

श्री कल्प नाथ राय : आदरणीय उपसभाध्यक्ष महोदय, मैं आप का ध्यान आज जनता पार्टी की नेता श्रीमती सुमित्रा कुलकर्णी के द्वारा उठाये गये ध्यानाकर्षण प्रस्ताव की तरफ दिलाना चाहता हूँ जो कि आर्डर पेपर में है।

"CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE"

Shrimati Sumitra G. Kulkarni to call the attention of the Minister of Industry to the reported variance in the declared Industrial Policy of the Government of India arising out of the alleged acceptance of over Rupees eighteen thousand crores of foreign private investments for setting up of three export-oriented gigantic steel plants in the country and also allowing a multinational corporation to invest in the manufacture of radio receivers in Punjab."

यह है जनता सरकार और जनता पार्टी की नीति, हिन्दुस्तान में मल्टी नेशनल कारपोरेशन और हिन्दुस्तान के अंदर 18 हजार करोड़ रुपया स्टील प्लांट को बनवाने और हिन्दुस्तान की राजनीति में पूँजीपतियों का वर्चस्व कायम करना।

SHRI N. P. CHAUDHARI (Madhya Pradesh): Mr. Vice-Chairman, Sir, the hon. Minister is going out of the House.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Other Ministers are there. Don't worry.

श्री कल्प नाथ राय : उपसभाध्यक्ष महोदय, हिन्दुस्तान की अर्थ व्यवस्था को पब्लिक सेक्टर की इकनामी से प्राइवेट सेक्टर की इकनामी में बदलने की बहुत बड़ी साजिश है। हिन्दुस्तान के पूँजीपतियों का मल्टी नेशनल कारपोरेशन के पूँजीपतियों से सांठ गांठ. . .
(Interruption)

SHRI BIJU PATNAIK: May I raise a point of order? Sir, this morning Calling Attention Notice was tabled which the hon. Member was pleased to read out. The Chairman postponed the discussion.

SHRI IRENGBAM TOMPOK SINGH (Manipur): He is a Lok Sabha Member. He cannot raise a point of order here.

SHRI BIJU PATNAIK: I can raise. You do not know the rules.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Yes, please go on.

SHRI BIJU PATNAIK: The Chairman was pleased to postpone it because Shrimati Sumitra Kulkarni was not present. She has written a letter to the Chairman. Whether what she brought up through the Calling Attention Notice was correct or not, has not been discussed. The hon. Member refers to the Notice and presumes that it is correct and then goes on making his speech. I think he is trying to mislead the House. I would like to know whether this is in order. If not, all that he has said arising out of that Notice should be expunged.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): I do not think there is any point of order. A Member can speak on any item whether the concerned Minister is here or not.

SHRI BIJU PATNAIK: The Notice was postponed.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): That does not matter. A Member can raise any point he wants during the discussion on the Finance Bill, whether it is there or not.

SHRI KAMESHWAR SINGH: It cannot be expunged.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): No. I am not saying that. You do not worry.

श्री कल्प नाथ राय : आदरणीय उप-सभाध्यक्ष महोदय, इस सरकार की दिशा क्या है यह मेरा मुख्य प्वाइंट है। यह सरकार किम दिशा में हिन्दुस्तान को ले जाना चाहती है यह मैं कहना चाहता हूँ। मेरा कहना यह है कि जनता सरकार एक रावण के समान है। रावण के 10 मुख थे और जनता सरकार के भी दस मुख हैं। मगध कांग्रेस, दूसरा सोशलिस्ट, तीसरा लोक दल, चौथा मार्क्सवादी कम्युनिस्ट पार्टी, पाचवा डी० एम० के०, छठा मुस्लिम लीग, सातवा जनसंघ, आठवा सी० एफ० डी०, नवा जमायते इस्लामी और दसवा अकाली दल। यह जनता पार्टी के 10 रूप हैं। हमारे मित्र जार्ज फर्नांडीज साहब कहते हैं हिन्दुस्तान में हम जवाहर लाल नेहरू की इंडस्ट्रियल पालिसी पर चलेगे। हम पब्लिक सेक्टर इकनामी का समर्थन करने हैं। दूसरे श्री मोरार जो देमाई कहते हैं अमरीका के फोर्ड की बुनियादी नीतियों से मैं सहमत हूँ।

श्री बीजू पटनायक : फोर्ड नहीं कार्टर।

श्री कल्प नाथ राय : तीसरे चौधरी चरण सिंह कहते हैं कि हम हिन्दुस्तान के अन्दर छोटी जमीनों के विस्तार को खत्म कर हिन्दुस्तान के अन्दर एक बड़ी फार्मिंग की योजना लाना चाहते हैं। तो प्रतिक्रियावादियों, रजवाड़ों, देश के दुश्मनों, पूंजीपतियों का और कुछ चन्द सोशलिस्टों का यह ग्रुप है। जैसे एक घड़े शराब में एक लोटा दूध है वैसे ही प्रतिक्रियावादियों के जमघट के बीच में हमारे सोशलिस्टों के श्री मधु दण्डवते व श्री जार्ज फर्नांडीज हैं। इनकी नीतियां क्या है? आदरणीय उपसभाध्यक्ष महोदय, श्री बीजू पटनायक जी से मैं कहना चाहता हूँ कि हिन्दुस्तान की अर्थव्यवस्था के सम्बन्ध में उन्होंने 15 अक्टूबर, 1976 को जेल से निकलने के बाद भुवनेश्वर में क्या कहा? मैं उसको सदन के बीच में रखना चाहता हूँ।

"During the last year since Government decided to assume extraordinary powers, restrict the courts and curtail civil liberty, some decidedly good things have happened in the nation's economy. It is inconceivable that with an unbridled press and Parliament as then, Government could have taken any firm, prudent or pragmatic step long overdue, without being sliced and dubbed as lackeys of black money, deviationists, anti-socialists, anti-labour, etc. Yet, nearly Rs. 2000 crores of floating money was brought to account, trade balances stand at Rs. 1100 crores in spite of heavy toll by international oil prices, food-stocks buffered at 2½ billion dollars, smuggling curbed, galloping inflation arrested and Rupee made stronger day by day. General discipline was enforced and thousands of inept officials were put aside. Healthy socio-economic programmes under the style of 20 point programme was floated and backed by usual Government insistence on its implementation.

With sweeping actions taken by Government propelled by emergent powers, there is bound to be and has been lapses and excess exercised by the myriad minions of Government who with unfettered powers to execute, never had it so good. This would ultimately but surely defeat policies and programmes however well-intentioned they may be. The only democratic way to exercise the imperative checks and balances against maladministration and dilution of policies, is through criticisms and dissent, as would become the eyes and ears of a democratic Government"

श्री बीजू पटनायक : आगे भी पढ़ डालो।

SHRI KALPNATH RAI: "I do not believe that the great legacy of free democracy of Jawaharlal Nehru can be abandoned for any length of time by his daughter the Prime Minister, who maintains that India would never deviate from the path of Democracy.

[Shri Kalp Nath Rai]

Gandhiji often said that democracy cannot survive without discipline leading to decentralisation of powers up to the panchayats, where people rule themselves with great responsibility. It follows that the fundamental rights of the citizen are to be tempered with fundamental duties and responsibilities at all levels so that urgent social changes can be brought about wisely and rapidly, and with minimum of tears.

I would conclude by saying that the distinctive gains made by the nation during this period should not only be maintained but strengthened, not through fear but by awakening of national consciousness of the citizen. The first flush of enforced discipline after emergency has started eroding. This should not only be prevented, but replaced by a greater and lasting sense of voluntary discipline and responsibility. I submit that leaders of Government and Opposition work out a way by which tearing at each other as before is (conclusively abandoned, hatchets buried and all the democratic political elements of the country, irrespective of their political fortunes, devote themselves to the principal task of relieving the masses of their great burden of misery and make the nation strong and self-reliant through mass support of peasants and workers, youth, professionals and intellectuals, disciplined yet free and fearless.

In the nature of things today, it rests with the Prime Minister to initiate action with courage and confidence which she is known not to lack."

आदरणीय उपसभाध्यक्ष महोदय, मैंने इन बातों को इस हाऊस की सम्पत्ति बना दी ताकि इमरजेन्सी का समर्थन, देश की अर्थ व्यवस्था का समर्थन करने का काम इन्दिरा गांधी ने किया है और श्री बीजू पटनायक उस हाऊस में हमारी अर्थ-व्यवस्था के खिलाफ बोला करते हैं इसलिए मैं कहना चाहता हूं आदरणीय उपसभाध्यक्ष

उपसभाध्यक्ष (श्री श्याम लाल यादव) : अब समाप्त कीजिए।

श्री कल्प नाथ राय : अभी तो मैंने शुरू किया है। मैं अपनी बातें खत्म करने हुए कहना चाहता हूं कि आज हिन्दुस्तान में पब्लिक सेक्टर की इकानामी को प्राइवेट सेक्टर की इकानामी में बदलने की बहुत साजिश की जा रही है। आज हिन्दुस्तान की सेल्फ रिलायंट इकानामी को डिपेंडेंट टु अमरीकन इकानामी करने की बहुत बड़ी साजिश की जा रही है और हिन्दुस्तान में मल्टी नेशनल कारपोरेशन और टाटा और बिड़ला के कारपोरेशन को बढ़ाने का बहुत बड़ा पड़यंत्र किया जा रहा है। आज तक सरकार ने अपना कोई प्लानिंग मिनिस्टर नहीं बनाया। इससे साबित होता है कि प्लानिंग की बुनियादी नीतियों में इन की कोई निष्ठा नहीं है। प्लानिंग जिस के माध्यम से हिन्दुस्तान में समाजवाद और पब्लिक सेक्टर इकानामी की नींव हम ने डाली, उस में इन की कोई निष्ठा नहीं है। वर्तमान सरकार स्वतंत्र पार्टी की लेस फेयर है और प्राइवेट सेक्टर की बुनियाद पर टिकी हुई है और उस बुनियाद की नीति के प्रवर्तक श्री एच० एम० पटेल साहब हैं। सब से बड़ी समस्या हमारे देश में बेकारी की है; और बेकारी की समस्या को हल करने के लिए इस सरकार के पास कोई ठोस कदम नहीं है और न कोई समयबद्ध कार्यक्रम है। वर्तमान सरकार की नीतियों से जहां हिन्दुस्तान में दो करोड़ बेकार हैं वहां चार करोड़ बेकार हो जायेंगे। हिन्दुस्तान में गरीबों का वोट ले कर अमीरों की हुक्मत कायम करने का काम किया जा रहा है। हिन्दुस्तान में ग्रामीण अर्थ व्यवस्था के नाम पर टाटा और बिरला की ताकत को बढ़ाने की कोजिश की जा रही है। श्रीमती इन्दिरा गांधी ने अपनी सरकार की नीति बनाई थी कि बैकवर्ड एरियाज में, पिछड़े इलाकों के, अन्दर हमारे नए उद्योग धन्धे खोले जायेंगे। प्राइवेट सेक्टर के पूंजी-पतियों को वहां मौका दिया जायगा जो हिन्दुस्तान के पिछड़े इलाके हैं और वे पूर्वी उत्तर

प्रदेश में, उत्तरी बिहार में, उड़ीसा में, ऐसे इलाकों में अपने कारखाने खोलेंगे। लेकिन वर्तमान नीति के अनुसार हिन्दुस्तान के पूंजीपति कलकत्ता, बम्बई और मद्रास के आसपास कारखाने खोल कर के हिन्दुस्तान में करोड़ों रुपये की कैपिटल को बचाने की कोशिश करेंगे। आदरणीय अध्यक्ष महोदय, (समय की घंटी) इस सरकार के पास हिन्दुस्तान में बेकारी की समस्या को हल करने का कोई उपाय नहीं है। (समय की घंटी) इसलिए मेरा सुझाव है कि हिन्दुस्तान की सरकार को एक लैंड आर्मी बनानी चाहिए और लैंड आर्मी के माध्यम से हिन्दुस्तान में (समय की घंटी)

श्री एन० पी० चौधरी : आप उन को बोलने दीजिए। कल आप ने हमें नहीं बोलने दिया था।

उपसभाध्यक्ष (श्री श्याम लाल यादव) : मैं चौधरी साहब से कहना चाहता हूँ कि आप इस तरह की बातें न करें और संयमित भाषा में बोलें। जो समय निर्धारित है उतना ही लेना चाहिए। वे 15 मिनट बोल चुके हैं। इस से ज्यादा समय नहीं है।

श्री एन० पी० चौधरी : पांच मिनट वाद ही आप ने घंटी बजा दी।

उपसभाध्यक्ष (श्री श्याम लाल यादव) : घंटी इसलिए बजाई जाती है कि आप बैठ जायें। 15 मिनट आप बोल चुके हैं। अब आगे कुछ रेकार्ड नहीं किया जाएगा। श्री कमल नाथ झा।

श्री कल्प नाथ राय : श्रीमन्, आप हमें दो मिनट का मौका दीजिए।

उपसभाध्यक्ष (श्री श्याम लाल यादव) : आप दो मिनट में समाप्त कीजिए। आप की पार्टी के 26 मੈम्बर हैं। और उनको भी बोलना है।

श्री कल्प नाथ राय : बेकारी की समस्या को हल करने के लिए मैं चाहता हूँ कि यहां पर लैंड आर्मी बनाई जाए जिस के माध्यम से नेशनल फारेस्टरी नेशनल पोल्टरी और नेशनल कैटिल पालन की योजनायें चलाई जाएं। गल्ले के व्यापार में स्टेट ट्रेडिंग की नीति अपनाई जाए वरना गरीबों का पेट कट रहा है। ट्रक इंडस्ट्री का नेशनलाइजेशन किया जाय। शूगर इंडस्ट्री का नेशनलाइजेशन किया जाय और टेक्सटाइल इंडस्ट्री का नेशनलाइजेशन किया जाय। जब तक हिन्दुस्तान में हम इन बुनियादी उद्योगों का रा ट्रीयकरण नहीं करेंगे तब तक हम अपने देश की गरीब जनता को न दवा दे पायेंगे और न उनको कपड़ा दे पायेंगे और न उनको अनाज दे पायेंगे। आज 160 रुपये किंवितल गेहूँ बिक रहा है क्योंकि फ्री ट्रेड की इकानामी के फलस्वरूप हिन्दुस्तान में अ-वस्था हो रही है। चीजों के दाम चार, छः गुने बढ़ रहे हैं। हिन्दुस्तान के करोड़ों लोग आज बेकार हैं और भुखमरी, बेकारी और महंगाई के शिकार हो रहे हैं। इसलिए मैं चाहता हूँ कि हिन्दुस्तान में स्टेट ट्रेडिंग की योजना को लागू किया जाय और सस्ते गल्ले का पब्लिक डिस्ट्रिब्यूशन सिस्टम के माध्यम से दिया जाय तभी देश की अर्थ व्यवस्था को हम मजबूत बना सकते हैं। धन्यवाद।

SHRI BIJU PATNAIK: Is right of ignorance guaranteed by the Constitution?

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): It does not require a ruling. Shri Vyas.

DR. M. R. VYAS (Maharashtra): Mr. Vice-Chairman, I hope in view of the large number of absentees, you will kindly permit me a little more time than what you have been allowing so far. I would not like to be long-winded. But at the same time I would request your indulgence because you have noticed that a large number of people have been absent

[Dr. M. R. Vyas]

and have not been speaking this afternoon.

Let me start with the introduction of the Budget when one of our colleagues, Shri Ghose, described that behind the Budget there was the Swatantra spirit. And, Sir, the honourable Finance Minister had said that it was not the Swatantra spirit, but it was the Janata spirit, that was behind it. I am very much inclined to agree with him because, had it been a Swatantra Budget, it would have had some policies and it would have had some direction. But, as he has described it, it is the Janata Budget and it has no direction and it is rudderless and it is aimless with lots of words and meaningless phrases, and it is an attempt to create a picture which is not correct.

Sir, it reminds of the story of a father and his son riding on a donkey through a bazaar. They met a number of people on the way and each one of them suggested something to these people. Somebody asked the father to ride on it and somebody else suggested that the boy should ride on it while certain people said that they should carry it and, ultimately, they landed with the donkey on their heads. Similarly, Sir, I find that in trying to mix the various aspects of the incongruous thinking which is inherent in the Janata Party, the honourable Finance Minister has jumped from one extreme to another. The very first thing is this: As he himself has mentioned in his speech, the level of the income has been raised for purposes of Income-Tax. Now, it has been raised to ten thousand rupees. At the same time, as it is typical of him, that is, one step forward and two steps backward, he has said that if a person earns Rs. 10,500/- per annum, his income, for purposes of Income-Tax, will be calculated from eight thousand rupees. This is one illustration of his thinking. While he says that the taxation level should be raised in respect of persons in the higher income brackets, this is what he has done.

The Janata Party says that the rich should be taxed to get benefits for the poor. He raised it by 3½ per cent in the total. He wants to satisfy both—those who criticise that the poor are being let out and those who say that the rich are being let out—without giving the impression that the rich are being let out. What exactly has he done? He has given a wider and wider range of escapes to the rich, because if you examine the tax structure, you will find that, the people who really make money in a big way do not do it in the form of salaries or income which can be immediately ascertained. These are the people who make their big incomes through companies. And you find in the Budget that to balance the show he is taxing the rich he has given as many concessions as possible to the companies, private and closely held companies. There is not one loophole but there are hundreds of loopholes by which the rich will become richer and there will be many, many lines of escape for them.

As far as the tax policy is concerned, I would like to say that in the past the Congress Government had tried an experiment, and it was a successful experiment, that instead of taxing those whose incomes are not visible and ascertainable, allow them a little lesser rate so that the honesty in paying income-tax is higher. And the ultimate result you have seen in the last two years. The amount paid in terms of income-tax was higher, because you gave the person a greater chance of honesty. What are you doing now by raising the taxation level for the individual? You are creating avenues for getting the money flow back into the unofficial market or what is commonly called black market. If you will examine the tax proposals, you will find that one after another the hon. Finance Minister has made concessions to the trade and industry which has not served the national purpose in the past. I do not say that each and every person who is indulging in trade and commerce is dishonest. But the con-

cessions that you are giving here in the name of rural development, in the name of small-scale industry, you are giving to those sharks who know the methods of utilising these slogans in order to escape the rigours of taxation. You have also given concessions on aspects which are bound to lead to misuse not only of cash money within the country but also outside.

For example, take the instance of payment of copyright royalties to foreign companies. Now, since there is an Open General Licence of books, you are allowing anybody who says, 'I have got the copyright of books of a particular nature', to pay the royalty. Now, what is the provision to ascertain whether the book is going to be printed? There is no provision whatsoever. What money will be allowed to be paid in terms of royalties, for whom and to whom? The very acquisition of the royalty for printing does not mean that you are going to print the book. In fact this particular aspect has been causing a lot of drain on our money, especially foreign currency money, in the last few years. And you are giving a wider scope to them by allowing this particular concession. Hitherto, it was Government's right that there will be a kind of control and check by the Government as to the agreement that you have arrived at. I do not know for whose benefit the hon. Finance Minister has struck down that right of the Central Government to examine as to when and how the royalty should be paid. If the book is under an Open General Licence, automatically he has the right to acquire the copyright and pay for it. I am only afraid that the hon. Finance Minister, having seen a big bank deposit in the form of foreign exchange reserves, thinks that India can afford to throw it away. I would not have normally indulged in this polemic but for the fact that the hon. Finance Minister every time says that this is the past and he comes to blame us and as one hon. Member said that "we are the Nanda Ghosh's" of the hon. Finance Minister. But when he takes Rs. 800 crores and mis-

uses the foreign exchange that we have earned during the past few years, he does not appreciate that it is the godfather, the Congress, who has left this legacy of so many thousands of crores. But I feel that this legacy left by the godfather, the Congress, is being frittered away by a person who does know the responsibility of supervising and administering the account.

There are several clauses of a similar nature. I would like particularly to refer to some of the claims that have been made about the measures intended to help the rural sector and the diversification of industry into the rural areas. Now, here, for example, he has enlarged the investment allowance to be given for industries to be set up in particular sections or outside the urban areas. Now, if you go through the whole tax proposals, you will find that under the guise of giving liberal concessions for setting up any industry, it is actually a licence to misuse money that normally would have flown into a regular and more profitable channel. You are allowing the profiteer, the party which has made big gains in a particular industry, to send it to any other industry and ask for a rebate on that count. But that is not the worst part of it. He has now revised the Eleventh Schedule and I am sure he will revise it again because there is no rationale in it. I have tried to find out the rationale in the Eleventh Schedule. When he had sponsored it, he included watches in it. What has he done now? It is a peculiar three-way traffic of the Janata conception. In the original Schedule, he says that the watch industry does not need development because he put it under non-priority section. At the same time, he has allowed the H.M.T. to import watches with parts. It reminds me of an anecdote of my own life. I was taken prisoner by the British at a certain time and along with me there was a student. When we were sitting there, the British officer came and said: "Sir we are very generous people. We treat our prisoners very well. We look after

[Dr. M. R. Vyas]

them and we are democratic in our way of dealing with our prisoners." Now, what was the choice given? He said: "I give you a wonderful choice. You can shoot yourself or I will shoot you." So you see this kind of thing he is doing with the H.M.T. He has allowed the H.M.T. to import watches. H.M.T. itself is manufacturing watches.

THE MINISTER OF RAILWAYS (PROF. MADHU DANDAVATE): You rejected both the courses.

DR. M. R. VYAS: I have not finished Mr. Dandavate. I am sure you will get your watch. He has allowed the import of watches by H.M.T. thinking that H.M.T. will import as many watches as the country needs. At the same time, he has reduced... *(Time bell rings)* I have requested you. Many people on our Benches are absent. Next speaker may not be there.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): There is a big list.

DR. M. R. VYAS: All right, I will sit down.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): You can finish. I will give you a few more minutes.

DR. M. R. VYAS: I was in the midst of an important point. I am not against your ringing the bell and reminding me. But I was in the midst of making a very important point.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Kindly keep the time in mind.

DR. M. R. VYAS: I am very conscious of it from the beginning. As far as the watch is concerned, you are asking H.M.T. to import something which is going to be a rival to its own product. All right, the argument is that you are charging 40 per cent duty on the import of watches and parts.

You think that smuggling will come to an end. But that is not going to happen. The H.M.T. will never import unless it wants to die by shooting itself, as I gave you the example, or by importing so much that its own product will not sell. Consequently, the shortage will remain and a few thousand watches or a couple of lakhs of watches which you will import will be sold to all the smugglers and traders who will exhibit the official bill from the H.M.T. for the imported watches and get all the unofficial watches to be sold behind the counter. That is what has been happening and this is going to happen in a big way. You will not be able to check which watch is imported and which is smuggled. I can assure you that the smugglers are smart enough to get the watches cheaper than the H.M.T. because the H.M.T. is a semi-government organisation and its capacity to bargain abroad will not be the same as the capacity of a trader bargaining. This is the dual policy that I am mentioning. On the one hand, you want to protect your industry or to develop your industry. Then you classify something as unimportant. Then you remove it because somebody has said something. Then you again change the system to safeguard somebody else's interest. A more typical example is the example of stainless steel. I do not know for what purpose he thought only of stainless steel. There are so many items of consumption which require a revision of excise duty. But of all the things that he has hit upon, he picked up only watches and the stainless steel. In regard to stainless steel, he first made it 320 and 110. Now he has made it 220 and 40. And, Sir, have you seen any houses where you can have a lion and a goat living together? This is exactly what he is doing. He expects the honest dealer to import it at 40 per cent and not to pass it on to the other person who is manufacturing with a 220 per cent margin because some rerollers appeared on the scene. He has taken this 320 and 110 and made a compromise at 210. Is

this the way that a Finance Minister should function? I am afraid, Sir, this is just a method of drifting and not a national policy on finance. And the same thing, Sir, in regard to the reduction of time in respect of long-term capital gains. Here again it is a jugglery of time in order to give benefit to people who indulge in a kind of profiteering in the name of resale of machinery and equipment. Sir, if you indulge in any industry, you will know that five years, is the minimum time required for any industry to grow. Here he has reduced the time on capital gains so that the benefit could go to some people—from 5 years, it is now reduced to 3 years. Even a small-scale industry takes three years to ripen and bear fruits. Here, after three years, you are going to allow capital gains. And what will you do with the capital gains. He has allowed a wide margin to throw away the money in the name of allowing greater investment. The greater investment that you think of will be in the terms of savings of the country. You are not helping to generate savings in the country but you are only allowing the profiteers to make more profit. You are allowing the profiteers to find new postures for their profiteering. The only item that the country can have in the form of higher savings is the real savings made by an individual. And what has he done there? He has curtailed the rate of interest for those depositors who are the largest section of depositors according to the bank figures. And those are the people who deposit small amounts but with one little facility of cheques. But he says that the objection is to drawing by cheques. But has he made any study? I am sure, he has enough members in the Department. If they had made a study, they would have found that those people who deposit their money in the small savings even with cheque facilities, they are not going to draw up as fast as you would when you have a current account. Suppose his objection was that this amount which is deposited in the small savings should not be withdrawn

to fast, then he could have imposed a rule that they should not withdraw, more than one-fourths in a week or they should not use more than two cheques in a month. But there is nothing of that sort. This large section of our people, to the nation's pride, contributed Rs. 19,000 crores in the form of investment in the past thirty years. And you are depriving them of this small thing of 2 per cent and at the same time you are allowing 6 per cent reduction and 5 per cent reduction to the industries, and you also talk of curb on money supply. You are not going to make the both ends meet.

And, Sir, in a lighter vein, let me conclude my last point. The hon. Finance Minister is not there but all the same is representative, Mr. Dandavate, is there and I hope he will convey the true spirit of what I wish to say. And I am encouraged in this last point by the performance of our venerable Home Minister in the past few weeks. I would suggest to the hon. Finance Minister to tax all the Commissions of Enquiry because they should be treated like the public undertakings. And to make the money suitably utilised. I would suggest that he should take that money and give awards to people who fabricate the best stories of murder plots during the emergency. And, I am sure, Sir, ultimately this will bring a lot of money to the country? Do you know how? There are many stories of Perry Mason and others. Why should we fall behind? We should also be far ahead of Arthur Conan Doyle, Perry Mason and Agatha Christie. I am sure this suggestion will bring a lot of foreign exchange and a lot of good reputation to some of those people who have fabricated such good stories on the floor of this House. Thank you, Sir.

SHRI S. RANGANATHAN (Tamil Nadu): Sir, I rise to congratulate the Finance Minister on the Budget he has produced and the resultant Finance Bill. One can always pick holes

[Shri S. Ranganathan]
in anything that is produced by someone else. But, having regard to the circumstances in which he had to prepare this Budget, I wholly agree with Shri Palkhiwala in his analysis of the Budget proposals as published in the Illustrated Weekly of India for the week July 10—16. I must also say how very much every one appreciates the Finance Minister's readiness and resilience to assimilate and accept the constructive suggestions made by various bodies and individuals, both in the other House and outside and giving prompt effect to them. Cicero (106-43 B.C.) said, and I quote:

"The Budget should be balanced, the treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and assistance to foreign lands should be reduced lest the State become bankrupt. The people should be forced to work and not depend on government for subsistence".

I think the Finance Minister and the Government have acted fully in consonance with the broad salutary principles enunciated by him, subject, no doubt, to the variations which cannot be avoided to meet current circumstances, which have changed considerably in certain directions compared to when they were in Cicero's time.

I would not take up the time of the House in offering general comments on whether the reduction in the deficit in the Budget is genuine or not; whether there is enough in the proposals to meet the employment situation, etc. There are bound to be varying opinions about these. I would only say that on two aspects, Government have to be vigilant. One is the rising prices and the other is the labour unrest.

I shall now mention some specific issues to which I would invite the attention of the Finance Minister in the hope that he would be willing to consider them also with the same

sympathy, as he has done with the suggestions made in the other House. The first is the impact of the Budget proposals on the automobile and ancillary industries. It would be conceded that transport is an important factor which governs the economic condition in the country. Therefore the increase in the excise duty on passenger cars, on two and three wheelers, on light commercial vehicles, especially on light commercial vehicles sold as chassis and the withdrawal of the relief on increased production of commercial vehicles are all, in my view adverse to the public interest and giving up these changes and going back to *status quo ante* is unlikely to have any material impact on revenue. They will adversely affect production, both by the withdrawal of incentives for production and by the reduction in demand caused by higher prices.

I would also request the Finance Minister to give some thought to the observations contained in the speech delivered by Shri Moolgaokar, as Chairman of the Tata Engineering and Locomotive Company Ltd. a few days back on the cascading effect of the various imposts on commercial vehicles and how necessary it is to tackle this problem to secure increase in production and to keep the demand for such vehicles growing. I know this cannot be done immediately. It may well be that the Finance Minister will give thought to this problem on his own, when the Jha Committee's report is studied.

The next point I would like to draw his attention to is in regard to the merger of sick units with prosperous units, which provisions every one will welcome. But some procedural provision should be made by which Government's view is known ahead within a specified period of time on an application being made, whether or not any particular proposal to merge is acceptable to it, so that there would be no suspense as to whether the merger will qualify for the concessions or not. I greatly welcome the extension of

these concessions to shipping—as distinct from shipbuilding—companies.

The next point to which I would invite his attention is the levy of a high rate of excise duty and removal of the exemption so far enjoyed by small or medium-scale aerated water factories. Concerns that make soft drinks, like Coca-cola and Goldspot, I think, control already nearly 75 per cent of the trade in soft drinks. There are few small or medium-sized factories which use 10 H.P. or less. I feel that these could continue to remain exempt or, at the most, be subjected to a levy of about 5 per cent duty....

SHRI N. P. CHAUDHARI: On a point of order, Sir. There is no quorum in the House.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): I may request the hon. Members that this has been the practice and convention in this House since long, since I was a Member here, that never this question of quorum has been raised and I think that this tradition should be followed. If the Members insist, then I am helpless. We have to follow the procedure. But I would request Mr. Chaudhari and his party's leader that this is not a proper thing. In the past also, we have followed this practice. That is my request. But if he insists, I am helpless.

SHRI BIPINPAL DASS (Assam): The House should continue.

SHRI N. P. CHAUDHARI: Then I will insist for the quorum.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): All right. Mr. Ranganathan, you go on speaking.

SHRI N. P. CHAUDHARI: No, Sir, nothing will be recorded.

AN HONOURABLE MEMBER: How can he direct?

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Mr. Ranganathan will go on speaking.

SHRI N. P. CHAUDHARI: This is my point of order that unless there is quorum, nothing should go on record.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): The quorum bell is ringing. He will go on speaking.

SHRI N. P. CHAUDHARI: May I know how long will this continue if the quorum is not formed?

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): For three minutes.

SHRI N. P. CHAUDHARI: Let him speak for three minutes.

SHRI S. RANGANATHAN: I will speak only for five minutes.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Now there is quorum. Please proceed. But I would like to request the House, the hon. Members and the leaders of the parties to come to a certain conclusion as to whether this tradition will be broken now or it will be observed in future, because yesterday also the proceedings were stopped on this point and today also my learned friend has raised this point, because if any one raises this question of quorum, we will have to follow the procedure. But the practice so far has been—I would like to remind the Members—that even four Members were sitting in the House and the proceedings went on. So, let us follow that convention or evolve a new convention in this House. I have nothing to say. I would like to bring it to the notice of the Leader of the House and the Leader of the Opposition and other parties.

THE LEADER OF THE HOUSE (SHRI LAL K. ADVANI): So far as I am concerned, I am willing to be guided by the views of the entire

[Shri Lal K. Advani]
House but I have been in this House since 1970 and, probably, yesterday was the first occasion when this happened.

SHRI PRAKASH MEHROTRA (Uttar Pradesh): Before that also it has happened.

SHRI LAL K. ADVANI: It has been an un-written convention. That is all. After all, rules and the law have to prevail on un-written convention but a convention can always be created with the willingness of the House.

SHRI S. RANGANATHAN: In regard to the Automobile and ancillaries and small-scale aerated water manufacturers, I know that they have submitted memoranda to the Finance Minister for consideration and, therefore, I do not want to dilate further on these, except to express the hope that they will receive sympathetic consideration. Should the Finance Minister agree, most of the concessions sought and to which I have referred, could be given by issue of notifications, and no amendments to the Finance Bill as such may be required.

There is one other point to which I would like to draw the attention of the House, and that is to the second proviso to section 245D of the Income-tax Act. While everyone has welcomed the provisions in regard to the settlement of cases in Chapter XIX of the Income-tax Act, this proviso practically gives a veto to the Commissioner concerned because the Settlement Commission is precluded from proceeding with any such application for settlement if the Commissioner indicates that any concealment of particulars or perpetration of fraud etc. has not only been established but is likely to be established by any Income-tax authority in relation to the case. One can understand that if any such thing has been established and that finally the Commission may be precluded from con-

sidering the matter for settlement, but a mere expression that some such thing is likely to be established, I am afraid, practically nullifies whatever good may be expected from the provisions of this Chapter. I hope the Finance Minister will kindly have this matter further looked into.

Before I conclude, may I draw the attention of the Finance Minister to a question which is of great importance to the functioning of any democracy such as ours? I refer to audit. As the House knows, little over a year ago, Government had separated audit from accounts, which itself, in theory, is not unsound. I had spoken on the occasion when the relevant Bill was before this House and had made some suggestions for consideration of Government about the organisational set-up on separation. I would earnestly request the Finance Minister to consider afresh those suggestions. I am not stressing the point that the Administrative Reforms Commission had not recommended such a separation. I cannot, however, help feeling that the additional expenditure that is involved will be much more than what Government had at that time indicated it would be. Besides, I do not think that the results in the shape of improved management control have really come about. I am conscious of the fact that a successor Government cannot always, and need not necessarily, upset what the previous Government might have done. There is, however, one action which has been taken by the previous Government, which I would like this Government to reconsider seriously. I refer to the instructions that I understand had been issued in regard to making files of the administrative units of Government available to audit. There is no point in having an audit—an independent audit, as envisaged in our Constitution—if the Government have not got enough confidence in that institution and make things more and more difficult for it to function effectively. I do hope that the Finance Minister will look at the orders issued by

Government, and modify them, if they are, as I believe, likely to impede the working of the audit department.

Sir, I have done:

SHRI JAHARLAL BANERJEE (West Bengal): Let the House be adjourned.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Dr. V. P. Dutt. Not here. Shri M. R. Krishna. Not here. Shri Yogendra Makwana. Not here. Shri Gurudev Gupta. Not here. Shri Jaharlal Banerjee.

I may say here that the Members who give their names and are absent when their names are called, will not be called until the list is exhausted. This is not proper. They should have been present in the House.

SHRI JAHARLAL BANERJEE: Mr Vice-Chairman, Sir, first of all, I would like to say that the claim of the Finance Minister that he has given concessions worth Rs. 21.5 crores is not correct. It is only the correction of the wrong principle of treating on par beer, cosmetics, tooth-paste and aerated water with electric apparatus, household utensils, furniture and watches, which should be considered as high priority articles for the ordinary man's consumption. Therefore, it is only by way of correcting the wrong priority that he has given these concessions. Another defect of this budget is that the investment allowances are not linked up with production and employment. As no stress has been given in making the budget employment-oriented, I do not know how the Janata Government is going to fulfil its promise that they will solve the unemployment problem within 10 years.

Another jugglery of figures in the budget is—it is really a hoax if I am allowed to say so—their claim that they have brought down the deficit to a great extent. This is not true. If we take into account the borrowing of Rs. 800 crores against foreign exchange reserve, his claim seems to be unrealistic. In this respect, the present Finance Minister should thank the former Ministry for getting so much foreign exchange reserve.

The Finance Minister has said that the film industry has been given some concession. Yet it has to pay 2-1/2 times more than it pays now to the Exchequer. Then, the Finance Minister has not given any concession to the regional films. Sometimes the reprints have got better market than the new films in the market.

The exemption limit of income-tax has been raised to Rs. 10,000 and they say that they want to be congratulated for this. The nil rate slab for the purpose of income-tax will remain at Rs. 8,000 and the surcharge has been raised from 10 per cent to 15 per cent. The net result is that the marginal rate has been raised from 66 per cent to 69 per cent. So, it is another hoax.

SHRI BIJU PATNAIK: It is for high-income group.

SHRI JAHARLAL BANERJEE: The compulsory deposit scheme for income-tax payers has been continued for another two years, much to the disappointment of the people. I request the Minister in charge of Finance to consider to exempt the cases of atleast those persons who are already sixty or more so that those old men can enjoy their own earnings during their life time.

The concession given to the powerloom will make many handloom weavers unemployed. Most of them have got no other livelihood. So, it will be a death-blow to them. I thought that the Finance Minister will consider the

[Shri Jaharlal Banerjee]

poor lot of handloom weavers and they will, at least, be given some concessions so as to be able to compete with the powerloom weavers.

It does not appear that the budget has produced an imaginative programme for pushing the growth of the economy of the country and containing inflation. Nor does it give any indication of an efficient strategy to deal with the problem of removing unemployment which the Janata Party promised to the people during the last elections. The concession given to the closely-held companies is something which we cannot understand. The Janata Government says that they represent the *janata*; but this privilege will make some monopoly houses more economically sound. Therefore, it is unthinkable that the Janata Government is depriving the poor and encouraging the monopoly houses to become richer.

As regards *bidi*, we hoped that the Finance Minister of the Janata Government will at least prove their love for the *janata* by lifting the excise duty on *bidi*. I am really sorry to say that during his budget speech, the hon. Finance Minister said that *bidi* was injurious to health and more tax on it meant less smoking. But he has not thought of all those rich people who smoke cigarettes. They want to save the poor by raising the tax, but they do not know what is *bidi* to an ordinary peasant. *Bidi* is not only a relaxation and a stimulant for peasants during the hard days of rainy season when they are to work in the rain, it is really a necessity for them. In this connection, I want to remind the House through you, Sir, that in the pre-Independence 1937 elections, the Congress—I know some of them have got allergy for the Congress—had the hubble-bubble *hooka* as the election symbol as a protest against the tax imposed by the British Government on tobacco. That is real feeling for the *janata*. And now what are they doing? They are depriving the poor people only

of some *bidis*. It is not a *janata* budget. Therefore, I have most reluctantly to comment that the Budget is not for the *janata* but for the rich people. But in the meantime I must say, as a great English poet Lord Byron said, "The devil is the first democrat". They say that they are the champions of democracy and what the poet said is applicable to the Janata democracy.

Thank you, Sir.

PROF. N. M. KAMBLE (Maharashtra): Sir, I think, I will be the last speaker today and therefore I would request you to grant me some more time. In case I am not in a position to finish my speech within the time given, I may be allowed to speak tomorrow.

THE VICE-CHAIRMAN (SHRI SHYAM LAL YADAV): Kindly finish today itself. For tomorrow there is a very big list.

PROF. N. M. KAMBLE: Sir, this Finance Bill which is meant to give effect to the financial proposals does not live up to the expectations and aspirations of the common man. This point has been made out by several speakers.

The Janata Government has made lofty promises to the people in general and the weaker sections and the minorities in particular. But the Budget proposals have left, specially these weaker sections, as a matter of fact, gasping. The whole policy, it appears, tends to give relief to the rich section of the people, to the monopolists, industrial houses and other vested interests.

They were talking of rural development and also development of the agricultural sector. Of course, it is a welcome sign.

They were also having some industrial policy as such but I find that but for some individual announce-

ments of different Ministers, there has not been any coherent policy as far as industry is concerned. The five-day episode which the Leader of the Opposition in the Lok Sabha has mentioned has passed and it is only after that that the new Industry Minister has come on the scene. His statement regarding the industrial policy is a welcome sign. The five-point programme which he has initiated, it appears, is going to be the industrial policy of the Janata Government. But unless the Janata Government announces a coherent and well-thought-out industrial policy as distinct from these occasional statements of the individual Ministers, I think we shall be just trying to find out what actually the industrial policy of the Government is. The Industry Minister has certainly enunciated a welcome five-point programme for a new industrial approach. But unless it is formulated into an official policy and plan of the Janata Government, Mr. George Fernandes's statement would be nothing but a sweet worded document just to satisfy or make believe the people the policy of the Janata Government. But I also doubt very much whether this industrial policy which is announced by the hon. Minister is consistent with the proposals made in the Budget and also the taxation proposals. Of course, it is a welcome stand of the hon. Minister of Industry. But I wonder whether the Finance Ministry with Shri Patel at the helm of affairs, who is a known Swatantra-ite, a free-for-all capitalist-ite and a hardened bureaucrat, would endorse this policy. Secondly, I also wonder whether a proud peasant such as Charan Singh, who wants all the weaker sections, and especially the Harijans, at his 'charan' or feet, would allow this policy to be implemented. And, thirdly, Sir, I wonder whether the champion of the private sector, hon. Shri Biju Patnaik, would come forward to allow this policy to become a reality. And, even if all the Ministers agree to this five-point project of the Industry Minister, I wonder whether the bureaucrats and the in-

dustrial tycoons who really hold the reins of the administration in their hands will allow this policy to be implemented at all. It is only the coming months that will as a matter of fact give us the real picture. Sir, in the present Government, the tendency is to blame the Congress Government for all their present failures. It has become a burden of the song. Whatever is there, they quote: Oh, 30 years of Congress Government! Whatever mistakes the Congress Government might have committed during the last 30 years are there before the public. It is no use quoting every time the 30 years of Congress rule and taking defence in that. This has become a habit with each and every Minister, as also the Members from the ruling party, to quote the deeds and misdeeds of the Congress during the last 30 years of Congress rule. I would like the Ministers, especially our friends like hon. Mr. Mohan Dharia, my hon. friend Mr. Madhu Dandavate and others, really to look to the future rather than quoting the deeds and the misdeeds of the Congress Party. Whether they are black deeds or white deeds, it is for the public to decide.

As far as the Finance Bill is concerned, I would refer the Finance Minister to page 63, item 61, where under Excise duty has been levied on electrical items like switches, plugs, sockets, chokes with starters etc. My hon. friend Mr. Madhu Dandavate knows very well that practically 80 per cent of this particular industry is in Maharashtra and Gujarat. As a matter of fact, these are the items which are manufactured by a small-scale sector. Not only that, 6 P.M. but the assembly of these items is done on house-to-house basis, and the raw material which is required for these items is already heavily excised. Under these circumstances, I do not understand why these finished items are excised heavily. As a matter of fact, what I feel is that these items, when assembled go straight to Bajajs

[Shri Shyam Lal Yadav]

and other big companies and they are sent free from the excise duty. Not only that, but this small industry which requires plastic moulding and other materials such as copper, porcelain, packing material etc., is already heavily excised, and, therefore, I do not know why this particular item—it is a small item and will bring in a very small excise revenue—is being excised so heavily. If this is done, there is a danger that many of the people who are engaged in this particular trade, especially the labourers, will be thrown out of employment. Moreover, this excise, by restricting the turn-over, shall definitely give rise to malpractices because the people will give it without any bill to the big guns, and, naturally, the Government will lose more than 25 per cent by way of evasion of 10 per cent excise, 4 per cent C.S.T. and 10 per cent local taxes etc. I, therefore, request the Minister for Finance to exempt these items from the excise duty.

One thing more, Sir. The Finance Minister in the Finance Bill has not given a proper treatment to the handloom industry, the powerloom industry and the composite mills together. As a matter of fact, the budget proposals intended relief in excise duty on powerloom cloth. But, thereafter, I do not know what happened, and the duty has been increased so drastically that about 12 per cent has been raised. It is the Government's Policy to adequately safeguard the legitimate interests of each sector of the textile industry. In the original proposal the duty on fine and super-fine cloth was far less than the level of 12 per cent, and this rise has very adversely affected both the decentralised powerloom sector and the independent processors. I, therefore, request the Finance Minister to see the fact that if the excise differential in the case of the decentralised powerloom sector and the composite mills and the decentralised powerloom is not widened, it will cause widespread un-

employment in the powerloom industry, the factories and the independent processors as well.

Sir, one more point and I shall be finishing. As I have already said, the Janata Government has come forward with lofty promises, especially to the weaker sections, the minorities and the Scheduled Castes and the Scheduled Tribes. We have seen in the last three to four months that the atrocities on the Scheduled Castes and the Scheduled Tribes are mounting. The Home Minister has, on many occasions, given us promises that they will be lessened and looked into. He has also given the reasoning that it is an old disease, and all these things are happening because of the caste system and the trend in the society. Well, if that is so, I do not know whether he is going to change the structure of the society, and I do not know how. If this attitude of giving reasoning of the structure of the society is there, then I think these atrocities will continue to be committed even for hundred years to come. One more point, Sir. So far as the Scheduled Castes from Maharashtra are concerned, the House knows very well that most of them have got themselves converted to the Buddhist faith. They have been suffering for the last 20 years for want of safeguards which are guaranteed under the Constitution. Various representations have been made up till now to the Government, to the earlier Government also. Probably some of my friends from the Janata Party might ask: What did the Congress do for the last 30 years? But let me tell you that in Maharashtra, these 40 lakhs of people who have got converted to the Buddhist faith from the Scheduled Castes, have been given educational concessions and also the concession in services. It is our demand, Sir, that these concessions which are guaranteed under the Constitution should be extended to them all over India and in Central Government services also. As a matter

of fact, Sir, politically we have lost in Maharashtra 18 reserved seats in the Assembly and four seats in the Lok Sabha. We are prepared to forgo this because we are interested in uplifting these masses educationally and economically. But they being economically backward, any other criteria such as untouchability should not apply to them. Lately one of the members of the Maharashtra Legislative Council was on a fast. He had made representations but ultimately nothing came out. The Prime Minister has not given any promise as such, though we read in the papers that he is prepared to rethink about this particular issue. Twenty years have passed. In the Janata Government there are stalwarts, especially from Maharashtra, who know this social problem. Under these circumstances, Sir, I would make an appeal to the

Janata Government and also to the entire House. This is not a party problem; it is a national problem. As a matter of fact, they should think about these 40 lakhs of people who have been suffering for the last 20 years for want of these safeguards. Without party affiliations, all of them should come forward and solve this problem. With these words, I thank you.

उपसभाध्यक्ष (श्री श्याम लाल यादव) :
सदन की कार्यवाही कल प्रातः 11 बजे तक
के लिए स्थगित की जाती है।

The House then adjourned
at eight minutes past six of
the clock til eleven of the
clock on Wednesday, the 27th
July, 1977.