेगा। अगर आप धास्तिव में ऐसा चाहते हैं कि देश की वित्तीय नीति, आर्थिक नीति ऐसी बने जिसको सर्वमान्य कहा जा सके। कमेटियों के अन्दर काम करने वाले लोग जब बैठते हैं तो पार्टी वरियर्स टूट जाते हैं, दल की नीतियों के आधार पर प्रश्न नहीं होते और

उससे एक कांसिसेस निकलता है। तो इसका प्रारम्भ इन समितियों से किया जाय। मुझे स्मरण है कि जब भारत स्वाधीन हुआ तो पंडित जवाहर लाल नेहरू के सामने यह प्रश्न लाया गया कि हम स्टैंडिंग कमेटियाँ हर मिनिस्ट्री की बनायें। लेकिन उस समय सोचा गया कि अगर स्टैंडिंग कमेटियाँ बन गईं तो यह कैबिनेट का एक छोटा, दूसरा रूप होगा और इसलिए कन्सलटेटिव कमेटी का आगम पोंछने के लिए एक रास्ता निकाला गया और हर मिनिस्ट्री को कन्सलटेटिव कमेटी दे दी गई। मैं सरकार के सामने यह सुझाव रखना चाहता हूँ कि वह इस विषय पर गम्भीरता से विचार करे।

अब मैं प्रस्तुत विधेयक के सम्बन्ध में मैं थोड़ी सी बात कहूँगा, मैं आपका ज्यादा समय नहीं लूँगा। अभी साल्वे साहब बोल रहे थे, भंडारे साहब भी बोल रहे थे। भंडारे साहब ने खड़े होते ही कहा कि मैं बधाई देना चाहता हूँ। बहुत अच्छी बात है, बधाई दीजिए। यह भी सत्य है कि इन्कम टैक्स एक्जम्पशन 15 हजार रुपये किया गया है। लेकिन क्या उन्होंने यह देखा है कि 1977 में यह लिमिट 10 हजार थी, 1980 में बढ़ा कर 12 हजार कर दिया गया है और आज 1981 में इसे 15 हजार कर दिया गया है। देखने में तो यह उचित मालूम होता है। लेकिन क्या वित्त मंत्रालय और वित्त मंत्री ने देखा है कि जो कीमतें हैं 1977 में थी, 1980 में थी और आज हैं, क्या व वही हैं? यदि देखा जाय कि 15 हजार की लिमिट जो की गई है, बाजार भाव के आधार पर अगर देखा जाय तो यह 15 हजार की लिमिट कभी की क्रास हो चुकी है। आज 10 हजार रुपये की कीमत 15 हजार रुपये से ऊपर हो गई है। आप कहते हैं कि मध्यम श्रेणी के आदमियों को 15 हजार रुपये की छूट दी गई है। लेकिन यह छूट घटी नहीं है।

[ श्री जगदीश प्रसाद माथुर ]

इसी प्रकार से स्टैण्डर्ड डिडक्शन की बात है। जो धेतनयोगी हैं उनको 1974 में 3500 रुपये का स्टैण्डर्ड डिडक्शन दिया जाता था और 1980 में यह 5 हजार हुआ। परन्तु आज उसकी क्या कीमत है? आज इसकी कीमत 5000 रुपये नहीं है, आज के हिसाब से इसकी कीमत 5140 रुपये हो चुकी है। इसलिए यह कहना कि छूट बढ़ाई गई है केवल एक धोखा है। मेरा कहना है कि यदि आप वास्तव में मध्यम श्रेणी के व्यक्तियों को छूट देना ही चाहते हैं तो ऐसा कोई तरीका क्यों नहीं निकालते जिससे कि हर साल फरवरी के महीने में आदमी यह देखता है कि छूट मिलने वाली है या नहीं है, यह उसको न देखना पड़े। कुछ देश ऐसे हैं जिनमें एक परिभाषा है जैसे डेनमार्क, नीदरलैण्ड, कनाडा और आस्ट्रेलिया इत्यादि उनकी प्रवृत्ति है जैसे हमारे यहां कीमतें बढ़ती हैं तो महंगाई भत्ता बढ़ता जाता है उसी तरह से रेट आफ इन्फ्लेशन और इनकम-टैक्स की छूट का नाता जोड़ा जाना चाहिए। अगर रेट आफ इन्फ्लेशन एक प्रतिशत बढ़ता है तो उसको मालूम होना चाहिए कि अगले साल फरवरी में 8 प्रतिशत छूट और बढ़ जाएगी। सरकार इस विषय में विचार करे कि वास्तव में यदि इनकम टैक्स की छूट मध्यम श्रेणी के धेतनयोगियों को देनी है तो क्या कोई ऐसा तरीका नहीं निकाल सकते जैसे कि उन देशों में है जिनका मैंने अभी नाम लिया है। रेट आफ इन्फ्लेशन से छूट का सम्बन्ध सीधा जोड़ा जाए।

एक-आध चीज इनकम-टैक्स के बारे में कही गई है। इनकम टैक्स के बारे में कहा गया है कि हम लोगों ने छूट दे कर कमाई की है लेकिन जरा देखें कि कितनी कमाई की है। अगर देखें तो हर साल आय घटती गई है। यह काम्प्यूटरी एण्ड आडीटर जनरल की रिपोर्ट है। इसमें

यह है कि इनकम टैक्स में 1977-78 में वसूली हुई थी 3648 की, 1978-79 में 2977 की। यह फिगर बिल्कूल रूपों में हैं। 1979-80 में 2585 की वसूली हुई। जितनी कीमतें आज बढ़ी हैं यदि उनको देखें तो यह घटी है। तो 2585 पिछले साल के हिसाब से। इसी तरह से गिफ्ट टैक्स आदि में 1977-78 में 114.81, 1978-79 में 84.60 और 1979-80 में 65.67 की वसूली हुई। आखिरकार वसूली क्यों घट रही है। घट इसलिए रही है, आप तो कह देंगे जरा हांशियार वित्त मंत्री हैं, इसमें तो बहुत सारी जनता पार्टी के टाइम की है। हां सकता है। लेकिन मैं दलीय दृष्टिकोण से नहीं बात कर रहा हूँ। आखिर उस समय भी इनकम टैक्स के कानून बढ़ी थे, थोड़े बहुत बदले होंगे और आज भी वही है। कौन सरकार वहां बैठी है?

वहां जनता-पार्टी के मंत्री बैठे हैं। अथवा वहां कांग्रेस (आई) के मंत्री बैठे हैं। इसका असर कम है। असर इस बात का है कि आपके कानून क्या हैं और आपकी मशीनरी कैसी है। साल्वे साहब ने बिल्कुल ठीक कहा वे इनकम टैक्स के प्रेक्टिशनर हैं, बहुत योग्य व्यक्ति हैं, इनकम टैक्स का कानून इतना जटिल है और तिरछा है कि वे खुद भी कहते हैं कि मेरे पल्ले नहीं पड़ता। मेरे जैसा मामूली आदमी जो इनकम टैक्स की प्रेक्टिस नहीं करता वह तो समझ ही नहीं सकता। तो इनकम टैक्स के कानून को क्यों सरल नहीं किया जाता है? जो व्यक्ति-गत इनकम-टैक्स कानून है वह तो ठीक है, लेकिन जो कारपोरेट टैक्सेज हैं उनको भी कुछ न कुछ सरल किया जाना चाहिए। मैं साल्वे साहब की इस बात से बिल्कुल सहमत हूँ कि केवल कानून की भाषा बदलने से काम नहीं होगा... (समय की घंटी) ... अभी तो मुझे 10 मिनट हुए हैं।

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): You are taking all the time? I do not mind. Three names are there. If you want to take all the time, I don't mind.

SHRI JAGDISH PRASAD MATHUR: I will leave something for my friends.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): How much time do you want?

SHRI JAGDISH PRASAD MATHUR: Let me continue.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Another twenty minutes?

SHRI JAGDISH PRASAD MATHUR: Ali right. I will cut short.

SHRI SHRIDHAR WASUDEO DHABE (Maharashtra): You are taking your friends' time also?

SHRI JAGDISH PRASAD MATHUR: No. in the second round my friends will speak.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): You started at 4-52. Keep it in mind and go ahead.

श्री जगदीश प्रसाद माथुर : अब इनकम टैक्स के एरियज का सवाल है। एरियज बढ़ रहे हैं। वित्त मंत्री जी जानते हैं कि आज आपके 1011.85 करोड़ के एरियज हैं। इतने एरियज आखिर क्यों हैं ? इसमें कौन हैं ? एरियज उन खानदानों के ज्यादा हैं जिनका कि टेक्सेशन बढ़ रहा है। जो कि ज्यादा टैक्स देने वाले लोग हैं उनका पसा ज्यादा है। छोटे मोटे टैक्स वाले कम हैं। लेकिन बड़े बड़े कारखानेदार इसमें हैं उनका है, जिनका कि 25 लाख से ऊपर इनकम टैक्स बढ़ाया है, उनके 37 करोड़ हैं और उनका रुपया है 260.47 लाख बाकी जो बरौच हैं जिनके एक्... से कम केस हैं,

27,52,284 और रुपया 489। तो ये बड़े बड़े जो मगरमच्छ हैं इनको आप छोड़ देते हैं, क्यों ? इनके लोग आपके आफिसरों के पास पहुंच जाते हैं, कम्प्लेंट कर लेते हैं या लिटीगेशन कर लेते हैं। लिटीगेशन को बात बह नहीं सकते कुछ शायद दो सौ ढाई सौ केसेज हैं फिर देन में देर लगेगी, दो सौ ढाई सौ केसेज हैं जो लिटीगेशन के लिए जायेंगे, बाकी सारे के सारे ?

इसी प्रकार से भारी मात्रा में अण्डर असेसमेंट कितना होता है। कम्पट्रोलर जनरल की रिपोर्ट है, इंडिया की, वे कहते हैं अण्डर असेसमेंट के कारण नुकसान कितना हुआ। 2342.54 लाख। अण्डर असेसमेंट क्यों होता है इसलिए कि आपके आफिसरों को जानकारी नहीं है।

दूसरी बात और है। पिछले दिनों आपने इनकम टैक्स कमिशनर, डिप्टी कमिशनर की संख्या बढ़ाई, पिछले दो साल में, लेकिन इनकम टैक्स आफिसरों की नहीं बढ़ाई। ऊपर संख्या बढ़ रही है और नीचे बढ़ता नहीं है तो काम कैसे होगा ? आपने यह जरूर बताना है कि दो ट्रेनिंग स्कूल खोले जायेंगे। आप ट्रेनिंग स्कूल खोलेंगे तो जो नये भर्ती हो रहे हैं उनको ट्रेन्ड करेंगे लेकिन पुरानों का क्या होगा।

सेक्शन 18 के अन्दर एक और बात बहती है। आपने इफिशियेंसी बढ़ाने का तरीका निकाला कि इनकम टैक्स के ट्रिब्यूनल में जो एक्जक्यूटिव मेम्बर होगा, उस पर कंडीशन लगा दी कि वह केवल कमिशनर हो सकता है जिसकी सविस्तर कम से कम तीन साल की होगी। इससे पहले असिस्टेंट कमिशनर होते थे। आपने असिस्टेंट कमिशनर को क्यों रोका। आप उनको रोक कर कौन सी इफिशियेंसी बढ़ा लेंगे। आखिरी बात (रुपय की संख्या) आप घाटी

\*[श्री जगदीश प्रसाद माथुर]

बार बार बजाते हैं तो बातें बहुत सारी कम कर देता हूँ ।

उपसभाध्यक्ष (श्री अरविन्द गणेश कुलकर्णी) : हमको तो घण्टी बजाने का शौक नहीं है परन्तु टाईम की बड़ी डिफिकल्टी है ।

श्री जगदीश प्रसाद माथुर : हाथ का अभ्यास है, इस वास्ते वह आदत हो जाती है ।

उपसभाध्यक्ष (श्री अरविन्द गणेश कुलकर्णी) : वह तो नहीं बगती, घण्टी बजाने का शौक मेरे को तो नहीं है । मैं कभी टेम्पुल का पुजारी नहीं था ।

श्री जगदीश प्रसाद माथुर : अच्छा, समाप्त करता हूँ, मुझे भी समय बढ़ाने का शौक नहीं है ।

अब एक बात और कही गई है । उधर के साथियों ने, जो हैं, आवादी घटाने की, आवादी को बढ़ने से रोकने की बात कही है । उन्होंने तारीफ की है कि इतना पैसा लगाया गया है । बिल्कुल ठीक है, आवादी रोकनी चाहिए और यह बात तब है कि आवादी न रुकी तो हमारी योजनाएं विफल होंगी । इसमें कोई संदेह नहीं है । परन्तु एक सावधानी आपको बरतनी पड़ेगी । वह सावधानी यह बरतनी पड़ेगी कि हम कहीं पर जोर जबरदस्ती न करें । इमरजेंसी में जो हुआ, जिसकी हिन्दी में कहावत है कि दूध बग जला मट्ठा भी फूंक कर पीता है, वह हमको नहीं करना है । परन्तु अपने मंत्रालय को ठीक करिए । मेरे पास यह जनरल को रिपोर्ट है इसमें पिछले साल बचत दिखाई गई है कि आपसे पैसा खर्च नहीं हुआ । सबसे ज्यादा बचत किसकी है, कौन से मंत्रालय की ? वह

मंत्रालय ये हैं, मिनिस्ट्री आफ एग्रीकल्चर और एनीमल हसबैंडरी एण्ड मिनिस्ट्री आफ एजुकेशन सोशल वेल्फेयर, जो गरीबों के भले के लिए मंत्रालय है, उन सब में हमारे आफिसरों ने पैसा बचा लिया, वह खर्च नहीं किया । आखिर जो बजट के एलोकेशन थे इनको बीयर क्यों नहीं किया गया । वित्त मंत्री महोदय से मैं कहूंगा कि वे इस बात की जांच करें कि ऐसे मंत्रालय जिनका संबंध सीधे आम जनता के जीवन से है, उनके धन का पूरा उपयोग क्यों नहीं किया जाता । मेरा इसमें एक संदेह है संदेह यह है कि सरकार चाहे जनता की हो, चाहे कांग्रेस की हो, वह गरीब का भला करना चाहती है लेकिन आपको मशीनरी ऐसी है कि जो यह करने के लिए तैयार नहीं है उसको ठीक करना पड़ेगा ।

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Please Conclude.

श्री जगदीश प्रसाद माथुर : वस दो वाक्य । अन्त में मैं केवल इतना कहना चाहता हूँ कि मैंने दो तीन सुझाव रखे हैं । प्रथा यह है कि संसद् का कण्ट्रोल बढ़ाना चाहिए और आम आदमी का भला होना चाहिए, इनकम टैक्स के रूल्स को सीधा किया जाना चाहिए या इनकम टैक्स की छूट का सम्बन्ध सीधे रूप से इम्प्लेशन के साथ किया जाना चाहिए, आर्टोमैटिक, इस पर सरकार विचार करे । मेरे विरोध करने से कुछ नहीं होगा, अगर आपका फाइनेन्स बिल यहां गिर भी जाये तो दूररे हाऊस से पास होने वाला है, हमारा अधिक अधिभार नहीं है । सुझाव देने मात्र का अधिभार है और वे मैंने आपके सामने रख दिये हैं ।

SHRI SUSHIL CHAND MOHUNTA (Haryana): Mr. Vice-Chairman, Sir, a remark was made by an hon. Member.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Your party has 40 minutes and there are 3 speakers.

SHRI SUSHIL CHAND MOHUNTA: Sir, I will try to confine myself to my share of the time. A remark was made regarding the conduct of the Chief Justice of the Supreme Court which is normally not done in Parliament. Only an interim order has been passed by the Supreme Court. The main point is still *sub judice*. There was no question of any confrontation between the Supreme Court and the Parliament. Parliament framed the law and the Supreme Court passed an order which affected a particular employer and employees. Parliament came nowhere near it. I cannot understand what was the confrontation. The Supreme Court feels that a particular law must be interpreted in a particular manner. I would say that it is an equally important limb provided by the Constitution and we cannot find fault with it in the discharge of its functions. It is something like this. When a game is played and the referee blows the whistle, the game must stop. The Parliament frames the law and in this case an interim order was passed by the Supreme Court. When an interim order is passed, it affects two particular parties in which the Government does not come in. Where is the confrontation between the Parliament and the Supreme Court? Normally, such matters should not be discussed.

Coming to the Finance Bill, everybody has acclaimed the budget when it came forward. There was criticism also. As my learned friend has just now said, whether we want it or not this Bill will go through in spite of us. The important matter is that in the wake of the budget proposals which are sought to be enforced through this Finance Bill, what results do we expect? It appears to me that apart from some small matters which may crop up, there are six main points which the Government will have to face while taking recourse to this Finance Bill which seeks to endorse the Budget proposals. I would like to place these six

points like this. The first point is that the gap between the weaker sections of the society and the affluent and the rich will further increase. It is already there. It seems that it is something vulgar and it will further increase. Secondly, there is no hope in this budget or through this Finance Bill by which the weaker sections of the society can have any benefit. They will be further burdened with the high cost of living. Thirdly, this Budget and this Finance Bill will further escalate the prices. The benefit or the exemptions which have been granted to certain middle-class group which were acclaimed then, are illusory. I would submit that the benefit is an illusion. The prices would have risen so high that the benefit which one thinks has been given to them or the exemptions which have been given or the limit having been raised to Rs. 15,000/- would become illusory. Everything that he goes to purchase in the market would be so expensive that the benefit which he thinks he has been given or which the Government feels as having given him, would have disappeared. Fourthly, the most important circumstance and the factor over the last 30 years which has plagued, I would say, the minds of the people is the question of unemployment. There is no hope. Through this Budget or the Finance Bill, the Government intends to create better avenues or better chances so that the unemployment figure does not rise. The figure will still rise and rise, probably, with a greater speed. We will have the numbers spiral up. And then, Sir, what is the hope, what are the provisions which go to make the life of the rural poor good and healthy? The rural poor is still neglected. The rural poor has no hope whatsoever. The prices of the agricultural inputs and the prices of the produce given to them—the Government says that they are the remunerative prices given to them—both combined make the lot even further poor. There is no hope for them.

Then, lastly, Sir, the persons who, by using dubious methods, by playing a game of hide and seek, have amassed illegal wealth. Those are the people who have been given the protec-

(Shri Sushil Chand Mohunta). tion, those are the people who have been encouraged, those are the people who have been given a fillip,' knowing fully well that either through voluntary declarations or through these bearer bonds or through any device, the generation of black money cannot be controlled. There is no method by which the generation of black money can be controlled. At one point of time you ask the people to surrender their illegal wealth, and then the question will start again. Unless we put an end to this circle, unless there are proper means to curb this, unless the process of generation of illegal wealth is stopped altogether, if not altogether at least substantially, there is no hope. This is just a means of honouring and rewarding those people who have bypassed the law, who have amassed illegal wealth. This is a parallel economy in the country today. Now, the experience shows that the paralalled economy is better and that is why the bearer bonds system has faield. If the bearer bond system has failed, it is a pointer that the people are not prepared to give their illegal wealth in the shape of bearer bonds. They have a better utility for it, and the hope of a better utility is there. That is why the bonds system has failed.

So, these are the most important aspects of our national life. AH those points have been completely ignored. Coming to the first point, Sir, the over widening gap between the rich and the poor can be seen over the last 30 years. I can still remember, Sir, when I was in the college at the age of about 17 to 18 years, there was not this difference in the society as we find today. At that time, even the rich and the poor could sit together. They had the same dress, the same amenities more or less and the same standard of living with a slight variation. But today one is sky-high and the other is licking the ground. And after all we find today that more than 50 per cent of the population is deprived of certain necessities of life. Those people do not have a roof over their heads. What have you done for them? Where is the provision for them? Was it more important that a

bigger man should be able to set up a bigger industry and amass more wealth or was it more important that those persons who sleep on the pavements should be provided with some sheds or shelter? I have seen In the months of December and January, when the cold wave overtakes the northern part of this country, these people sleeping on the pavements. What have we done for them? We have not been able to provide them even with a shed. What about their clothing? What about their ils? What about their food? Every-ttg is neglected. After all, when we aspired for freedom and when we got it, freedom was not meant for a handful of persons, not for ten or twenty per cent of population of this country. The freedom was meant for the entire nation. Ana], what is the political freedom if it is unaccompanied by economic freedom? We must feel and we must realise and we must admit that economically we have not been able to emancipate the teeming poor sections of our population. Their position has become worse, year after year, than before. Their purchasing power has dwindled. It is as if they are caught in the tentacles of an octopus and their zest for life seems to be evaporating. What have we done for them? And, on the other side what do we find? There are people who have everything, more than what they want, and these gentlemen have their idiosyncrasies. One solution for that was, and one thing which we could have done was, at least seemingly to reduce this gap between the poorer sections, between the poor and the rich, at least seemingly. I know that by this sort of a proposal it is not possible at all to bring down the gap which has already been created but seemingly we could have done it, and, that is, we could have taxed the expenditure, the personal expenditure. We could have seen to it. The Government could have seen to it that no individual, however rich he may be, no individual howsoever great he may be, will be allowed to spend beyond a particular limit. So, in any case, seemingly the difference would have gone down. That we have not done. One person cannot spend Rs. 1,000 a year and another person spends crores of rupees a year. How are we going to ba-

lance it? We are living in the same country. We could not have two different citizenships and two different standards. The People must be able to call each other and look at each other as if they are the same. After all, opportunities come with money power. The persons who have got a lot of money, they have got better opportunities and the poorer sections of society will never be able to match them.

And, then over and above that in regard to land what have we done? We are following a peculiar system. I am not against the system of distribution of land but we cannot stretch it, the land is limited. All persons now must be accommodated on land, especially the poorer sections of the society, and we are giving them about 1.5 acres of land, 13 canals of land in Haryana. This is what they are giving them in Haryana. Now that 13 canals of land we are giving to them, we are limiting their incomes completely. How much can they earn out of those 13 canals? A rural family has ordinarily about 2 or 3 children, a wife and himself. In the 13 canals of land how can he live? We have put him in a situation and a position where for centuries subsequent to now he will never be able to rise. He cannot educate his children. He cannot provide for himself. His children will have no education and they will keep on toiling, toiling and toiling, and be at the mercy of those people who have the money. So, over this gap of rich and poor everybody should be exercised. The hon Finance Minister should have seen to it. It is ugly. It stares in the face. It is vulgar. A person throws Rs. 100 into a cup of tea and another starves. I remember a case when there were 10 or 12 persons just waiting in front of a restaurant and when a person came along with two or three persons in a car and wanted to enter the restaurant, probably to have tea or some snacks, those persons prevented him from entering and said, you cannot enter, we are hungry, we have not eaten for the last three days and you are going to waste your money over snacks here.

You can take your snacks but give us money to eat at least. So, sir, we are deliberately leading the country to such a situation when the people will be forced to take up this attitude. And it is time that we take a note of this and we do not drive these people mad; we give them some hope and succour in times to come so that they can live with their heads high.

The whole situation has been such throughout that every succeeding Government which comes — for that, I do not have better words to say about Janata Government also. — has been doing only patch work and we have been trying to live from day to day and whenever a problem stars us in the face, we just make mathematical calculations and increase some part of Excise Duty, some part of other taxes, give certain exemptions here or there, with an eye, of course, on the coming elections whenever they are due. That is only the lip service actually we have been paying, only the patch work we have been doing. Now, we shall have to reverse the system and see that the present system which makes a few persons head and shoulders rich over others and leave the rest licking the ground, is done away with, and we are able to provide opportunities to everybody. When a system is bad and does not cater to the interests of the majority of the people, that system must go. We have to seriously think about it. And the strange part of it is that when such vital matters, matters of policy are concerned, the Opposition is never taken into confidence. I do not say that you reveal to us your proposals beforehand but we must discuss and decide the policy matters so that a consensus can be brought about. After all, we are of the view that the majority of the people who sent us to the Lok Sabha and the Rajya Sabha, should not be ignored. But they are the ones who are ignored. And who are the people who benefit out of it? It is those who have big industries and big houses. These are the people who make further money. If we take



(Shri Sushil Chand Mohunta), the figures from 1947 onwards till today and see who are the people who have made money, we get the true picture. A person who had Rs. 100 crores earlier, is now rolling in millions and billions. A person who Probably had Rs. 10,000 then, is now having lakhs of rupees. In the rural sector, a person who was probably a free man in 1947, is today drowned in debts and he cannot repay and his whole property is mortgaged either to the State Bank or to the mortgage banks or to loan banks or to certain individuals. Everything he had is mortgaged and whatever he owned, is now somebody else's. The problem is that today the whole system has got to be changed and somebody has to take up the budgets and the guts to change this system. After all, what are we heading for? We must know it. We must have an aim and an objective where we are taking this country. Are we taking it in the right direction? Year after year, we see deficit in the Budget. Are we to live on deficit financing providing further inflation? Inflation has gone up many-fold. Inflation is up; prices are going up and who is to suffer? It is not he who has millions will suffer; it is that person who is licking the ground. So, Sir, I would suggest that the hon. Finance Minister should at least keep this in mind that there should be a categorical limit beyond which a person will not be allowed to spend and if he spends more than that limit, the Government must come very heavily on him in the form of taxation so that there will be no incentive left to a man to make so much money.

If the money is earned in crores of rupees and if it is not allowed to be spent, then, it has to be deposited either in the banks or it will have to be further invested. In either case, it is the nation which gains. It must be realised once and for all that a person who earns money beyond a particular limit should give it to the nation; he should realise that the money is not his, that it is the nation's

wealth, that it must go for the progress and enrichment of the nation and that it is not for his own private spending. With these words, I will take my seat. But I would again, before taking my seat, suggest that this aspect of taxation should be considered and the Government must adopt it so that seemingly, we can reduce the difference and, perhaps, a time may come when the difference may actually go.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Ramanad Yadav. He is not here. Shri Mhaisekar.

SHRI G. R. MHAISEKAR (Maharashtra): Mr. Vice-Chairman, Sir, I rise to support the Finance Bill which is before this House for deliberation. Sir, the Budget is an instrument of fiscal policy. The Appropriation Bill is made up of all the demands under major heads after defining the Budget in programmatic terms. The Finance Bill is in regard to the legislation, for translating certain stresses and strains and incentives which are provided in the policy into legislative terms. This Finance Bill is for this purpose. I, therefore, support it because I support the Budget itself and the policies which have been pronounced in the Budget.

Sir, while doing so, I would like to offer some of my remarks in connection with certain factors which are likely to have some perversions and distortions on the provisions which are made in the Finance Bill and also in the Budget.

The first point which I would like to take up is about black money. Much has been said about this. It has been said that there is a parallel economy which exists in the country. This parallel and invisible economy is stronger than the regular, I would say, Government economy which exists at present in this country. The parallel economy has become so strong

that all the measures we have taken are neutralised by the way it works. There have been several attempts made in this country. Committees after Committees were appointed. The Kaldor Committee was appointed, the Mahavir Tyagi Committee was appointed, the Wanchoo Committee was appointed and then there was the Duglji Committee. All these Committees discussed only two important points about the generation of black money in this country, evasion of taxes and the effect of controls. Nowhere an attempt was made to find out what are the bad influences of the procedures that we follow in order to implement certain Acts which we pass in the legislative bodies. No attempt was made even to find out whether the ordinary executive processes based on certain rules and regulations that are framed under these statutory provisions have any effect on the generation of black money in this country. I have, therefore, got to make a request to the hon. Finance Minister that instead of appointing such committees, it is better to appoint a judicial committee to investigate into the different modes and methods through which the black money is generated. In this connection, I can cite one of the processes through which black money is generated and is converted into white money. There are a number of transactions which take place in India, in every country for that matter. There are registered deeds for movable and immovable properties. There are benami transactions which take place because of these registered deeds. I have to make a humble suggestion to the Finance Minister that such registered deeds, whether for movable or for immovable property, must be made available with physical identification through photos. That is necessary. You are thinking in this country of offering every voter physical identification through photos in order to effectively implement your election process. In the same way you must seriously consider whether it is necessary or not to have physical identification of the party in all monetary-

transactions, including opening of accounts in banks and other institutions. This is the process that is followed in many other countries. I know there are limitations in this method, but we have not even given an honest trial to such a proposal and have not seen that the benami transactions have a stronghold on the economy of the country. This is what I have to say about black money.

Now I come to backward areas. Time and again I have said in this House that the development of backward areas has to be done on sound principles. I say so because I myself come from a very backward area. I come from an area which is called Marathwada, comprising of five districts, which comes from the old Hyderabad state. It has got its own historical background because of which the economic backwardness is there. My basic suggestion in this connection is this. We have appointed the Sivaraman Committee in order to find out or in order to decide upon the yardsticks for deciding the backwardness of a particular region. According to my information, this Committee has worked only on the conventional backward areas, like the tribal areas, the drought-prone areas and certain other specified areas. It has not worked from the point of view of the totality of the backwardness of the area. The question is, what are the yardsticks that should be applied to find out the backwardness of that particular area? After finding out the yardsticks we should go into the question of classification and reasons of economic backwardness, underdeveloped character of that particular region. This has not been done even by the Sivaraman Committee, that is what I understand. Therefore, I would submit in all humbleness, but in right earnestness, that you have to decide in this country about certain norms of the totality of the backwardness of a certain area. It is a little difficult task, but you have to \*\* it.

[Shri G. R. Mahaisekar]

Another important thing which exists in our planning, in our financing mainstream is, when we talk in terms of backwardness we take certain region consisting of a number of States. This is not correct. If we want to work out the economic backwardness, we will have to decide on a small size of the area. This is the suggestion which I have been making at all forums and this is the basic principle. Since what is decided in the Planning Commission has to be translated by the Finance Ministry and the Finance Ministry has to provide finances for the same, I urge upon the Finance Ministry to think in terms of providing additional finances for the development of backward areas, on the principle of accelerated time-bound growth, on the basis of providing additional amounts which are earmarked for these regions.

Then, Sir, I come to another important point and that is of banking. I know the Finance Minister has appointed certain banks as the lead banks for all the districts in this country. I do not know what these lead banks have done. I have myself been a member of the State Planning Commission and the Development Council and also a member of the District Development Council. I have not found any effective work being done by the lead banks. I would like the Finance Minister to find out if the lead banks have been able to identify the weaker sectors of economy in every district, whether these lead banks have prepared any master plan for the development of their concerned districts. Whenever certain districts are entrusted to these lead banks, they must prepare a master plan for the development of the weaker sector of the district. It should be made compulsory. Have they done this work? It is more than five years that we have identified the banks. I would again urge upon the Finance Minister that he should see that the lead banks draft master

plans for the development of the districts. That is number one.

Number two, soft loans are provided for the weaker sections and the weaker sectors of the economy. I have seen that these banks are not at all enthusiastic; they do not show initiative in offering soft loans because they have to reimburse interest from the Government afterwards and therefore they do not go in for soft loans. I would, therefore like to appeal that it should be made compulsory for the banks that the quota of soft loans earmarked for each bank for each district should be completed by the concerned bank. This has to be very particularly looked after.

Then I would make another important point about energy. We have been talking about energy and energy alternatives. We have been exhausting our sources of energy. Recently, Sir, I read a very important article that even China has been successful in erecting 7 million bio-gas plants. Why should a country which is, I should say, totally dependent upon different types of energy resources, not itself going for an alternative energy source? We have sufficient quantity of gobar gas plants. I want to make out a very subtle point. Today we propagate the gobar gas plants through the Khadi Boards in the States and offer 25 per cent of subsidy. I have to appeal to the Finance Minister that this subsidy will have to be increased in order to popularise this alternative source of energy because the cost has increased. It has doubled now. In fact it is much more than what I have said. At least the Finance Minister should see that subsidy is offered to that particular type of plant which has to be erected in the fields, farms and houses of the farmers who have 10 to 15 cattle at their disposal. Secondly I have to request that subsidy should be provided for the propagation of instruments which will work on solar energy.

SHRI SADASHIV BAGAITKAR (Maharashtra): Sir Shri Sita Ram Kesri is having some gossip and disturbing us.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS: (SHRI SITA RAM KESRI): I am hearing my hon. friend as well as you.

SHRI V. GOPALASAMY (Tamil Nadu): He can do it simultaneously.

SHRI G. R. MHAISEKAR: I was talking about energy and I was saying that it has to be popularised and you should provide incentive for the popularisation of the instruments that work on solar energy. That was what I was submitting.

Then I come to a very important point which was so much discussed. (Time bell rings) I will conclude in two or three minutes. That was about unemployment. I have been stating here—and quite a few of us having been emphasising it—that a schema like the Maharashtra's Employment Guarantee Scheme should be implemented all over the country. It has been discussed in this House time and again. I wish the Central Government and the State Governments should be mark on such schemes wherein you provide 50 per cent finance and the State provides 50 per cent finance for the Employment Guarantee Scheme like that of Maharashtra. That is what I have been saying.

Very recently the Maharashtra Chief Minister Antulay has been working very enthusiastically and on very sound lines on two schemes. One is that of Sanjay Niradhari Yojana. I do not want to discuss too much about it, but under the scheme loans have been offered, without interest of Rs. 2,500 for every family in every district in order to enable them to start some occupation through which they can earn their bread. And recently they have pronounced....

(Interruptions) I know, I know;

(Interruptions)

SHRI SADASHIV BAGAITKAR: No iouns.

I

SHRI G. R. MHAISEKAR: No, no.

I This is wrong. I have been working on the Committee. There have been a large number of amounts being given to the districts and there are thousands of applications which are being screened and I am sure quite a large number of small families are going to find occupation, not mere occupation but economically productive occupation for that matter.

And then there is another scheme that has been declared by the Maharashtra Government which is called the *Sanjay Anudaan Yojana* for the physically handicapped people, and I would again appeal to the Finance Minister that wherever such schemes are initiated or introduced, the Central Government should come to the rescue of such States.

Now, about population. Sir I will take just one minute and finish. A lot of things have been said about population. It is high time that those who were very vitriolic about population control methods that were adopted in 1976-77 should themselves come to normalcy and think about what is happening in this country. All our estimates have just crumbled. The ad hoc Census Report of 1981 shows a very sad state of affairs. In some districts the population has increased by 42 per cent. Somebody was saying that there should be no force, no pressure. I do not know what is the definition of "force". If God forces us to die, then that will be the correct definition of "force". I would therefore say at least let the Government take steps of withdrawing all facilities that are offered by the Government in such cases where the family goes beyond two children.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Please conclude.

SHRI G. R. MHAISEKAR: Well, Sir, I have to conclude. The time is short. I would appeal to the Fin-

ance Minister to do aU that is possible to see that such factors which upset the Finance Bill and the finance policy do not affect the budget policy and he gets positive results.

With these words, Sir, I support this Bill.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Ramakrishnan. You have got 13 minutes.

SHRI R. RAMAKRISHNAN (Tamil Nadu): Yes, Sir. I will take about 15 minutes.

Mr. Vice-Chairman, Sir, I rise to support this very weighty Finance Bill which runs into 58 pages. Both in bulk and in substance it does carry quite a lot of meaning and it has been widely debated, discussed and passed in the other House and is for consideration before us. I am very happy that the same quantum of Members are present here—exactly 15 including yourself were present when we passed the Appropriation Bill for Rs. 75,000 crores—now, perhaps, with a slight difference in the names.

SHRI V. GOPALSAMY: It is a paradox, Sir.

Mr. Ramakrishnan was not present on the day when the Minister replied.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Gopalsamy, it is not necessary every time to bring in your two parties of Tamil Nadu in the House to discuss matters.

SHRI R. RAMAKRISHNAN: I hope the same incidents of the Tamil Nadu Legislature will not be reflected in 'Rajya Sabha.

SHRI V. GOPALSAMY: I expect such a good behaviour from Mr. Ramakrishnan.

SHRI R. RAMAKRISHNAN. We are always well-behaved, Sir, and the

truth will shortly come out in the newspapers.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Rajya Sabha should not be a mini-Tamil Nadu Legislature.

SHRI R. RAMAKRISHNAN: Sir, I would strongly suggest to the hon. Minister for Parliamentary Affairs and for the consideration, at least, of this entire House that we should follow the American procedure. In their Senate when a member is asked to speak, he just says two sentences and then adds, "The balance I will put on the record." Next day he can submit whatever he wants to say so that it will be lying in the archives. So, perhaps, in India also we can start this system shortly.

Anyway, Sir, coming to the Finance Bill itself, I have nothing to say against it. Mr. Venkataraman is a very intelligent man, an economist and a man of high integrity whom I hold in very high esteem. So are his able colleagues, Mr. Barot—who is present here—and also Mr. Sisodia, and I am sure our country is not lagging behind in brains. The bureaucrats also, about whom I always have something to say, have put all their best brains and efforts together to bring about this Finance Bill. But, Sir, in spite of all this what we see today is stark inflation which is facing the country. It has just started. These are the exact omens: I do not know whether they are good omens or evil omens and what they portend but these are the omens which, if they are not nipped in the bud, will really land the country in a lot of trouble. Sir, since December 20, 17 weeks have passed and the wholesale price index has jumped by 19 points, from 255.8 to 274.7. If in 17 weeks time, or about four months time, the index can jump by 19 points, once it gathers momentum, I really shudder to think whether we will have the repetition of what happened in

the post-War Germany where a cup of coffee was reported to be selling for a million marks. So I would only request that the Finance Minister should take effective steps to contain this inflation. By mere platitudes or public speeches saying that he is going to hold the price-line, nothing will be achieved.

Sir, we hear so many things about the income-tax raids that are going on in all parts of the country, but we do not hear anything about the Blackmarketing Ordinance or the Essential Commodities Ordinance, both of which have been passed into Acts and are now Statutes, having received the Presidential assent also. How many State Governments have arrested blackmarketeers under that Act and proceeded against them? How many State Government\* have arrested the people who hoard the essential commodities and taken action against them? And what has the Centre done about this? In at least the major States of India the Congress(I) cannot say that they do not have their own Governments. About the other Governments which are

not under the Congress (I), they may say that the State Governments are

not implementing or are not cooperating, or things like that. But what about the State in which the Congress(I) itself is in power? All the same, irrespective of party considerations, the Centre should take effective steps to see that the essential commodities, particularly foodgrains, pulses, sugar, oil, are really controlled; the public distribution system should be strengthened throughout the country so that at least 70 per cent of our brothers and sisters who are reported to be living below the poverty-line can have a meal a day at a controlled price. In this connection, I am sure the Finance Minister is applying his mind and he will come forward with some measures. - Sir, about these famous or infamous bearer bonds or black bonds, or whatever you may call them, the

final report is that as on the 30th of April they have secured only Rs. 340 crores. It must be causing a little bit of anxiety. But perhaps the Government is waiting for the Supreme Court to give their verdict so that after the verdict is given they may be able to wield the stick a little more effectively and flush out some of this black money into the mainstream. But, in this connection, Sir, I would only say that the statistics provided by the hon. Minister himself the other day show that from 1974 nearly 2000 to 3000 people have been raided upon, but when you see the total number of convictions which have been brought, it is only 13 to 15. In one year it was 29 and again last year it was only 14. So, against 3000 raids, only 15 people have been convicted. This shows that either the people whom they raid are so clever or, as I told this hon. House the other day, they go to political touts and brokers and get their matters settled, or there is something wrong with the raid itself; otherwise, such a poor percentage cannot be there. I hope the Finance Ministry will apply its mind to this.

Sir, I have got one very important matter to mention. I thought hon. Mr. Venkataraman would be there, but I am sure Mr. Barot will convey it to him. The Business Standard of May 4 contains a statement about inflation and it says that the planners are worried about the economy. I do not know who are the master brains of the Planning Commission who have given this report or whether the report is baseless. Perhaps Mr. Barot will be able to reply to it a little later. Here I will quote only one paragraph. It says:

"The Commission experts (whoever they are) feel hurt that the Finance Minister never cares to take them into confidence in regard to any policy measures."

Sir, I am sure that the Finance Minister will effectively counter this, but, at the same time, I should also quote from Dr. Manmohan Singh,

[Shri R. Ramakrishnan] who is a very important bureaucrat-economist, who is the Member-Secretary of the Planning Commission. In a public lecture recently he has openly differed with our hon. Minister, Mr. Venkataraman, who is the person who is having this new supply side management theory first put into practice. The Member-Secretary says:

"There is no basis for the declared faith of the advocates of new supply side economics that tax cuts will bring forth immediately the desired shifts in the supply of goods. It is, therefore, necessary to contain excess demand and to lay adequate emphasis on demand management."

Perhaps an economist like my learned friend, Mr. Adiseshaiah, will be able to expound on this better, but as a layman I would only say that there is a little bit of meaning and sense in what Dr. Manmohan Singh says. I think, while the supply side theory may also have its own advantages, at the same time, demand should also be controlled. Otherwise inflation will run riot. The aggregate demand must have increased at a much faster rate, and I think the Government is the villain of the piece as the expenditure by the Government is obviously not matching the Government's earnings. So, I hope Air. Venkataraman will take note of this, and if there is any truth in the statement about the Planners feeling a little cut up, I hope steps will be taken to discuss the matter.

Another thing that I would like to say is that we have not tried to discuss in this House the plan document which is a very momentous and weighty thing and which concerns the entire country. I feel that the Plan should not only be made available to Members of Parliament—of course, it is available in the Library; what I mean is, it

should be circulated—but it must also be discussed here. It is not enough if it is discussed in the National Development Council. It is so big and so momentous a thing that we as representatives of the people and of the States, should have an opportunity to say something on it and discuss it.

Sir, I will now come to one or two ; points. One is that our oil bill is always going up.

SHRI SHRIDHAR WASUDEO DHABE:  
Sir, it is already 6 O'clock.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): He is taking three minutes more.

SHRI R. RAMAKRISHNAN: Our oil bill is always running up and up. Recently, I am told, at Manila or Honolulu there was an 89 nation joint fund for energy and development set up, which has promised to help the small countries to counter their oil bill difficulties. I would like the hon. Minister to say something about that.

Then, Sir, I have something to say about cement which is in acute short supply. Hon. Members have referred to cement being available in the black market at Rs. 120 a bag. There is something radically wrong with the cement policy. I can give you one example. Regarding the pricing structure for cement, cement companies which may have their clinkers under the rational forward direction are alone given subsidy. In these days when cement is produced in one State and exported to another State, there must be something done to control this cement effectively, and this sort of rational forward direction must be removed.

Now, Sir, I come to a few important points about our own State. One is that we have asked for an increase in the procurement price for

paddy from Rs. 105 to Rs. 145 per quintal. This is absolutely essential. Many States have written to the Centre about it. I would very much like to say that when wheat is being given a price of Rs. 130, there is absolutely no justification for keeping the paddy price at Rs. 105 per quintal.

Then, Sir, we have the agriculturists' problem. Our State has written off crores of rupees for the small farmers. The interest burden alone comes to about Rs. 37 crores. The Government of India has rejected the demand for subsidising it. So at least in terms of cash flow, the Government of India should do something for the States, to give them a bridge loan or something like that to tide over this difficulty. Otherwise I can tell you that the agriculturists' problem is going to become a very big problem, a national problem in the years to come.

Then, as the time is very limited, I would only like to say that the Government should try to expedite the drought assistance to Tamil Nadu. Already the Central team has given an assessment of Rs. 60 crores.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Please conclude now

SHRI R. RAMAKRISHNAN: One minute more. The Cabinet has not yet taken a decision. It is a very important matter which is hurting nearly five crores of Tamil people. I would request that the Minister may please see that it is expedited and our requirements are granted in full. Thank you very much.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Gopalsamy.

SHRI V. GOPALSAMY: Mr. Vice-Chairman, I rise to support the Finance Bill. Sir, shall I proceed now or shall I continue tomorrow?

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): You continue tomorrow.

Now the House stands adjourned till 1] A.M. tomorrow.

The House then adjourned at six minutes past six of the clock till eleven of the clock on Wednesday, the 6th May, 1981.