

[श्री उमाशंकर दीक्षित]

Fire has affected two mosques and on other four or five mosques—a large number of stones were thrown.

Sir, I have already given the required clarification on the question raised by Mr. Mariswamy.

मि० युनुस सलीम ने फर्माया है कि 11-12 बजे दंगों की इत्तिला मिल गई थी। यह बात बिल्कुल सही नहीं है। मुनुस सलीम साहब कहां से यह खबर लाये हैं यह मुझे मालूम नहीं है। वह मेरे पास आये थे, तब भी उन्होंने नहीं बताया। और जो बातें उन्होंने फायर ब्रिगेड के बारे में कहीं और जो और मित्रों ने पूछीं थीं उनका उत्तर मैं दे चुका हूं।

श्रीमान्, मैं समझता हूं कि जो स्पष्टीकरण हमारे माननीय सदस्य चाहते हैं, मैंने अपनी शक्ति भर पूरा दे दिया है।

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2-45 P.M. today.

The House then adjourned for lunch at ten minutes past two of the clock.

The House reassembled after lunch at forty-eight minutes past two of the clock, Mr. Deputy Chairman in the Chair.

THE FINANCE BILL, 1974

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): Mr. Deputy Chairman, Sir, I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1974-75, as passed by the Lok Sabha, be taken into consideration."

Sir, in the last few weeks during which the Budget has been before the House, I have had the benefit of listening to Members both supporting the proposals outlined in it as well as those

who have not agreed in all respects with what has been contained in this Bill. This, Sir, is inevitable in any democratic set-up. No Budget, I venture to say, can please all sections of the House. I am, however, gratified at the general acceptance of the major proposals in the Budget, be they in the realm of direct taxation or in the sphere of indirect levies. During the course of the general debate on Budget proposals, I have had the opportunity of explaining our basic objectives, the direction in which we wish to travel in pursuit of these objectives and the specific steps that we wish to take to attain these goals.

Certain modifications to the proposals contained in the Bill were formulated in the light of the suggestions from various quarters and these have been incorporated in the Bill as passed by the Lok Sabha. I shall mainly confine my observations to explaining the changes that have been made in the provisions of the Bill during its consideration in the Lok Sabha.

In view of the critical shortage of petroleum products, the Bill as introduced made a provision for the continuance of development rebate for another year in respect of coal-fired boilers and machinery or plant for converting oil-fired boilers into coal-fired boilers. With a view to providing further incentive for a change-over from oil to coal as a source of energy, this tax concession has been extended to other coal-fired equipment, such as, furnaces, kilns, ovens and the like. Further, having regard to the consideration that industry may not be in a position to obtain delivery of new coal-fired boilers or other coal-fired equipment within the deadline of last June, 1975 originally proposed in the Bill, the proposed tax concession is being extended for a further period of two years. Accordingly, development rebate will be available in respect of coal-fired equipment and machinery or plant for converting oil-fired equipment into coal-fired equipment installed before 1st June, 1977.

As hon. Members are aware, the Bill also seeks to extend the operation of development rebate by one year in

respect of other categories of machinery or plant if the taxpayer had either purchased the machinery or plant before 1st December, 1973 or had entered into a contract for the purchase of machinery or plant prior to that date. Under the provisions of the Bill, this concession would not have been available in cases where the machinery or plant is manufactured by an industrial undertaking owned by the taxpayer himself. Since this would have resulted in hardship in some cases, the provision in the Bill has been amended to secure that machinery or plant manufactured by a taxpayer in his own undertaking will also qualify for development rebate if satisfactory evidence is produced to show that steps for the manufacture of the machinery or plant had been taken before 1st December, 1973.

Under the Income-tax Act, income derived by Indian companies and resident non-corporate taxpayers in consideration of providing technical know-how and technical services to foreign enterprises is entitled to preferential tax treatment. As one of the main objects of this tax concession is to augment our foreign exchange resources, the Bill seeks to make a retrospective amendment to the relevant provisions in the Income-tax Act to secure that the concession will be limited to only that part of the income as is received in or brought into India in accordance with the law regulating payments and dealings in foreign exchange. Host countries sometimes place restrictions on remittance of funds by Indian taxpayers to India. Remittance of the foreign income to India may also get delayed due to other valid reasons. In such cases, it will not be possible for the taxpayer to remit the foreign income to India before the completion of the assessment for the relevant year by the Income-tax Officer. As the denial of the tax concession in such cases would have resulted in hardship to the taxpayers, the relevant provisions in the Bill have been amended to enable rectification of the completed assessment in such cases if the taxpayer proves that the foreign income has subsequently been brought into India. The Reserve Bank of India sometimes permits the use of foreign Income outside India. Income

which is so used outside India can be regarded as having been constructively-brought into India. The relevant provisions in the Bill, have, therefore, been amended to secure that moneys utilised outside India with the permission of the Reserve Bank shall be deemed to have been brought into India for the purposes of the tax concessions. Drafting amendments have also been made to secure that these tax concessions will be available only in cases where the foreign income is received in foreign currencies which go to augment our foreign exchange resources.

Approved financial corporations engaged in providing long-term finance for industrial or agricultural development in India are entitled to deduct, in the computation of their taxable profits, an amount up to 10 per cent of their income carried to a special reserve account. In cases where the paid-up capital of the corporation does not exceed Rs. 3 crores, the deduction goes up to 25 per cent of the income. In order to enable Financial Corporations or Joint Financial Corporations established under the State Financial Corporations Act, 1951 to build up their financial resources, at an accelerated pace, the Bill seeks to increase the existing limits on the deductible amount in the case of such Corporations from the existing levels to 40 per cent of the income. The Bill has been amended to extend the benefit of the proposed concession to approved Financial Corporations which, although not established under the State Financial Corporations Act, are deemed to be Financial Corporations under that Act.

On the Central Excise side, many of the modifications made are intended to give relief to the smaller manufacturers. As a part of this approach, I have exempted from duty aerated waters produced with the aid of power, where the extent of power used by or on behalf of a manufacturer in one or more factories does not exceed 10 horse-power.

I have fixed a lower effective rate of 80 paise per kilogram on waxed papers and boards and polyethylene-coated paper and boards manufactured out of duty-paid base paper. This will help

[Shri Y. B. Chavan]

the small manufacturers of such varieties of papers and boards who obtain their supplies of base paper and board from the market.

Similarly, I have extended an exemption based on quantity cleared in a financial year, so as to benefit the smaller manufacturers of electrical stampings and laminations. As a measure of relief to the professional photographers who have been affected by the simultaneous levy of excise duty on sensitised papers and the increase in the prices announced by two major manufacturers of such papers, I have reduced the duty by 5 per cent on all sensitised papers, including diazotype papers and board.

I have reduced the duty on Liberia and Excelsia varieties of coffee from Rs. 100 per quintal to Rs. 75 per quintal.

Keeping in view the need for lowering the costs of processing of de-oiled cakes which are exported and earn valuable foreign exchange, I have reduced the effective rate of duty on hexane intended for use in the manufacture of solvent extracted vegetable non-essential oils to Rs. 1000 per kilolitre. The same concessional rate has been made applicable to hexane intended for extracting fat from silk-work pupae.

These modifications have been given effect to by issue of notifications, effective from 1st May, 1974 and will involve a revenue loss of the order of Rs. 120 lakhs in one full year.

The Budget of this year has a particular significance in the sense that it also represents our fiscal programme for the first year of the Fifth Plan. The Budget has been framed against the background of an extraordinary combination of the events both internal and international which have cast their shadow on our economic performance. The Budget represents our resolve to pursue with steadfastness the goals of stepping up of the rate of growth of the economy, enrichment of life for the underprivileged sections of our population, and the attainment of self-reliance. It is against this

background of viewing the Budget is part of our larger economic endeavours that I commend to this House the Finance Bill for ill his approval.

The question was proposed.

3 P.M.

DR. K. MATHEW KURIAN (Kerala): Sir, I rise to oppose the Finance Bill and also the various other policies reflected in the Finance Bill.

Sir, the Finance Bill, which incorporates the taxation measures of the Budget for the year 1973-74, marks in my opinion a further escalation in the policy of surrender to various pressures exercised by big monopoly capitalists and landlords—a policy which is in tune with the class character of the Government.

Sir, the Finance Bill, for instance, has not touched the big corporate sector of the industry. In fact, they have been given further benefits and development rebate for purchase of machinery has been extended by one year to those who have entered into contracts before 1st December, 1973. Sir, the high income groups have been given a bonanza by reducing the maximum rate of income-tax including surcharge from 97.75 per cent to 77 per cent of the taxable income in the highest slab. Sir, what has the Finance Minister offered to the ordinary people? In fact, instead of reducing the tax burden on the poor people—a burden which has been rising every year during the last two decades—, the Finance Minister has added insult to injury by further increasing the tax burden on poor people. For instance, we have heavy excise duties on a large number of commodities. Some studies on the effects of these excise duties on commodity prices have shown that the increase in prices will be much larger than what the Finance Minister and the Finance Ministry expects it to be. In fact, inflationary pressure on the economy will be strengthened in a substantial manner. In fact, Sir, the situation is very alarming because one of the recent studies on the subject shows as the title 'Galloping Price-line' which appeared in a report in

the National Herald of New Delhi, dated May 1, 1974, hardly few days back. It talks about galloping price line and it has given details about differences in prices of various essential commodities.

Sir, the Finance Bill and the policies behind the Finance Bill have led this country on the verge of an alarming price situation which can be termed only in the language of the National Herald as the galloping price line. The Government is, in fact, sitting on a volcano. The situation is not only alarming but we are on the verge of a catastrophe.

Sir, the present inflationary tendencies will undermine the very economy in such a serious matter that it cannot be expressed in any other form than what I have already done. Sir, let us look at the type of taxes which they have imposed on the people. Punitive taxes in the form of excise duties have been imposed on household goods of various types. Post cards, inland letters and postal covers will cost more. Tax burden has been increased in the case of goods such as paper, tobacco, cigarettes, cotton cloth, glass and glassware, aerated waters, and so on. Government spokesmen claim that the duty on industrial products will not have an impact on prices. This, I submit, Sir, is a myth because, in fact, the excise duty hike on industrial products will be shifted to the ordinary consumers by the profit-hungry industrialists, particularly the big business. Sir, according to one estimate, the excise duties on iron and steel, cement, paper, plywood, dyestuffs, etc., will raise the wholesale prices, according to very conservative estimates, at least by another ten per cent. Therefore, Mr. Y. B. Chavan should take the responsibility for further aggravating the price level by his fiscal measures. The Finance Minister today is a hero of private enterprise. Sir, he is the hero because private enterprise has welcomed his Budget and the Finance Bill with glee. (Interruptions) Sir, whether he wants it or not, very often most of the heroes of the world are very reluctant heroes. So also Mr. Y. B. Chavan is a very reluctant hero of big business. Sir, let us look into the facts. The Budget was welcomed by private industry with cheerful glee

—which according to financial experts is a fairly adequate index of the mood of big business. They reacted very accurately. Sir, according to the Financial Express of Bombay dated 2nd March, 1974 industrial equities in the major stock exchanges of this country surged forward; that is the word used; industrial equities surged forward reflecting their favourable response to the Budget proposals. Sir, the Financial Express composite index rose by 5.68 in one single day, possibly the biggest single day increase in the last several years, may be in the history of independent India. Shri Chavan has rewarded Big Business in a big way perhaps to reciprocate the fabulous help which they gave to the Congress Party so generously during the last elections. How else could one explain the extra enthusiasm with which the Big Business and the Stock Exchanges which are the mirrors of private industry behaved the way they did? The Finance Bill symbolises another big leap forward in the dangerous path of inflationary financing and galloping prices as I have already indicated. Sir, it will further worsen the already grave price situation. The price index which was 100 in 1948 increased to something like 316 last year. On top of this in one single year the price index showed an alarming increase of about 25 per cent. This is the official figure. But in fact I have argued on several occasions in this House that the wholesale price index and the consumer price index are a hoax on the people because they do not reflect the actual market prices. Most of the prices are calculated on the basis of controlled prices which have no relevance to the actual wholesale prices in the market. Moreover the basket of commodities selected for the index is unrealistic; the basket of goods and the composition in weightage of these commodities have no relevance to reality. Therefore if you really make a revised estimate even a rough estimate of the real index of prices you will realise that compared to the 20 to 25 per cent increase recorded during the last one year by official data the price level which affects the people has actually increased anywhere by 75 to 100 per cent. Therefore the inflationary rise in prices of most of the products of mass consumption has resulted in a

[Dr. K. Mathew Kurian]

reduction in the purchasing power of the people. According to the admission of the Finance Minister himself the value of the rupee was eroded was slashed down by 19 per cent in one single year. And on top of that we find that immediately after the presentation of the Budget the Government increased the price of petrol and kerosene by 34 paise and 15 paise respectively per litre. Cooking gas price was also raised by Rs. 1.02 per cylinder of 15 Kgs Government also raised the price of cloth by 30 per cent. We find that despite the warning by Opposition Members despite the warning by their own party members on their side, Government is still bent upon moving in the perilous path of taking this country to the verge of chaos. Presenting the Budget, Shri Y. B. Chavan, the Finance Minister said:

"I trust this Budget is one more step in the direction of Government's twin policy objectives of a rapidly expanding economy with socialist objectives."

In fact, Sir, the budgetary policies pursued by the Congress Government, reflected also in the recent Finance Bill, is neither helping the economic growth with social justice nor movement towards socialism. Let us take the case of economic growth. During the decade 1951—61 the per capita income in India rose only at the rate of 1.7 per cent compound; in the last decade that is, 1961—71 the per capita income increased only very marginally according to Government figures. In fact the growth of per capita income declined by about half of the earlier decade to 0.8 per cent. As compared to 1951—61 in 1961—71 the rate of growth of per capita income actually declined. As a result the Economic Survey for 1973-74 has admitted that the national income had actually fallen in 1972-73 compared to the previous year. I quote from page 2 of the Economic Survey for 1973-74: —

"Although no firm estimates of national income are available beyond 1971-72 it is likely that in 1972-73 national income (at constant 1960-61 prices) showed a small decline.

In the light of such poor performance, how can we take seriously the claim of the Government? Then, it says: —

"In the current year i.e., 1973-74, however, it is likely that the rate of growth of national income will be about 6 per cent."

This is the claim made in the Economic Survey. In the light of the abysmally poor performance of the last two decades how are we in the opposition to believe and the people in the country to believe the Government's claim of a 6 per cent rate of growth in the national income? This is a pious wish which has no basis in reality. If we take the Fourth Plan as a whole we will find that the average annual rate of growth of national income is not likely to exceed 3.5 per cent compared to the original target of 5.7 per cent. Therefore if we take into account the rate of growth in the last two decades the trend in the rate of growth and so on, we will find that the claim made in the Economic Survey which is an adjunct of the Finance Bill and the Budget documents and the tall claim of the Fifth Plan are clearly meant to befool the people. Here I need not discuss the social justice in detail because the indices of economic growth relating to social justice give a very clear picture. Unemployment has increased beyond bounds. Unemployment on the eve of the First Plan totalled about 38 lakhs. It increased to more than 200 lakhs in 1970-71 and today, despite lack of official statistics, we find that unemployment has increased to such an abysmal figure that all claims of social justice are really hollow.

Coming, again, to social justice, let us look into the question of the per capita income of some of the weaker sections of the community particularly the rural population. The per capita income of the rural people was about 27 per cent of the per capita income in the urban-areas in the First Plan. It declined to 24 per cent in the Second Plan, to 20 per cent in the Third Plan and to 18 per cent during 1966—71. In fact, during the entire two decades of planning, the per capita income in the rural areas in relation to the per capita income of the

urban people was continuously depressed by the wrong economic policies pursued by the Government. The economic policies and budgetary policies pursued by the Congress Government have increased the gap between the rural and the urban populations. In fact, we have an increasing number of revolts in the countryside. Agricultural labourers and poor peasants, who are alienated continuously from land, are rising in revolt against the wrong land reform policies and inability to implement land reforms and so on. The poor peasants in the villages have been thrown into the ranks of pauperised agricultural labour as shown by the increase in the percentage share of agricultural labour in the 1971 census as compared to the 1961 census. It is clear that a large number of poor peasants have been thrown into the sphere of landless labour and this is the indication very clearly given by the 1971 census figures compared to the earlier census figures. In the case of the industrial workers the claim of social justice is also hollow because while the net output per worker increased by 4.95 per cent in 1969 as compared to 1949, wages adjusted for the rise in the cost of living, increased only by 24.5 per cent. Thus, the increasing share of the wealth created by the workers and the employees in this country has been amassed by the capitalists. There is increasing exploitation of the working class as shown by the distribution of the value added. And during the last two decades, according to the Reserve Bank of India's figures, the share of wages and salaries and value added has been declining at the average rate of 1 per cent, while the share which is taken over by the owners of property in the form of profits, dividends, interest and rent has been increasing continuously. How then does the hon. Minister claim that the Finance Bill is another step forward in the path of attainment of economic growth, and social justice? Neither economic growth nor social justice is being offered by the Finance Bill because of their fiscal and monetary policies; on the contrary, we find there is increasing exploitation of the people, increasing burden of indirect taxes on the people, and increasing poverty, misery and degradation of a vast number of the poor people of the

country. If you take the whole scheme of fresh taxes proposed in the Finance Bill for 1974-75 you will find that the entire share comes from indirect taxes. Thus, the inequitous tax structure will become more inequitous. At the same time, he has given a substantial concession to the high income group. For instance, in the case of those with incomes of Rs. 5 lakhs, the tax relief given by Shri Chavan is a bonanza to big business people and other high income groups. The tax concession given out of the reduction of the marginal income-tax in the higher slab will amount to Rs. 83,447, which has been given straightaway by this Finance Bill. How can the Members of Parliament reflecting the mood of the people support such a retrograde, conservative, pro-monopoly, pro-landlord Finance Bill? Therefore, I beg to oppose this tooth and nail. If we compare 1960-61 budget estimates with those of 1974-75, the direct taxes as a percentage of the total tax revenue has decreased from 32.63 to 27.00. On the contrary, in the 1974-75 budget estimates, the indirect taxes as a percentage of the total tax revenue have increased to 73 from 67.37 in 1960-61. While the people are suffering, while the railway workers, and the Central Government employees are demanding need-based minimum wages, bonus for all and so on, the Government is frittering away the resources in a number of ways. I am not going into details as to how tax-evasion black money, concessions given to the big capitalists and so on are a big leakage of real resources which otherwise should have gone in for developmental purposes for the people.

Sir, I only want to conclude by saying that instead of changing their revenue, fiscal and budgetary and economic policies, the Government has chosen, for their own reasons, to move in the path of repression against the people. It is no wonder that in recent years even the highly-paid employees and officers, doctors and engineers are on the war path of struggle. In fact, even high income people are finding it difficult to make both ends meet. Instead of changing that policy, we find that the Government in the recent Budget has increased the;

[Ur. K. Mathew Kurian]

expenditure on police and other repressive organs of the Government. To give only one instance and conclude. . .

MR. DEPUTY CHAIRMAN: You have taken much more time.

DR. K. MATHEW KURIAN: I shall just conclude.

MR. DEPUTY CHAIRMAN: You have been concluding for the last so many minutes.

DR. K. MATHEW KURIAN: The expenditure on the Central Police in 1950-51 was only Rs. 3 crores. But in the Budget estimates of 1974-75 we find that the expenditure on the Central Police is Rs. 156.05 crores, and if you include the expenditure on capital account this will be Rs. 169.39 crores as we find from the Demand for Grants of the Ministry of Home Affairs (1974-75. Demand No. 48 List No. 32). Therefore, I oppose this Finance Bill with all the vehemence at my command. I will request the Finance Minister to see the writing on the wall and change the wrong policies on their part.

DR. M. R. VYAS (MaharashTra): Mr. Deputy Chairman, I rise to support the Bill, and at the very outset I would like to congratulate the Minister Finance for presenting a Bill which under the given circumstances meets the equitable rights and responsibilities cast upon the Government in a very square manner.

Sir, the position that has been expressed during the earlier debate and in the remarks made earlier by the previous speaker the emphasis is on the constant rise of prices and the difficulties of economic situation arising from such a rise. However, in the last two Budgets the Finance Bill has been the least responsible for the difficulties which have arisen. In the earlier days the Opposition had mentioned that we had frequently referred to the difficulties of finance arising out of the conflict of 1971. But they do overlook in criticising that after that we had a very bad year of 1972. Actually when the Finance Minister presented his Bill last

year he had expressed a fear that the deficit may be ever larger than what he had anticipated because the drought had not ended and the impact of the various pay scales were not yet known at that time. Consequently we hope that at the present stage the Finance Minister has been able to see the end of a larger deficit financing as would add to the burden of increasing prices.

The gesture of increasing the limit from Rs. 5,000 to Rs. 6,000 as the lowest limit of income tax is very welcome. But I personally think that it would have been much better if the limit had been still raised to Rs. 7,500 at least looking to the very high rate of the increasing cost of living. I do hope that though at the present juncture the Finance Minister may not be able to accede to this wish, in his future proposal he will bear in mind that it is worthwhile that the smaller strata of people earning Rs. 6,000 or even Rs. 7,500 per year their real income in terms of 1961 would be less than about Rs. 3,500. So in view of this I would request that in future considerations the limit may be raised from Rs. 6,000 to a limit of Rs. 7,500 under the condition that the rate of inflation will not be much higher in which case we might have to jump even to Rs. 10,000 if the present rate of inflation continues.

The general emphasis in the Budget has been more or less of a conservative nature in the sense that the hon'ble Finance Minister has taxed at the higher level some of the common commodities which come under the effect of taxation every year like cigarettes etc. But I think every year the consumer is cheated of a very large sum in all these matters of common excise on goods, for example, in matters of cigarette I find that cigarettes begin to disappear from the shops by the beginning of February and they are sold at higher prices to the customers. I certainly do not mind in a socialist State if those who smoke costlier brands pay 50 paise more per packet in a month in this way. But I certainly feel that even the cheapest cigarette becomes costlier by 5 to 10 paise one month ahead of the Budget. It means millions of rupees are taken

away from the pocket of the common man without the Budget of the nation profiting by it. I am sure there are ways and means with the Excise Department to stop this. I have discussed this matter with several officers and people concerned, even with the manufacturers of cigarettes. So I do hope that the hon. Finance Minister, and particularly the Excise Department, will find out ways and means of stopping this direct loot from the pocket of the common smoker just four or five weeks before the Budget is introduced because now more or less every seller of cigarettes knows that the next Budget will involve some taxation on the cigarettes and so he can take a safe bet on cornering a large amount of cigarettes. The same thing applies to many other common things which are taxed regularly in the Budget.

The other point to which I would like to draw the attention of the hon. Minister is that we have yet not tackled very thoroughly the question of waste of Indian money through smuggling, particularly the smuggling of gold. At present we have certain measures called Gold Control and other things, but I am afraid this Gold Control has led to a larger loss of India's revenue and money through a bigger extent amount of smuggling of gold into this country and, as a payment, a larger amount of silver which has been flowing out of the shores of this country for the last two or three years. Why I am referring to the question of gold is that unfortunately in the capitalist society or economy that we have in this country—of course, socialism is our aim but the economy remains capitalist—gold has a very big impact on the prices in general. The price of gold in the last one year has risen all over the world and we do refer to it that prices the world over have risen. But in the richer countries the impact of the rise in prices on the individual is marginal because his consumption of the day-to-day things is much less in proportion to his income while here in India we live almost on the verge of minimum consumption level and any rise in prices hits the common man very hard. By 'common man' I mean almost 80 per cent of the people of this country. So, in any finan-

cial measures that we adopt, I think we should see to it that firstly, the import of gold is regulated officially. I see no reason why it should not be imported regularly and consumed regularly under control, instead of prohibiting it altogether and allowing the import and export to flow through unofficial means. Now if, anybody says that we shall have to spend foreign exchange if we allow import of gold, I would say that anyway you are importing about Rs. 200 to Rs. 250 crores worth of gold and you are paying 15 to 20 per cent to the smuggler; and you are sending out again silver and other valuable items from this country, again paying 15 to 20 per cent to the smuggler. You have not stopped smuggling. You have, in fact, created a parallel economy.

SHRI BABUBHAI M. CHINAI (Maharashtra): Silver export is done officially. We earn foreign exchange.

DR. M. R. VYAS: Yes, my dear friend, officially it is allowed. But then there is unofficial export of silver which I am talking of now. Unofficial export of silver is still considerable and the rise in the price of silver is very much due to the unofficial export and smuggling out of this country of silver in various forms. So, I would very much like the Ministry of Finance to apply its mind to root out this evil not by simply prohibiting it because prohibition, as in the case of liquor, has not served any purpose. Tomorrow if you say 'let us prohibit cigarette-smoking'—I am sure the hon. Minister would not like it because he would lose a lot of revenue—it will not work. Similarly simply prohibiting the import of gold into this country will not work because our people somehow have a feeling that the only stable thing one can possess is gold. So I would like the hon. Finance Minister to give his attention to this very vital question of import and sale of gold in this country. The other matter that I would like to point out is that very often we talk of large amounts of black money circulating in this country. There is no secret about it. It is virtually a parallel economy, as some people say. But I would like to know what we have done to check this parallel

[Dr. M. R. Vyas]

economy or black money. Certain measures have now been incorporated in the present Finance Bill. But I think they fall very much short of the requirements of the case. For example, one of the main uses of black money is buying gold whenever there is a scare of demonetisation. There is also a talk of demonetisation. I do not think that this is a solution in a country like India. It sounds very radical and very effective on paper. But in reality I do not think that in the economy that we have, demonetisation would help. In fact, this cry of 'wolf, wolf' of demonetisation has led to large amounts of black money going in the form of imported and smuggled gold in this country and we are now in possession of deadweight of smuggled gold. This is another form of black money possessed by many in this country. So I would suggest that we should check, as I said earlier, the purchase of gold, regulate the purchase of gold, and, at the same time, we should find out where this black money is being used. For example, it is being used in a very big way in purchasing urban property. I would suggest to the Finance Minister that any item of value which is generally purchased with the help of black money should be made purchasable only by a cheque. For example, take the purchase of a refrigerator. I see no reason why a refrigerator can be bought outright only by cash money. Even if a person buys with cash money, he should be made to produce the bank account from which the amount was drawn in which case the large amounts of purchases which are made cannot be made unless the total income is ascertained from which this particular purchase has been made. Similarly about urban property. I think every urban property, whenever it is bought by anybody, should be assessed according to the standard rate as is known to the market and the full amount must be assessed on having been bought irrespective of whatever payment the purchaser might theoretically make, with the help of a cheque or other known means. If you check and tax properties which are bought with the help of black money, we will find that the impact of black money will be much less. The other

form where black money works very much is in the purchase of items like cement, steel, etc. Here again I think a similar system should be imposed that consumers of those items in bulk should produce or buy only with the help of a cheque or through a banking organisation or by giving the bank reference, etc. from where the money is drawn, so that you can check whether this amount has come to that account from a regular transaction or as known cash. Therefore, I would very much suggest that instead of always taxing the same people and in a higher way—of course, this year the honourable Finance Minister has made a good start by reducing the total taxable value for a higher income group; this is a very welcome progressive measure though some people might say that it is a pro-capitalist, etc., but ultimately black money does a greater damage to our economy than not taxing them officially and allowing them to pay taxes at a little lower rate, and I hope that the financial genius of our entrepreneurs and others will not misuse this gesture of the Finance Minister in trying to avoid taxation at the same rate as they were doing so far and take benefit of this gesture which may ultimately lead to even a progressively further reduction. If the Finance Minister wishes to reduce the amount of taxation on higher income-groups, I would very much suggest that equivalent to reduction in the taxation, there should be a kind of compulsory deposit scheme, not of the earlier type of compulsory deposit but a compulsory investment deposit scheme with a corresponding amount which is to be withdrawn from taxation and this money should be deposited with any bank or the Government for the purpose of development of industry so that these funds, instead of being used as consumption items, could be made avail-to the nation, not in the form of tax value, but in the form of reinvestment, on behalf of those people who are saving it under compulsion. So, it will not be like a tax imposed by the Government for any purpose of expenditure on general account but it would be a deduction for the development of the industries and this reinvestment money should bear a certain amount or percentage of profit making in whatever investment is made

thereafter. If this sort of coupling is done between the reduction in the total taxable value and the investment under compulsion, I am sure, Sir, we will arrive at a better result of reducing the black money and increasing the revenue. Thank you, Sir.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): Mr. Deputy Chairman, Sir, the Finance Minister took the issue of rising prices as the starting point. I think I should also do the same thing and point out some of the things that have happened in the Budget, some of the shortcomings in this Budget—I use the word "short-comings" as an understatement—which will lead to further price rise.

Sir, it has been stated by the Finance Minister in a number of places and also by the Prime Minister that the price rise that we see is an international phenomenon. I cannot understand what this means. But, as I said earlier, what is disturbing about the Indian economy is that production in some areas has gone up and also the prices have gone up! I gave the example, earlier in the discussion on the working of the Ministry of Industrial Development of oil seeds. The production of oilseeds has gone up considerably and yet the prices of oils have also gone up! The production of sugar has gone up and the price of sugar also has gone up! Sugarcane production has gone up and the price of sugar has also gone up! So, the question is this : Why is it that in the Indian economy there is a persistent price rise year after year ? The most significant reason, on which all the economists are agreed, is that the money supply in the Indian economy has been steadily rising at a very fast rate. The money supply during 1969-70 rose by 11.8%, in 1970-71 by 14%, in 1971-72 by 14.9% and in 1972-73 by 16.9%, and there has been a steady increase in the money supply. There has been not only a steady increase in the money supply, but also the expansion has been at a very fast rate. The rate of growth of money supply has also been increasing. In the Draft Fifth Plan it has been stated, at page 53, Part I, "There seems to be hardly any scope for deficit financing

during the first two years of the Fifth Plan if a reasonable price stability is to be achieved." Now, Sir, the Planning Commission says that if there is to be any price stability, then during the first two years of the Fifth Plan there should not be any deficit financing. I am mentioning deficit financing because money supply expands primarily, well, mostly, not primarily, due to deficits in the budget. Now, Sir, the Fourth Plan has also said that for a targeted rate of growth of 5½% per year the maximum that money supply should increase by is 7% to achieve price stability. But, what actually happened? The rate of growth was around 3% per year and the money supply on an average during the Fourth Plan periods has been 14% per year. So, Sir, this is the crux of the problem and this has nothing to do with any international problem. The crux of the problem is the rate of growth of production which has been only 3% per year and the rate of growth of money supply which has been 14% per year. Then, Sir, the Government's consumption expenditure has been going up by 15% per year. Now, Sir, the Fourth Plan had targeted that this shall be only 2% per year and this is one of the targets, few targets, which have been achieved, and it has not only been achieved, but also exceeded. The Fourth Plan had said that the Government's consumption expenditure shall increase by only 2%, that is, the rate at which population was growing. But, what has happened actually? This has increased by 15%.

Then, Sir, the Government's pattern of investment is also responsible for the increase in prices in the country. For example, in agriculture we need expanded production so that some kind of price stability can be attained. But the Government periodically chooses a pattern of investment in agriculture which leads to gestation lags and delay in production and consequently rise in prices. For example, the whole country, leaving aside some parts, can be irrigated with minor irrigation. In minor irrigation the Government does not have to spend large sums of money. You have just to give loan to the farmer. You have simply to make him understand the bank

[Shri Subramanian Swamy]

procedure, so that the farmer goes and gets loan quickly and has tubewells and pay the loan back in no time. The farmer can do it. But the Government consistently prefers major irrigation, although in reply to a question in Parliament it was stated that it wants to encourage minor irrigation. But vested interests have developed, and a class of contractors make the Government favour them for a variety of reasons. Some of it is naturally political. There is always a constant pressure upon the Government. In Uttar Pradesh, for example, the Government is going in for a Tehri Dam, costing Rs. 200 crores, and going to be completed in 40 years' time, because a group of contractors do not like these 'idiot' farmers to spend on their own, and that the Government must do it.

Similarly, the Government is consistently favouring monopolists. We know from classical text-books and analysis from actual practice that the more there is monopoly the less will be the production and higher will be the prices. In every sector of the Indian economy today there is expansion of the monopoly sector—15 per cent is the growth in their assets—while the small industrial sector, which can produce cheaply is being discouraged; if at all growing, it is growing at 4 per cent per year.

Finally, Mr. Kurian said something on the problem of black money. I am sorry to say that the Government does not really exhibit its deep understanding of this problem. What do you do with black money? You cannot put it in a bank because you will be caught or you will be exposed; you also cannot invest it because you will be exposed. Then what do you do with it? You spend it on luxury goods. You spend it on ostentatious consumption. You build big houses and have Spanish types from the architects and imported designs. This is what you do. The profitability on luxury goods is greater than the profitability on essential goods. That's why today the industrialists do not want to produce standard cloth: they want to produce fine cloth. Even the farmers on the outskirts of Delhi are growing

roses instead of wheat. So the black money is distorting the consumption pattern, and consequently the investment pattern. And this fact has to be handled, but the Government is not doing anything.

The Government says that Bangla Desh was responsible for this state of affairs. But all the money was raised from taxes. Similarly, it is said that there was drought. But how does that explain the rise in the price of coal? Is that also due to drought? In this Congress Government, do you find coal on trees, or do you find it underground? Similarly, about oil, I think, the problem is grossly exaggerated. The real question is, suppose I grant that it is true that the Bangla Desh problem was there, drought was there, oil problem was there, but what has the Government done about money supply, what has the Government done about the pattern of investment, what has the Government done about black money, what has the Government done about monopolists? These things are under the control of the Government, but the Government has done nothing. And consequently, these are all excuses to hide their weaknesses. They are not serious about putting the economy in order. There can be a variety of reasons as to why it is not so.

I will give two examples, why this Government is not serious in solving the economic problems of the country. One example is this. Take the question of deficit. Mr. Chavan on the other day dramatically announced in the Lok Sabha—and here also; but here it was a different sort of debate—that the deficit is not Rs. 650 crores which he announced earlier; it is only Rs. 320 crores. A lot of clapping must have taken place on the Congress side...

SHRI Y. B. CHAVAN No, no.

[The Vice-Chairman (Shri S. S. Mart-swamy) in the Chair.]

SHRI SUBRAMANIAN SWAMY: It was not because the Government's consumption expenditure was lower or the expansion was lower. Two items

which the Government grossly underestimated yielded more than what was expected. They are small savings and market borrowings. Take the deficit for this year. Government says that it is going to be 125 crores. I want to know whether the Finance Minister has seriously estimated it. Last year, he said that the deficit financing would be 85 crores. Later on it turned out to be 650 crores and actually it came to 320 crores. He did not lose his job because he made a wrong estimate. In any other country, the Finance Minister would have resigned saying, "I have made a wrong estimate and misled the House. I am sorry." Mr. Chavan did not do that. Now, the question is about this year's deficit. There has been a lot of misinforming of the House. Take food subsidy, for example. Last year it was 130 crores. This year, the problem is bigger. It has been announced that rabi crop is 25 per cent lower than that of last year. Yet, the Government has given only 100 crores for food subsidy this year when it is expected that it is not going to be less than 300 crores. Secondly, the Government has assumed in drawing up its budget that the prices would be steady. Consequently, no additional allocations have been made for additional D.A. payments which have become automatic now because the D.A. has been connected with the price index. Again the prices will rise because of the economic policies of the Government and again the D.A. will have to be provided and this thing will be put into deficit financing.

Then I come to the grants and loans to the State Governments. This year it is going to be 266 crores less than last year. What are the State Governments going to do ? They are going to resort to overdrafts. When they do it, the deficits will increase. You talk of a budget deficit of 125 crores. It is not deficit financing alone. There are many more factors. The deficits of the State Governments are equally responsible for the price rise. How much is this going to be? Similarly, the State Governments' and Central Government's borrowings from the Reserve Bank and the other commercial banks have not been mentioned. Therefore, the deficit will be

about 600 crores for the next year and Mr. Chavan has not told this fact to the House.

SHRI Y. B. CHAVAN : I may ...

SHRI SUBRAMANIAN SWAMY : Please don't interrupt me.

SHRI Y. B. CHAVAN: I am trying to help you. I do not want to interrupt because that is not my habit. I think he mentioned that the deficit according to the other ideas to which he referred, has not been mentioned by the Government. He came to this House after the Economic Review of the Government was submitted to this House. There, a reference has been made about the economic concept of deficit. All these factors have been mentioned there. These are two different things and a learned man like him need not be told about it by me. The concept of budget deficit and other deficits is somewhat different.

SHRI SUBRAMANIAN SWAMY: I hope you will be generous with the time in view of this interruptions. What I wanted to say is that in all the press and Government's statements, the deficit has been mentioned as 125 crores. Naturally, it is going to be much more. Can the Finance Minister give us an assurance that there will be no change in the food subsidy, food prices and the grants and loans to the State Governments and his revised estimates will be the same as the budget estimates? And if it is not going to be so, then he will offer to resign. He cannot do so. In all these cases, there has always been a revaluation and there is no accountability. And the Finance Minister says at page 2 of Part A of his Budget Speech, after expressing a great deal of concern about oil and so on, and I quote: "In the long run, among the most important steps by which our economy can adjust to this massive structural shift in our terms of trade... is to attach highest priority to secure a significant increase in the production of coal in the shortest possible time." I would like to point out again that the Government is not at all serious about the oil problem or any of the associate problems that arise because of the rise:

[Shri Subramanian Swamy]

in oil prices. Take, for example, the customs revenue on kerosene and motor spirit. The customs revenue on kerosene and motor spirit is expected to rise by 45 per cent in one year. How can this rise take place? I have checked it. The customs revenue is put on the volume and not on the value. So, we escape the problem. And 45 per cent revenue is going to increase. That means, there is going to be no change in the import of motor spirit although the Government keeps on saying that they are going to reduce the consumption and that they are going to ration it. Ultimately, whether they will reduce it or not, they are not clear at all. Similarly, on the question of high speed diesel and other oil, the customs revenue is expected to go down by 16 per cent according to the Estimates. But the Indian Oil Corporation have already announced a number of places and that they have contracted 1.7 million metric tonnes of such imports. Last year, the total imports were 1.9 million metric tonnes, which means, there is going to be no economy, no rationing and no change in the consumption of these items. Similarly, the rates of taxation on petroleum production at 1973-74 rates of taxation and not at the latest rates of taxation, are expected to increase by 7.3 per cent. This is the same rate of growth in excise duty as in 1973. That means, they expect no change in petroleum consumption as well. After all, 80 per cent of petrol is consumed by staff cars of Government and Ministers and of executives of big companies. What difference does it make if petrol is sold at Rs. 10 per litre or Rs. 30 per litre? Ultimately, it all comes to Government expenditure. And consumption by the Government is going to

increase by 15 per cent per year and the rest of the country may starve; it does not make any difference to them. It is wrong to say that increase in petrol prices affects the elite in this country. It does not because the rich people in this country do not pay for their own petrol. This is charged to expense accounts. It is the people who pay. It is the people who go to the railway station and back that pay. Nowadays, because of the railway strike, people are going

to the railway station four times and coming back four times. And they have to bear all the expenses. If they go to the hospitals, they will have to pay.

The best thing is to be frank about it and say that this society is meant for a few elite like us, who shall be in power for all times. At least, so we think. Mr. Shah Nawaz Khan told the Lok Sabha one week before the Budget was presented that the import of crude oil will be 16 million metric tonnes. This is higher than last year's which was 14 million metric tonnes, and higher than the previous year, that is, 1972, which was only 12.3 million metric tonnes.

Mr. Vice-Chairman, Sir, the Finance Bill that has been presented lacks utterly in seriousness. I can quote any number of examples. But the time limitation makes me take up only a few. I can give the Finance Minister any number of examples where the estimates are totally cooked up and do not bear any consistency in any item. I think the Government is obviously quite complacent about it. Next year, they will come before us with revised estimates, and they will say, "drought, Bangladesh and international phenomenon, and God knows what, are responsible for this revaluation, and in the next year, of course, things will be better again." The net problem is the Finance Minister—he just now tried to teach me something about economics—does not understand what taxation is about. He thinks, like in the medieval days, taxes are meant to raise revenue. You see Part (b) of his speech. At page 4, he says, "I am sorry, again I will have to resort to indirect taxation because that is from where the revenue comes." Taxation is not meant to do that. Taxation is meant to guide the economy on to a proper path. It is supposed to help the economy. It is supposed to be an instrument for determining what is the optimum division between consumption and saving, and to maximize the growth rate in the country.

Today, what is our problem? Top ten per cent of the country own 50 per cent

of the national income, i.e., national income is Rs. 40 thousand crores and 50 per cent of that is Rs. 20 thousand crores. The total saving in the country is only 4 thousand crores of rupees. That means the top ten per cent alone would do the saving, i.e., Rs. 4 thousand crores out of Rs. 20 thousand crores. In other countries like Japan the top ten per cent of the country save something like 60 to 80 per cent of then-income and in our country the top ten per cent is engaged in conspicuous consumption. No five-star hotel is having a problem today of business, although all the poor people today are having lots of problems like standing before ration shops. No five-star hotels have any problems. Why ? Because the top ten per cent who have cornered 50 per cent of the resources of our country are engaged in conspicuous consumption. This is what you have got to stop. What has the Finance Minister offered for restricting consumption ? Nothing. He only simply says that indirect taxes are a good way of collecting revenue. This is not the way of approaching the tax problem. Surely, taxes are supposed to redistribute income in our country. But 70 to 80 per cent to taxes today are indirect taxes. Indirect taxes mean what ? Whether I go to a shop or a poor man goes to a shop or a Birla goes to a shop, he pays the same amount of tax. Indirect taxes by their nature are regressive and such taxes should never be employed as far as possible. Direct taxes should be employed. There are many channels of direct taxes besides the income-tax. I will mention a couple of them in my conclusions. But, here you see 80 per cent of your taxes are regressive. The indirect taxes which I pay a poor man pays or a man in the street pays or a Birla pays, are the same. If I buy a bottle of medicine, the tax I pay or a poor man pays or a Birla pays, is the same. So, this is a regressive system unless you feel that you cannot redistribute the income in our country. Similarly, the balance of payments equilibrium can be brought about by taxation system. Today what is happening. There is a telephone call and import licence is given to Birla. Birla goes to the black-market and sells it at 200 per cent premium average. If it is stainless

steel the licence is sold at 1200 per cent profit. He sells it and puts the black money in his pocket which he can later on use in the U.P. elections and the indications by my noble friends sitting on the other side are that he may contest elections again on their indications. This is what he does. Why does not the Government determine the price of import licences at the market price and make them automatically available ? That is the correct taxation policy. You will get overnight the balance of payments equilibrium. What is happening to the small industrialists today ? They go to the black-marketeer and pay the market price. Normally, they will come to the Government and pay the market price. But, then Mr. Birla will lose his black-money. What will happen to the Congress Party ? No funds for elections. I am very sorry for you. Some of you have to think about this question. Now, here is a way of eliminating black money by implementing proper taxation policies. But, Government does not want to touch it.

THE VICE-CHAIRMAN (SHRI S. S. MARISWAMY): Mr. Swamy, you have only two minutes more. ^

SHRI SUBRAMANIAN SWAMY: Yes, I will finish in two minutes.

Similarly, the taxation policy should bring about stabilisation and the best way to bring about stabilisation is to connect every payment that the Government make to the price index. This is the only way and this is the only deterrent of the public against the Government for inflation. Why is it that workers are demanding an automatic link between wages and price index ? Because, one of the things is that it enables them to make a living. If every payment that the Government has to make to public is related to price index, the Government will think ten times before they engage in inflationary activities, such as increasing Government consumption by 15 per cent and increasing the money supply by 17 per cent, and so on. This is what needs to be done.

[Shri Subramanian Swamy]

Mr. Vice-Chairman, I want to say one thing in conclusion and that is that the real problems that are facing the country today are not being faced squarely. The Parliament is being taken for granted because of the heavy-footed and heavy-handed majority that the Congress Party enjoys and as far as I can perceive unless this drowsiness that the 2/3rds majority has induced in them can be eliminated, which can be only eliminated either by people's action or a proper election—unless that happens—, I am afraid this kind of a Budget will come over and over again.

4 P.M.

SHRI SARDAR AMJAD ALI (West Bengal): Vice-Chairman, Sir, I rise to support the Finance Bill presented by the hon. Finance Minister in this House. Sir, with the high spiralling price rise in the country, with knowing unemployment problem, with severe economic problems facing the country, it is quite natural that Members participating in the debate on the Finance Bill will definitely very sharply criticise the Government with regard to their activities on the economic front, in fact the total activities of the Government as such. As far as my understanding goes, the Finance Bill seeks the approval of the Budget proposals and the fiscal exercise which the Government has made for the coming year the Government has to come up for sanction with mandatory measures from this House and the other House.

Sir, one very crucial issue which agitates and irritates the mind of the entire nation is the spiralling rise of prices and it is quite natural that we cannot close our eyes or shut our eyes to the problems that confront not only a particular section of the people but the people at large of this country. But it is really very much regrettable to see the Opposition Members even including my friend, Mr. Subramanian Swamy, whose speech I was attentively listening to, come out with the charge against the Government that the Government have not taken any step to fight the spiralling price rise. With all due reverence to my friends opposite I must differ with them. I can-

not agree with them that this Government has failed to take any step to check the spiralling price rise. These are certain measures which the Government has taken. The first step to which I may refer is the credit squeeze by the Reserve Bank of India. The second is the re-scheduling of the tax slabs; then comes control of overdrafts being taken by the State Governments, changes in investment patterns in industry and investigation into the fictitious transfer of urban properties. These are some of the measures which have been taken by the Government to check the spiralling price rise. At the same time I also do not concede that these are the only measures which will serve as the most effective weapons in solving the problem of price rise. I also believe that the pace which we require to tackle this problem of price rise has not been properly assessed by the Government. I believe the Government will have to be much more careful both in the fiscal side as well as on the economic front to see that this thing is stopped.

SHRI SANAT KUMAR RAHA: This is not a proper defence.

SHRI SARDAR AMJAD ALI: The defence appears to be nothing when somebody is twisted with a certain vision. I am not twisted by a certain vision. Anyway, with regard to the policies which the Government has adopted, I have my own observations to make. I want to make some observation about the policies pursued by the Reserve Bank of India. It is true that by adopting the credit squeeze policy we can have some check on inflation. I whole-heartedly agree with the opinion expressed by Mr. Swamy that the money supply in the country is disproportionate to the output and production. I also agree with him that unproductive expenditure by the Government is going up and up. This is also something which causes much harm to the national economy. The Government should take note of this and take certain effective steps and stop this thing. I was submitting about the credit squeeze policy adopted by the Reserve Bank of India. It has been very effectively implemented, but with a very heavy heart I have to

say that the credit squeeze policy of the Reserve Bank has totally failed to demarcate as to which front credit should be given and to which front it should not be given. They should have fixed certain priority and non-priority sectors. There is a lot of planning all over the country, but when the small-scale industries and medium industries go to the Reserve Bank, the nationalised banks and the commercial banks, they come back empty-handed. It has been published in the Economic Times of 7/5/74, only yesterday. It has been shown that your policy with regard to credit squeeze is not a total success. As it has been said, banks are reducing their borrowings from the Reserve Bank by drawing upon their statutory balances. After the 7 per cent cash-reserve ratio, the balance should be of the order of Rs. 750 crores. The actual level on April 26, 1974 was only Rs. 200 crores short of the mark. Therefore, it appears that the squeeze policy is giving a boom to the small banks by making certain withdrawals which are not statutorily approved and on the other hand the commercial banks and nationalised banks are refusing the borrowers credit without making any discrimination as to whom the credit should be given and to whom it should not be given. With regard to the attitude of the banks, I shall come to it later. I submit this for the consideration of the hon. Finance Minister so that he takes note of the entire thing. The credit which is now being given by the banks and by the financial institutions in the country needs a thorough scrutiny and a thoroughly analytical supervision. From the figures with me it appears that the total objective of bank nationalisation has not been achieved. We came forward saying the nation that we want to help the small people and that the small sector people will get much more assistance from nationalised Banks. It was felt that those who actually used to control these financial institutions would be checked. I find from certain statistics that the objective has been a total failure. If the Finance Minister says that it is not a total failure, then he can see that the desired results have not been achieved after nationalisation and after the different policies of credit were adopted by

the banks, both in the commercial as well as in the nationalised sector. Certain figures are with me and it shows that up to 1972 the total industrial finance given by the 34 banks was Rs. 2983 crores. This is not my own figure. This figure is as revealed by the credit planning cell of the Reserve Bank of India. Of the total industrial finance given up to 1972 of Rs. 2983 crores, you will be surprised to note that the big and medium industries, which are being controlled by the Tatas, the Birlas, the Dalmias, the Sahu-Jains and looters, were given Rs. 2427 crores. That is, 48.7 per cent of the total industrial finance up to 1972 has been given to big business whereas only Rs. 556 crores, that is 11.2 per cent, of the total industrial finance have been given to those for whom the banks were nationalised. Therefore, if I say and charge the Finance Ministry as well as the activities of the nationalised banks and other banks and also the Reserve Bank, I believe that I would be correct in saying that the objectives of bank nationalisation have not been fully achieved.

AN HON. MEMBER: It is your party.

SHRI SARDAR AMJAD ALI: Agriculture happens to be a priority sector in this country and in that field, only Rs. 427 crores, that is 8.6 per cent, were given.

SHRI K. R. GANESH: Sir, this sort of criticism has always been in our party.

SHRI SARDAR AMJAD ALI: Mr. Subramanian Swamy also referred to certain things, to which I will also refer. I am not a great economist like Mr. Subramanian Swamy. I find certain contradictions in his speech also and I will come to them later on.

Sir, about agriculture, the banks up to 1972 have only given Rs. 427 crores. Cooperative sector is a vital sector through which we believe that there can be an even distribution of money and some sort of social justice can be achieved, about which we are very much proud. Primary cooperative society is

[Shri Sardar Amjad Ali]

another front where the banks have given only Rs. 7 crores. In internal trade, to the small traders, they have given Rs. 75 crores while to the wholesale traders for whom there are many spokesmen in this House, the banks have given Rs. 879 crores. It is Rs. 471 crores in the case of export trade; water supply Rs. 58 crores, small business Rs. 15 crores, self-employment programme Rs. 13 crores and for education only Rs. 3 crores. So, these figures reveal that the main objective of bank nationalisation has not been achieved. Therefore the Finance Minister while coming with the Finance Bill before this House, I believe, will give some resume of the activities done by the nationalised banks and by the financial institutions of the country so as to ameliorate the grievances of the people, to silence the votaries of right reaction and big people and monopolists and exploiters in this House as well as outside.

With this observation, as one coming from the eastern region of this country. I cannot check my temptation of mentioning that the attitude of the big public financial institutions with regard to the eastern zone is not at all satisfactory. On many more occasions in this House I have taken the opportunity and the lead of the Chair as well as the approval of my other colleagues to mention that the attitude of those institutions to the different regions is not at all equal or desirable, which is creating some sort of tension in the different parts of the country. I have certain figures of the Life Insurance Corporation which is one of the biggest financial institutions in the country and I have also certain figures which have been quoted by the hon. Finance Minister, Mr. Chavan, in the Lok Sabha on 16th March, 1973. He has given some statistics about the industrial finance that has been released by the Life Insurance Corporation for the last three years, namely, 1970-71, 1971-72 and 1972-73. It is surprising that during these three years not a single farthing was given to my State of West Bengal whereas I find that the lion's share released by the Life Insurance Corporation for industrial finance had

been given to Maharashtra, his own State, which is Rs. 3.45 crores whereas very small amounts were given to Bihar Rs. 74 lakhs, to Orissa Rs. 1.14 crores and so on. I have certain other figures also which I can give you. It is surprising, Sir, that the Life Insurance Corporation whose head office is in Bombay during these three years have given to Maharashtra Rs. 68-48 crores, to Gujarat Rs. 6463 crores whereas to the Eastern States of West Bengal it is only Rs. 2-9 crores, to Assam it is 0.34 crores, to Bihar it is Rs. 2.9 crores and to Orissa it is Rs. 3.42 crores. Several other figures are also with me with regard to the L.I.C. which I do not want to quote at this moment. But the attitude of the L.I.C., the largest financial institution of this country, to the different parts of the country is not at all desirable. I believe the Finance Minister, while replying, will give a resume of the entire activities of the L.I.C. Here I cannot but make a mention of certain things of the I.C.I.C.I. This is also the figure supplied by the hon'ble Finance Minister. As I have referred earlier from 1972-73 the I.C.I.C.I. has given Rs. 37.19 crores to Maharashtra while to my State of West Bengal it is only Rs. 1.61 crores. Sir, I would like to give some caution to my honourable colleague. At least I am not talking in a parochial or provincial term. While I say that we want a socialist State we want equitable justice, a justice that will at least appear to be a justice which has been meted out by the Government and by the financial institutions controlled by the national government of this country as a whole.

With regard to the Industrial Finance Corporation the Finance Minister has given the figures in which he says that while Maharashtra got Rs. 30.93 crores West Bengal got only Rs. 2.87 crores, Bihar got Rs. 3.37 crores, Orissa got Rs. 4.52 crores, Assam got Rs. 1.00 crore and Nagaland got only Rs. 50 lakhs. Therefore, with regard to the attitude of the Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India and the Life Insurance Corporation of India I simply plead with the hon'ble Minister to see that the attitude of the financial

institutions is changed in order to make an even development over the country so that there is no frustration in any part of this country.

Sir, I want to make a very little submission to the hon'ble Finance Minister, and that is, about over-invoicing and under-invoicing which is now taking place in the country. Sir, some trade union officials have also revealed this thing and sent certain materials to the Finance Ministry showing how loot and plunder is going on by way of under-invoicing and over-invoicing. Sir, most of the figures are with me but since my time is short I would send these figures to the hon'ble Finance Minister. I hope he will give an assurance that he will make certain exercises so as to find out who these culprits are and whether any government officials of customs or excise officials are connected with it. Of course the Government has taken certain measures but these measures are not fulfilling the desires of the country. The Government measures and Nation's desires will have to be linked together; otherwise there will be lot of confusion which we will not be able to meet peacefully. With these words I support the Bill.

SHRI T. N. SINGH (Uttar Pradesh): Mr. Vice-Chairman, Sir, the question under consideration is the Finance Bill. The Lower House has passed it and we have no say in this matter except to return it after discussing it. That is our limitation. But as one who has followed well-nigh for 25 years our efforts to raise revenues to meet our Plan and non-Plan expenditure and the various welfare responsibilities which the State has taken up, I think I can say with some authority that there has been a distinct change in our taxation policy in the last decade particularly. In the first decade from 1951 to 1961, the emphasis was on getting as much revenue as possible from direct taxes. The ratio of direct to indirect taxes was 1:2. The ratio of indirect taxes has been going up and to-day it is 1:4. In 1960-61 the percentage of direct taxes was 28.97 and of indirect taxes 71.03 of the total revenue. In 1967-68, the direct taxes went down to 22.5 per cent as against

the very high ratio of 77.5 per cent for indirect taxes. To-day, in the year 1974-75 the percentage of direct taxes is only 20 while 80 per cent is attributable to indirect taxes. Now, apart from the fact that most indirect-taxes are inflationary and lead to price rise I think they distort our economy also. It is time that we had a second look at our entire taxation policy.

Taxation is intended not only to raise revenues, but it has also to be so structured as to help sound functioning of the economy as a whole. And I say that this policy of relying more and more on indirect taxes is not only dangerous to the national economy but it is going to distort our entire economy completely. It will also result in a bigger gap between the rich and the poor.

Sir, I think it was in 1956 when Mr. T. T. Krishnamachari, the then Finance Minister, said that he would bring about an egalitarian society by taxation measures and he then introduced the expenditure tax, the wealth-tax, gift tax, estate duty and so on. A meeting was called at our late Prime Minister, Pandit Jawaharlal Nehru's house. At that meeting I challenged that no amount of taxation measures could bring about an egalitarian society as claimed by Mr. T. T. Krishnamachari. I said, England has got a very high rate of death duty and also high level of super-taxes but there the gap between the rich and the poor has grown. The rich were multiplying in number in England. It is so in America. And yet in our naivete we thought that by our taxation policy, we could bring about an egalitarian society. And now, as things have been developing at least during the last 15 years, even that pretence cannot be made. With a higher ratio of indirect taxes, and with a growing dependence on indirect taxes for raising more and more revenues, you are going to hit the poor masses the most. After all, indirect taxes will pay you in terms of revenue only where they are broad-based. And whatever is broad-based will largely relate to goods consumed by the common man. All this claim that the large dose of indirect taxes is not going to hit the common man is all wrong, all bosh. Let us not

[Shri T. N. Singh]

delude ourselves. Year after year. Finance Ministers get up and say that such and such customs or excise duty is not going to touch the poor people. It is Amazing how our Finance Minister believes that the people will be foolish enough to believe them. Our people have seen through the game and have realised what the facts are. Before and after the Budget common consumers' goods' prices usually go up. Prices go up even of goods which are not being taxed in any way in sympathy with prices of the goods.

The general trend all these years has been rising prices due largely to, what Prof. Swamy has observed, deficit financing, printing of notes, improvident expenditure. All that is there. But the taxation policy has also contributed its share to the growing gap between the rich and poor and also to rising prices. It is an alarming situation today. Some people on the Government side, on the Treasury Benches, have talked of price rise as a world phenomenon. Let us analyse this thesis in depth. Take, for instance, the American economy. They have floated the dollar in order that it may find its own level. The prices there have also gone up and are going up. Even oil prices have gone up there. So much so that when Americans or people who live in America come here say that the purchasing power of dollar in U.S.A. is almost equivalent to the Indian rupee in its purchasing power. A year ago a dollar fetched about Rs. 7.50 in the international trade. That was the exchange rate. Now, under the floating dollar, the price of dollar has gone almost to Rs. 8. Though the Indian rupee, our depreciated rupee, today is giving more value in term of its purchasing power in India, the most tragic thing is that in terms of dollar it is steadily depreciating. For instance, if you want to have a cup of tea in the U.S.A. it will cost you 25 cents which means about one rupee and twelve annas or fourteen annas, for one cup of tea in terms of rupees. When the same man comes here with his dollar and exchanges his dollar into rupees, he gets a cup of tea for four annas. This is the purchasing

power of the rupee in India. And yet our economy is getting distorted everyday. It is time we gave a thought to our economic problems in terms of foreign trade also. Today the greatest problem is that all developing countries are up against the aggressive, selfish and exploiting developed nations. After the oil crisis, their strategy today is that all the manufactures that they send abroad, export abroad, should fetch a higher price. And they are getting it out of developing countries. The Arab nations have raised oil prices, but the Arab nations are going to pay through their nose for all the manufactures that they import and which they are going to import. Hence they are interested in improving their relations with the developing countries like India which can supply some manufacturers. But what is the position of the countries which do not have much of oil? Now, we have to export raw materials like iron ore in large quantities to meet our payment deficit. Everywhere the prices of manufacture have gone up. But what about the price that we are getting for the iron ore and other raw materials that we export? Are we getting a pie more? For that matter, what are we getting for most of our exports? The prices that we get are lower or exactly the same as we used to get despite the fact that the prices all over the world are going up and have gone up. Now, if this thing goes on for long without our being able to find a remedy, I say it is going to be disastrous for the developing countries. I want to draw the attention of our Finance Minister and those interested in the finances and the economy of our country to this very alarming situation. How are you going to meet it?

Sir, I have been very much perturbed over the fact that the future of most developing nations is rather dark and the developed nations are going to exploit us to the hilt. It amazes me that when world prices are generally going up and the cost of production is going up, we have to export most of our raw materials etc. at the old prices. And we argue ourselves in believing "What does it matter when prices are generally going up everywhere in the world?"

Sir, I must say that this is not the way to tackle and deal with financial and economic problems of the country, by the Finance Minister of the country. I would suggest that we should think of a new strategy. Probably, it may be desirable for the developing nations to get together. India is somewhat better placed in certain respects as a developing nation as compared to the other underdeveloped nations because we have also got a base for manufacturing industries that we have built up during all these fifteen years of planning. How do we get adequate prices for our manufactures? Now, Sir, as I see things, we have developed our manufacturing capacity in such a way that even today we are at the mercy of foreign industrialised nations. We cannot even manufacture fine quality cloth without imports. For the fine quality cloth which we export, we need so many chemicals for our finishing machines. So, we are dependent on many imports in this field also and the developed countries have it out of us through increased prices of the finishing materials. This is what is happening systematically. So, we have to get down to details in respect of every commodity which we export and every commodity which we import which form part of our manufactures as well as our exports and analyse as to what would happen, in the context of the rising prices, to us and to the developing nations. This is what we have to do now.

Sir, having raised this point, I think it is my duty also to suggest some solutions. I do not consider myself to be such a great scholar or an economist as to be able to suggest solutions single-handed. But I do suggest that the economists of the country and those interested in the economic subjects should sit together and consider this important problem. The Government should take the initiative in calling together such talent and getting their advice. Unfortunately—I do not know who are our advisers to the present Government and the Prime Minister—I can only say, from the kind of policies adopted in the economic field, that they have got the wrong advisers, bad advisers and incompetent advisers.

There is one thing which, of course, is of paramount importance in any policy that may be adopted. There may be different shades of opinion with regard to the remedies and policies that may be adopted to meet the challenge of the developed nations in the context of rising prices and the inflationary conditions, but according to me, one thing about which there should be no difference of opinion in the field of self-reliance as a national policy to be pursued relentlessly. We have been talking much about self reliance without meaning to give effect to it. Unfortunately we always theorize. When it comes to giving effect to it, we just fail. Sir, in 1965 I happened to be the Industries Minister. I called a conference of scientists, technicians and industrialists so that they could devise means and methods and the strategy to make ourselves self-reliant in the industrial field. That was the subject. We had very lively discussions, interesting discussions. But as soon as the American credit and the Russian credit and loans became available, we forget all about self reliance.

Today also we talk of self-reliance. We talked of self-reliance in the Draft Fourth Plan. But nothing has been done. We are even today banking on more Russian and American aid. And negotiations for aid are going on.

We have always said that there is a very intimate connection between austerity and self-reliance. But this is what we have forgotten. Now our self-reliance is hampered by the fact that whenever we think of our import-export, industrial production problems, we find that there is a new class of consumers which has grown up in the last decade and a half—a small affluent Society. That class of consumers requires air-conditioners, it requires cars, it requires all kinds of luxury goods. They form only about 2 per cent or 3 per cent of the total population. But their purchasing power is very high. Therefore, even, say, 2 crores of people who belong to that category, provide a very good profitable market for these luxury goods. And this is what is happening now. When I said that we have to import a

[Shri T. N. Singh]

lot of rayon pulp to manufacture rayon cloth, and when I said we can reduce such imports because in the matter of textiles also we are self-reliant, why not make do with it, the answer given is that there is a section of population which is finding rayon cloth more economic, more cheap, more comfortable and therefore let us have it. Which is the class which is benefitting by such manufacturer? We never analyse. When we wanted refrigerators production to be discouraged (Time Bell rings) I want to take two minutes more.

They said that it is very important, our efficiency in work goes up; in the Parliament House we can work for hours: if we sweat, there will be less efficiency. This is the argument. All those kinds of things are said. I say, first let us concentrate on common consumer goods. Unfortunately our manufacturing policy has been governed by the needs and requirements of the affluent few. They may be proportionately very small, but their number is large, about one crore or so, which is probably the population of a sizeable European country with a high level of consumption. .. (Time Bell rings). If you permit, I will finish. I am fully conscious of the time.

THE VICE-CHAIRMAN (SHRI S. S. MARISWAMY): You have taken 20 minutes.

SHRI T. N. SINGH: I am sorry. I am finishing. So, Sir. I suggest that there should be a drastic change in our plan policies. It should be possible for us to get a better deal and a better bargain from developed countries out of the situation in which we are placed. Take it from me that the developed nations are going to have it out with the developing nations which need to sell their raw materials. Let our taxation policy, industrial policy, production policy, pricing policy, etc. be directed to meet that situation. What I consider very necessary of all things is self-reliance in a very strict way.

Sir, before I close I wish to come back to direct and indirect taxation.

I will just give some figures which may be of interest.

THE VICE-CHAIRMAN (SHRI S. S. MARISWAMY): You will have to finish in two minutes.

SHRI T. N. SINGH: In 1960-61, direct taxes were 205 crores and! and indirect taxes were 941 crores. In 1950-51, the ratio was 1:2. In 1965-66, the direct taxes were 474 crores and indirect taxes were 2209 crores. That is how they went up. In 1970-71, the direct taxes were 511 crores and indirect taxes went up to 3699 crores. In 1973-74, that is last year the direct taxes were 786 crores and indirect taxes were 5523 crores. This has been our taxation policy. It stands self-condemned.

I do not want to take much of your time. I have many things to say. I wish I could get some opportunity of saying something about the real economic position and what we should do in the present economic situation. It is not the time when I should take much of your time on this. I shall try to abstain myself. But I would urge upon the Finance Minister to give deep thought to some of the points that I have raised and try to remould our taxation policy.

THE VICE-CHAIRMAN (SHRI S-S. MARISWAMY): The next speaker is Shri V. B. Singh. Mr. Babubhai Chinai wants to go to Bombay and he has made a request to be allowed to speak first.

SHRI BABUBHAI M. CHINAI (Maharashtra) : Mr. Vice-Chairman, Sir, I am grateful to you and I am grateful to my friends also for giving me an opportunity to say a few words on this very important Bill.

[The Vice-Chairman (Shri V. B. Raju) in the Chair.]

I shall make my observations on the Finance Bill looking to the background of economic situation in the country. For the past two years the economy has not at all been healthy. The visible symptoms of the malaise are seen in sharp rise in prices, growing unemploy-

ment and adverse balance of payments. The problem has to be looked at in its totality and in a proper time perspective. The long-term factors have to be carefully distinguished from short-term factors which often come to surface and sometimes ^attract greater attention.

Most of the problems can be ultimately traced to imbalances between production and money supply, availability of essential consumer goods and other goods, industry and infra-structure and imports and exports. Many incomes have grown much more than real incomes because the expansion of money supply was far beyond the needs of production and exchange. In the last two years, money supply increased by 30 per cent; production by only 4 per cent. The difference was largely reflected in the rise of prices. Output of essential consumer goods did not increase even in the same proportion as per capita income. The trend in per capita availability of some major commodities was as follows: Foodgrains in 1970-71 was 469 grams per day; 467 grams per day in 1971-72; and 418 grams per day in 1972-73. Sugar was 73 kgs per year in 1970-71; 6.7 Kgs. per year in 1971-72; and 6.1 kgs per year in 1972-73. Vanaspati in kgs. per year was 1.0 in 1970-71, 1.1 in 1971-72, and 1.0 in 1972-73. And the cloth was 13.6 metres per year in 1970-71; 12.4 metres in 1971-72; and 13.2 mtrs. in 1972-73.

Sir, infra-structure, including power and transport, proved to be a bottleneck in the development of industry and even agriculture. The gap between demand and supply of electricity is estimated at 200.29 GWH per day. There have also been bottlenecks in transport, particularly in the movement of coal.

The balance of trade position which had turned favourable in 1972-73 became adverse with the sharp rise in oil prices. The balance of trade in October-December 1973 was adverse to the extent of Rs. 64 crores. The imports in October-December 1972 were Rs. 395 crores whereas in Octobers-December 1973, they were Rs. 680 crores. The exports in October-December 1972 were Rs. 476 crores and they were Rs. 616

crores in October-December 1973. We were plus 81 crores of rupees in 1972 whereas in 1973, we were minus 64-crores of rupees.

Sir, these structural imbalances have resulted in scarcity and inflationary conditions. The year 1974-75 must, therefore, be primarily devoted to consolidation of the economy. Indeed, the Budget for 1974-75 takes a step in that direction. It provides for selectively greater outlays on power, transport, fertilizers, etc. But the problem cannot be resolved merely by marginal adjustments. A bold and comprehensive effort will be necessary. This effort involves a dual strategy comprising (a) short-term, and (b) long-term measures.

It is most difficult and possibly undesirable to roll prices back to any predetermined level. Prices are not flexible both ways. A roll-back of prices in the situation that we have, may not be feasible. What has to be aimed at is price stabilization.

Sir, in the field of finance, two kinds of policy measures are called for. Firstly, the increase in money supply has to be kept in step with the growth of production. And secondly, the level of voluntary savings has to be substantially enhanced. The main factors affecting money supply are net bank credit to Government and net bank credit to commercial sector. In the past two years, the increase in money supply on account of these has been as follows: The net bank credit to Government was Rs. 6,418 crores in 1972; Rs. 7,741 crores in 1973; and Rs. 8,695 crores in 1974. Net bank credit to commercial sector was Rs. 2,168 crores in 1972; Rs. 2,545 crores in 1973; and Rs. 2,929 crores in 1974. Money supply, including other items, was Rs. 8,123 crores up to the end of March, 1972; Rs. 9,412 crores up to the end of March, 1973; and Rs. 10,750 crores up to the end of March, 1974. Sir, the major part of the increase in money supply comes from bank credit to Government, consisting of budgetary deficit and investment in Government securities by the banking system. In the last two years this was.

[Shri Babubhai M. Chinai]

responsible for 87 per cent of the total increase in money supply in the economy.

A regulation of money supply would primarily show that budgetary deficit should be kept in check, and a larger market for Government securities should be created outside the banking system.

To keep control on budget deficits it is of utmost importance to economise on non-developmental expenditures and to cut the cost of development projects, to the functional minimum. It is equally important that Government depend more on non-inflationary sources of finance. This essentially implies leveraging up the savings capacity of the household and the corporate sectors. The reduction in the marginal rate of income-taxation in the Budget for 1974-75 is a step in that direction. But more positive savings incentives are desirable to make a real dent into the problem. The following are some of the measures which can be thought of:

A part of the increase in wages and salaries should be credited to the Provident Fund Account.

The base of taxation should be widened so that agriculture contributes its due share to the exchequer.

Individual savings in any form, except cash, should be exempt from taxable income.

Industry should be allowed to create a tax free investment fund, out of profits, for investment in specified industries.

Such measures will push up the savings rate considerably, reduce demand for consumer goods, provide finance for investment and ease pressure on prices.

Regulation of demand is one side of the problem; increase in production is another. What is important, however, is that the increase in production has to be in respect of essential consumer goods which are more exposed to inflationary pressure. Two additional factors have to be kept in view:

Import of foodgrains at the same rate as in the past may not be possible.

Exports of some of the essential commodities like cotton textiles, are apt to impinge on domestic availability.

Production of essential consumer goods implies development of other related areas also. For example, production of foodgrains, use of fertilisers, pesticides, agricultural implements and machinery, electricity, transport, storage capacity, etc. All this related development has to be thought of as a single programme. Any break in the chain is bound to affect the final result adversely. Considering the inter-sectoral relationships, the focus of development in the next one or two years should be on the following sectors: Foodgrains (cereals and pulses), sugar (sugarcane), edible oil (oilseeds), cotton cloth (raw cotton), fertilisers pesticides, agricultural implements, electricity, steel, coal, cement, paper and transport.

To revitalise green revolution, the new farm techniques have to be brought within the knowledge and reach of small farmer'. In the immediate short period, effort should be in respect of extensive use of high-yielding varieties of seeds, intensive use of fertilisers and manures and greater exploitation of minor irrigation.

In the industrial sector development should be first brought about through full utilisation of existing capacities. In the short term, this presumes: larger availabilities of raw materials like oilseeds, cotton, etc., metals like steel and basic chemicals; coordinated movement of coal; larger generation of power through proper maintenance of existing generating capacities; and ensuring industrial harmony.

It is also apparent that the capital cost of additional production would be substantially reduced if additional production is undertaken through expansion of existing undertakings rather than establishment of new units, if such expansion results in economies of scale. This approach will help industry to reach

economic size, and consequently, to reduce cost of production and become more competitive in international markets.

Expansion of capacity and establishment of new units has been rather slow in recent years. This has been so in some of the crucial industries because of unrealistic prices, financial constraints like ceiling on debt/equity ratio, conversion beause imposed by financial institutions, and restrictions and burden on inter-corporate investments, etc. It is necessary that either the price controls are dismantled gradually or financial and fiscal incentives are given to compensate for the additional incidence of capital costs. This can be done in a variety of ways like exemption of profits on new investment from tax for a specified period of years, excise rebate in respect of the new or additional production, different retention prices, exemption from price control in respect of new or additional production for a specified period of time, etc.

It is commendable that Government have devised a new licensing procedure which will ensure clearance of licences within a period of three months. This will help cut delay and make investment more responsive to economic conditions.

The amendments made to the original Finance Bill only rationalise some of the provisions and do not depict any change in the basic principle of taxation particularly relating to tax treatment of foreign income of non-corporate resident tax-payers.

Under the existing provisions of the Income-tax Act, income derived by Indian companies and resident noncorporate tax-payers in consideration for the supply of technical know how or technical services is wholly exempt from income-tax. This exemption is proposed to be withdrawn from assessment year 1975-76 in the case of non-corporate tax-payers on the ground of general reduction in the rates of personal income-tax. I fail to understand as to how the reduction in the rates of income-tax is relevant in withdrawing the exemption which was made available to

the non-corporate tax-payers for the first time in assessment year 1972-73.

There is no denying the fact that the preferential tax treatment to incomes of technicians encourages them to develop technical know-how and make it available to foreign enterprises so as to augment our foreign earnings and also establish a reputation for Indian technical know-how in foreign countries. While every effort is being made to increase our foreign exchange earnings, the withdrawal of tax exemption in the case of non-corporate tax-payers will, I am sure, adversely affect our foreign earnings. I shall, therefore, strongly urge the Finance Minister to reconsider the proposal for withdrawing the aforesaid tax exemption.

Another point that I would like to stress upon is regarding the tax treatment of gratuities received by the employees of statutory corporations and those in the private sector who are not covered by the Payment of Gratuity Act. The Bill proposes to increase the ceiling limit over the exempt amount of gratuity from the present 15 months' salary or Rs. 24,000 to 20 months' salary or Rs. 30,000, whichever is less. The ceiling over tax exempt gratuity of Rs. 24,000 was fixed in 1962. Since then there has been considerable erosion in the value of the rupee. The prices of essential commodities continue to rise in a geometric progression. The primary object of the gratuity is to provide salaried persons some sort of pensionary benefit after retirement. In view of these facts it is only reasonable that the gratuity is not taxed at all. If, however, this suggestion is not acceptable, the minimum that can be done to help the salaried tax-payers is to increase the limit of tax exempt gratuity from Rs. 30,000 to Rs. 36,000.

With these observations, Sir, I support the Bill.

5 P. M.

DR. V. B. SINGH (Uttar Pradesh): Sir, I stand to support the Bill which aims at giving effect to the financial proposals of the Central Government for

[Dr. V. B. Singh.]

the financial year 1974-75 by raising resources from various types of taxes, including an illusive agricultural income-tax.

But the question is could the aim of raising resources be different from those of the Fifth Plan which aims at a reduction in poverty and a rise in the national income? My answer is there cannot be two aims. They should be having the same aim, but the Planning Commission and the proposals contained in the Budget speak in two different wavelengths. Numerous illustrations could be given. There is an urgent need for the orchestration of these two Ministries, namely, Planning and Finance, along with other economic Ministries like Agriculture, Steel, Industry and Mines. It is the absence of such an orchestration that is resulting in rising prices, growing unemployment, increasing black money and the resultant corruption and lack of credibility. Let us not forget that socialism is a slogan, but the rise in prices and the resultant discontent, frustration, and destruction of property, especially public property, are today's realities. Is it such an irremediable situation? No, it is not, if there is the will. If it is not there, it has to be created and with that will the situation can be reversed.

Rise in prices is talked about much, but let it be admitted since it concerns the country and not any group or any party, that to this rise in prices various agencies have contributed. The fact is that since independence we have doubled our agricultural production. There is enough of food within the country for distribution to the poorer sections of the society through the public distribution system, but with production going up there is a simultaneous rise in prices. Thanks to the growing power of the kulaks' lobby, which the Government has not been able to check. The wholesalers have created a situation in which the Government has reversed temporarily, and I hope it will last only like an English summer, its old policy. What is the result? There are firm indications from official and non-official sources that in spite of a 38 per cent rise in the pro-

curement price over that of the last year, the procurement both from private and public agencies, is about one-eighth of the last year. The opposition parties are also contributing to the rise in prices by creating dislocation of transport and by creating disturbances. The procurement operations cannot succeed by advising the peasants who have stocks of foodgrains not to sell. Certainly this is as much an anti-national activity as hoarding itself. Food for all purposes is a national issue, but the federal structure of the country is coming in the way. For instances, the cereal available today to an Indian citizen in Kerala is not the same as is available let us say, to one in Punjab or Haryana. The difference, according to one calculation, is ten times. Now, this difference exists because we have not been able to procure enough of food stocks, so that through the public distribution system the various groups of people could be supplied with ration according to their physical and physiological needs. In case the procurement is lagging behind the target, it is high time the Government reverses its policy and directs the State Governments in the surplus States even now to go ahead with the old policy of procurement, so that the target is realised, as far as possible. The public distribution system has to embrace not only foodgrains but also other essential commodities for which there is a great demand from the consumers themselves. The fair price shop cannot work, they cannot function, in case it is left to the licencees of these shops. It is necessary that a democratically constituted mohalla committee or village committee should be there to supervise the distribution of the rations issued to these shops so that diversion to the blackmarket becomes impossible.

The problem of procurement has become more acute because the land reform measures have not been implemented so far and the non-implementation of the land reforms has created rather maintained, the status quo of inequality in the distribution of the agricultural land. And the result is that a few rich peasants, are in a position to corner the bulk of the marketable surplus. In the

urban areas it is not only the distribution of foodgrains which is the problem, but also the problem accommodation is more acute. Yet in spite of the scarcity of steel, cement and other building materials, skyscrapers are coming up. Why should there not be a stoppage of such constructions forthwith? Why should there not be a ceiling on the accommodation available for living in terms of cubic feet? Why should it not be possible to protect the interests of the urban tenants who are at the mercy of the greedy landlords

There is much talk of hoarders and of punishing them. The underlying idea seems to be that all the hoarders, all the black-marketeers, would be rounded up at one stroke, and they can be punished. It is just not possible. Administratively it is not feasible. But what is possible is a selective and exemplary action. You catch a hoarder and given him the highest punishment. Let his picture appear in the national dailies. Let him be paraded in the areas where he has been hoarding so that the people may know that the scarcity is man-created. "Here is a man who has an enormous stock of consumable goods and he is not selling because he is demanding a price much higher than the market price." This will have a salutary effect on the rest of his tribe.

In the absence of an income policy, ad-hocism has prevailed throughout the country. Sometimes it is a question of the wage of the textile workers, sometimes it is the question of the wage of the railway workers, sometimes it is the question of the wage of the employees of the Posts and Telegraphs Department, sometimes it is the question of the teachers, sometimes it is the question of the LIC people, sometimes it is the question of the bank employees. There is no reason why even in a mixed economy with dominant private property, an incomes policy, which means a policy of wage, a policy of rent, a policy of profit, cannot be forced on the country to cover the largest sector of the employees and workers. In the absence of such a policy, it is highly likely that ad-hocism will be creating again and again

disruption in one sector of the economy or the other. While on the one hand we are thinking in terms of having newer plants and more plants the installed capacity even in the key sectors like power is not utilised to the full. Naturally, no expert from any industrialised country of the world can help us in utilising the installed capacity unless we move on our own. And for this there are age-old remedies; they can be accepted and implemented. There should be room for collective agreement in each of the plant so that wages rise, production rises and the installed capacity is fully utilised. In the name of reducing unemployment a policy of making unproductive employment is rampant and the result is that self-generating employment is not having its due share. It means that productive employment is not having its share in the economy and the result is that it adds to the inflation, to the reduction in the national income. It adds to the processes that reduce the production of commodities and services. This should give place to a policy of more productive, more gainful, more self-generating employment so that the economy may march.

Even our educational system, in spite of much talk of educational reforms has not taken pace with the needs of the country. And what is the result? The present generation of students are blamed and, more often than not, rightly blamed for having less equipment on an average than the older generation. Yesterday I heard an hon'ble Member of this House comparing the mode of consumption of a vegetarian country like that of India with the non-vegetarian diets of non-vegetarian countries. Had this remark been made by an undergraduate in a properly instituted educational system he would have been asked to leave the class room. But a backward educational system has gone deep into our system so much that even mature politicians compare non-vegetarian diets of the West with that of a vegetarian country.

In the end, Sir, I have to submit that in case price rises and man continues to fall as he is falling today, the parliamentary institutions cannot stand and,

[Dr. V. B. Singh]

therefore, it is high time that the policies which have led to this situation are reversed.

SHRI K. CHANDRASEKHARAN (Kerala): Mr. Deputy Chairman, Sir, I propose to take you and this honourable House to certain aspects of the various serious difficulties caused to coffee plantation, particularly, the coffee plantation in Kerala generally on account of various reasons, particularly on account of the application in any rational manner of the Central excise duties on coffee. It is a grave position that has arisen in the coffee industry in Kerala. This industry in my State now faces acute problems. The entire coffee industry in the State of Kerala is on the verge of imminent collapse and as has been rightly focussed by various leading newspapers in their editorial columns unless immediate steps are taken by the Government to avoid crisis in the coffee industry in Kerala this industry would be wiped out once and for all virtually throwing out of employment more than 20,000 workers engaged in this industry and also about 25,000 small planters each having less than 10 hectares. Unless in other coffee producing States like Karnataka and Tamil Nadu the coffee growing industry in Kerala is essentially a small man's venture. While there are about 25,000 small planters, there is very little which is with anything like a big planter. The main produce in the State is the low-priced Robusta variety of coffee. The State accounts for 15 per cent of the national production. The growers' economy is in a state of total collapse today due to the phenomenal rise in the cost of production of coffee without at the same time being compensated by an economic price commensurate with the substantial rise in the cost of production. The productivity in terms of yield per hectare of Robusta variety of coffee in Kerala is also the lowest as compared to the yield in Karnataka which accounts for 62 per cent of the national production and the yield in Tamil Nadu, which is another major producer of coffee.

The cost of fertiliser has registered an increase of over 100 per cent during the last four years. The cost of other inputs

I such as pesticides, insecticides, estate implements, the cost of fuel, the cost of transport have all risen sharply. So far as the wage rates in coffee plantations in

i Kerala are concerned, ironically Kerala

I pays substantially high wage rates compared to the other chief coffee-producing

) ing States of Karnataka and Tamil Nadu.

A comparison of wage rates as on 1-4-1974 would show that in Kerala, the wage rate is almost double for both men and women as compared to Karnataka or Tamil Nadu. Added to this is the recent enhancement of excise duty on Robusta coffee, bringing the incidence of the levy on par with the levy on the superior, high-priced Arabica coffee. This would further cripple the economy of small Robusta coffee cultivators which is already in disarray.

Sir, when the excise duty on coffee was first introduced in India, it was done on a flat rate for all types of coffee. The Travancore Government had objected to the levy of excise duty on coffee, and the Government of India had then exempted coffee produced in Travancore area, which is now a substantial part of Kerala, from the levy of excise duty. Subsequently differential rates were adopted for Arabica and Robusta coffee. While hon. Shri Morarji Desai was the Finance Minister, he had proposed to equate the levy on the superior type of coffee, the Arabica, with the levy on the inferior Robusta. This was resisted by growers and the Budget proposals were ultimately withdrawn. This offends against the principle of ad valorem levy. The same measure is now contained in the present Budget proposals. The duty on Robusta coffee has been increased from Rs. 66 to Rs. 100 per quintal bringing it on par with the levy on Arabica coffee. Sir, the object of levying excise duty is to control or curb internal consumption with a view to facilitating maximum export. Since coffee is a Centrally controlled commodity, which perhaps is the only commodity the marketing of which is entirely in the hands of the Government, the Coffee Board is able to fix the quantum of coffee to be exported and internally marketed. This the Board has been doing effectively every year. The Board is, therefore, in a position to restrict internal consumption

of the product to the desired level. And hence any measure to curb consumption is really redundant. There is perhaps no other commodity which the Government can effectively exercise its control on of general consumption. Hence the demand for abolition of excise levy. The present excise levy will lead to an absurd position where a kilo of Robusta pherry black seeds which has 40 points in the price differential scheme has to bear the same quantum of duty as on Arabica peaberry coffee which has a return based on 90 points. This is an unprincipled unbearable, burden, imposed on Robusta growers and, as I submitted, the Robusta growers are, by and large, in the State of Kerala. This will cripple small growers and work as a disincentive of production. In other commodities the higher levy of duty is passed on to the consumer ultimately, but this will not be so in the case of coffee. The price realisation in coffee seed will not increase corresponding to the levy enhancement, and the growers will have to ultimately bear the burden. Coffee industry returns valuable foreign exchange, particularly in my State of Kerala. It is facing a total extinction. As an interim measure I would suggest that the immediate release price for all varieties of coffee be substantially enhanced and to so regulate the pricing policy of the Coffee Board to ensure a return to the grower commensurate with the rising trends in the cost. It is a fact that the higher cost of production in the State of Kerala is not reflected in the determination of the overall cost of production with the result the growers of Kerala particularly are the poor victims. Steps must be taken to see that fertilizers and other inputs are available to the growers in Kerala at subsidised rates. Quotas of fertilizers to this sector of the industry should be substantially increased to meet the needs of the growers. Measures are also to be taken to see that facility for cheap credit is made available to this vulnerable section of the planting community. May I suggest the following immediate reliefs be considered by Government to the coffee growers to save the industry from economic disaster? The immediate release price of coffee can be raised to Rs. 5 without affecting the consumer price.

All excise and customs levies on coffee must be considered for withdrawal. Subsidised rates may be made available for fertilizers. Credit facilities with revised rates of interest may be made available particularly to the small coffee planters. For some weeks now after the Budget proposals had come out, representations were being made and memoranda were submitted to the Finance Minister; representations were made to the Deputy Minister of Commerce. The honourable Finance Minister stated that the matter appears to be one to be dealt with by the Coffee Board ultimately. That was his first impression which he stated. Some of us were there along with the memorialists. When the matter was taken up with the Union Deputy Minister of Commerce, he thought that the difficulty had come on account of the increased Central excise duties, and, therefore, that was a matter to be dealt with by Finance. Therefore, they, Members of Parliament included, waited on the honourable Prime Minister and submitted a memorandum to her and told her that Finance was saying that it was Commerce and Commerce was saying that it was Finance, and in between the coffee planters, the small coffee planters of Kerala, are being sandwiched. Therefore, Sir, I would request the honourable Prime Minister to go into the matter. But I submit that nothing tangible has been done so far and it is absolutely essential on the part of the Government to see that something is done so far as the hard-hit coffee planters of Kerala are concerned.

Then, Sir, I would only deal with two more points and be done with my presentation on the Finance Bill. Sir, I am going to deal with an important point and it is not just a matter concerning the industry in Kerala, but it is a matter of general national importance. Sir, naphtha is one of the important requirements of the fertilizer industry. The refinery at Cochin in Kerala is producing about 800 tonnes of naphtha per day and you would be surprised and shocked to note that 24 months' production of naphtha is lying at the Cochin Refinery as the FACT, located at Cochin and Udyogmandal, has not been able to lift any quantity of naphtha produced by

(Shri K. Chandrasekharan]

the Cochin Refinery during this period. The result is that the Cochin Refinery would not be able to produce hereafter naphtha because the naphtha that is produced here is not taken away and there is absolutely no space where this can be stored hereafter and the position in regard to the FACT is such that they have not been able to utilise this important material for the purpose of fertilizer production.

Then Sir, the gas that is being produced in most of our oil refineries is being wasted. The gas that is being produced in Cochin Refinery is being wasted. Why? Not because the country does not require gas. Large sections of the urban population, people living not only in the cities, but also in the smaller towns, are prepared to use gas because the cost of kerosene is high and the cost of firewood is high and the cost of these things is something unthinkable and, therefore, if gas can be obtained, a lot of problems of the middle-class people of the urban areas can be solved. But we have not any containers for this gas and we do not import any containers also. We make our own containers. But the production of gas containers has not been up to the required extent and the result is that large quantities of the gas that is being produced in our refineries are being wasted just because there are no containers.

Then, Sir, I will deal with or just refer to one more point and would end up. Now, Sir, socialism is being talked about. The Government employees today are feeling that this tall talk of socialism is absolutely in vain. We know, Sir, what is happening in the railways today. We know what is going to happen to the Central Government Employees' Confederation's strike call the day after tomorrow. Sir, for the purpose of construction of houses by the Government employees, the amount that has been set apart in the budget is Rs. 5 crores. Out of this amount of Rs. 5 crores, a little more than Rs. 3 crores would be necessary for the purpose of sanctioning the pending applications which have already been processed or dealt with and hardly a sum of Rs. 2 crores is left for giving

loans and other assistance to the Government employees for the purpose of building houses. But, Sir, in the same Budget, a sum of Rs. 12 crores has been set apart for the purpose of sanctioning loans to the Government employees for the purchase of cars. What are the sections of Government employees who purchase these cars? It is the higher sections and the affluent sections. I would, therefore, request the honourable Minister to see that this amount of Rs. 12 crores which has been set apart not granted and, certainly, supplementary demands are made for the purpose of allotment of funds for construction of houses by the Government employees, particularly the low-paid class. Thank you, Sir.

श्री रणवीर सिंह (हरियाणा) : उप-समाध्यक्ष महोदय, मैं वित्त विधेयक का समर्थन करने के लिये खड़ा हुआ हूँ। वित्त विधेयक के ऊपर विचार प्रकट करते हुए कुछ साधियों ने, कुछ सदस्यगणों ने यह दर्शाने की कोशिश की कि इस देश ने कोई तरक्की नहीं की है। तो मैं कुछ आंकड़े रखकर अपने विचार प्रकट करना चाहता हूँ और यह बतलाना चाहता हूँ कि देश की हालत किस तरह से बदल गयी है।

उप-समाध्यक्ष महोदय, 1950-51 में, हमारे तमाम प्रदेशों के जो टैक्स थे, वे करीब 221.5 करोड़ रुपये थे। 1972-73 में सारे प्रदेशों की जो आमदनी थी वह करीब 1851.91 करोड़ रुपये थी। इसी तरह से केन्द्रीय सरकार की जो करों से आमदनी 1950-51 में भी वह 404.51 करोड़ रुपये थी। 1973-74 में टैक्सों से जो आमदनी होगी, वह करीब 4537.78 करोड़ रुपये होगी।

यही नहीं, इसके साथ ही साथ हम अपने देश के अन्दर यह भी देखते हैं कि रेलों के ऊपर जो सरमाया लगा हुआ है वह 1950-51 में 889.87 करोड़ रुपये लगा था और 74-75 के हिसाब से जो रेलों में सरमाया लग चुका है वह करीब 4095.41 करोड़ रुपये हो चुका है। इसके साथ ही साथ पहिली पांच साला योजना

का जहाँ तक सम्बन्ध था, उसमें 1853 करोड़ रुपया खर्चा हुआ था और अब पांचवी पांच साला योजना के पहिले साल में 2,966 करोड़ रुपया खर्च करने जा रहे हैं।

उप-सभाध्यक्ष महोदय, यह खर्च की बात नहीं है। क्योंकि आप जानते हैं कि जब चौथी पांच साला योजना शुरू हुई है, तो उस समय हमारे देश में कुल 75 हजार गांवों के अन्दर बिजली थी। अब चौथी पांच साला योजना के अंत में हमारे देश के डेढ़ लाख गांवों में बिजली पहुंच गई है। इस देश में बिजली से चलने वाले पम्पों की संख्या चौथी योजना के पहले साल में कुल संख्या 10 लाख थी, लेकिन चौथी योजना के अंतिम साल में उनकी संख्या करीब 25 लाख हो गई। यही नहीं, इनकी तादाद बढ़ गई है बल्कि इससे खेती की पैदावार भी बढ़ी और हमारे देश में गहू की पैदावार दुगुनी से ज्यादा होने लगी है।

इसके साथ ही साथ मैं यह भी निवेदन करना चाहता हूँ कि हमारे देश के अन्दर जो सरकारी कंपनियाँ हैं और जो प्राइवेट कंपनियाँ हैं, उनके ऊपर आज कितना सरमाया लगा हुआ है? सरकारी कारखानों के ऊपर 2998 करोड़ रुपया 31 मार्च, 1973 तक लगा हुआ था। इसी तरह से जो प्राइवेट कंपनियाँ हैं, जो निजी क्षेत्र में हैं, उनके ऊपर 2346.7 करोड़ रुपया लगा हुआ है। इस देश के अन्दर जो कारखाने हैं उनकी इतनी क्षमता है कि वे आगे जा सकते हैं, लेकिन जो हमारे विरोधी भाई हैं, वे उनकी क्षमता को आगे बढ़ाने देना नहीं चाहते हैं।

रेल पर सरमाया लगा। रेल की सामान ढोने की शक्ति 26 करोड़ 50 लाख मीट्रिक टन थी, लेकिन कुल ढोया जाता है 21 करोड़ 50 लाख टन क्योंकि स्ट्राइक चलायी जाती है, शगड़े कराये जाते हैं। कोयला पैदा करने की शक्ति हमारे देश की बढ़ी, लोहा पैदा करने की शक्ति बढ़ी, लेकिन हम उसका पूरा इस्तेमाल नहीं कर सकते, कहीं 60 परसेंट तो कहीं 50 परसेंट इस्तेमाल हो रहा है क्योंकि जो विरोधी दल के

नेता हैं वे उकसाने में लगे हैं क्योंकि उनको अपने ऊपर भरोसा नहीं है। राजनारायण जी हैं...

उपसभाध्यक्ष (श्री बी० बी० राजू) : उनका नाम मत लीजिए, नहीं तो बहुत लम्बा हो जाएगा।

श्री रणवीर सिंह : माननीय सदस्य बड़े साहसी हैं, समाजवादी हैं और समाजवादी ढाँचे में बड़ा विश्वास करते हैं। जिस पार्टी में वे गए वे वहाँ रगड़ा-झगड़ा जरूर किया। हमारे देश के अन्दर राजनीतिक इतिहास 5-6 साल में लोग भूल जाते हैं। 67 का इतिहास मैं उनको याद दिलाना चाहता हूँ। उन्होंने मिलकर चौधरी चरण सिंह को मुख्यमंत्री बनवाया और एक साल के भीतर ही उनको मुख्य मंत्री पद से हटाने में राजनारायण जी सबसे आगे थे। उसके बाद फिर चौधरी चरण सिंह का सहारा लिया। अब मालूम नहीं चौधरी चरण सिंह का साथ कब तक चलेगा। यह समय बताएगा। उनके सहारे पर अपनी राजनीति को छोड़कर, अपनी पार्टी को छोड़ कर अब बी० के० डी० के सहारे पर यहाँ आए हैं। मुझे खुशी हो राजनारायण जी...

SHRI G. LAKSHMANAN : Is he speaking on the Finance Bill or is it a character assassination of Rajnarain?

SHRI RANBIR SINGH : I am speaking on the Finance Bill, my dear friend. You put on the earphone for translation.

इस देश के अन्दर आर्थिक तरक्की इसलिये नहीं आ सकती क्योंकि यहाँ स्ट्राइक्स हैं, इन्तजाम ठीक ढंग से नहीं किया जा रहा है, ऐसा चौधरी चरण सिंह जी मानते हैं। आज मजबूती से इन्तजाम करने की कोशिश की जा रही है। जो आदमी इस देश की क्षमता को घटाना चाहते हैं उनको समझा कर, उनको बिठाकर, उनको देश का लाभ, नुकसान समझा कर, प्रधान मंत्री ने कोशिश की, 190 करोड़ रुपया देकर, लेकिन रेल की स्ट्राइक हुई और उससे हमारी आर्थिक अवस्था खराब हो रही है।

इसके साथ साथ मैं वित्त मंत्री महोदय से एक प्रार्थना करना चाहता हूँ। यह देश देहात

[Shri Ranbir Singh]

का देश है, दूसरी तरफ कुछ देश के हिस्से शहर हैं। इसके ऐसे हिस्से हैं जिनकी तरक्की केन्द्रीय सरकार की माफत होती है। जैसा मैंने बताया केन्द्रीय सरकार ने 2998 करोड़ रुपया कारखानों में लगाया है। उन कारखानों की पूजी वापस नहीं ली जाएगी। उनकी पूजी वापस लेने का इनके यहां खाता नहीं है। उनसे ब्याज ले सकते हैं, मुनाफा ले सकते हैं। लेकिन दूसरी तरफ हिन्दुस्तान के देहात के अन्दर देहात की तरक्की के लिये नहरें बनाई जाती हैं, बिजली पैदा की जाती है और हमारा जो सेन्ट्रल इलेक्ट्रिसिटी एक्ट है उसके मुताबिक प्रदेश की सरकारें स्टेट इलेक्ट्रिसिटी बोर्ड्स को जो कर्ज दिया जाता है वह उनसे वापस नहीं ले सकती है। 5 हजार करोड़ रुपया स्टेट इलेक्ट्रिसिटी बोर्ड्स के ऊपर लगा है और 3500 करोड़ रुपया नहरों का जाल बिछाने के लिये लगा है। उनका कर्ज वापस लिया जाय तो उसका नतीजा क्या हो। मैं चाहता था कि रेड्डी साहब बैठें। मुझे खुशी थी क्योंकि रेड्डी साहब हमारे फाइनेंस कमीशन के चेयरमैन रहे हैं, वह एक प्रदेश के मुख्य मंत्री रहे हैं और वित्त मंत्री जी भी एक प्रदेश के मुख्य मंत्री रह कर आए हैं उनको प्रदेशों के अन्दर जो हालत है और देहात की तरक्की के लिये क्या क्या तबदीली हमारे काम के करने में आनी चाहिये थी उसका ज्ञान है। फाइनेंस कमीशन ने इस बात की सिफारिश की कि 1969 करोड़ रुपया अगले 5 साल के अंदर कर्ज अदा करना टाला जाय प्रदेशों का। क्योंकि प्रदेश की सरकारों का बजट हिन्दुस्तान की सरकार के कर्जों की अदायगी में या उसके ब्याज में पूरा नहीं हो सकता। यही नहीं जितना करोड़ रुपया स्टेट इलेक्ट्रिसिटी बोर्ड को आज कर्ज है वह उसी हिसाब से बढ़ता गया। साढ़े तीन सौ करोड़ रुपया ब्याज का बकाया है जो सरकारों को, मुख्तलिफ स्टेट की सरकारों को पूरा नहीं दे सकी। ब्याज की बकाया रकम पांचवीं पांच साला योजना के अन्त तक पूरा

होने वाला नहीं है और यह रकम एक हजार करोड़ हो जायेगी। उसका कारण यह है कि हमने कबूल किया कि हमारे देश के अन्दर हम समाजवादी ढांचा बनायेंगे। हमने यह कबूल किया कि आज देश को आगे बढ़ाने के लिए हम देश के अन्दर समाजवादी तरीके से चलेंगे। बदकिस्मती यह है कि हमारी इकानामी का तरीका वही पुराना मार्केटाइल इकानामी का चला आ रहा है। मुझे ताज्जुब होता है कि वह अपने आप को प्रोग्रेसिव कहते हैं, वह इधर से बोलते हैं, उनको फिक्र होता है कि पैसा बहुत बढ़ गया और वित्त मंत्री जी को भी फिक्र होता है कि पैसा ज्यादा हो गया। राजनारायणजी मेरी सहादत देंगे कि 1929 और 1930 के अन्दर जब पैसे का प्रसार नहीं था, प्रसार कम था उस समय 1 रुपये में 16 सेर गेहूं मिलता था, सवा सेर घी मिलता था। लेकिन उस वक्त इस देश के देहात का आदमी अपनी भूमिका कर देने के लिए जमीन को छोड़ता था। उनको मालूम है कि जब जमींदारी प्रथा का उन्मूलन किया गया उत्तर प्रदेश में, जिस समय 1 एकड़ जमीन 15-20 रुपये में मिलती थी उसको किसान अदा नहीं कर सकता था। तो यह जो रुपये की छाप है, इसको कम करने से कुछ को फायदा होता है, इसमें कोई शक नहीं। किसान का फायदा होता है जो तनख्वादार है, जो अखबार वाले हैं, लेखक हैं, जो इकानामिस्ट हैं, डाक्टर हैं। अभी मेरे भाई ने मुल्क की बात कही। आपकी माफत मैं वित्त मंत्री जी से अर्ज करना चाहता हूँ कि पिछले 25 सालों के इतिहास में इस देश के अन्दर जो भाई मेहनत हाथ से नहीं करते, जो खेत की कमाई नहीं करते उनको तकरीबन बाहर से अनाज मंगाने के लिए ढाई सौ करोड़ रुपया साल के करीब विदेशी अनाज पर खर्च किया गया और तकरीबन डेढ़ सौ करोड़ रुपये साल के हिसाब से सबसिडी दी। 400 करोड़ रुपये का खर्चा यह जो भाई हैं, जिन्हें ब्लाईट काल्डं कहा जाता है, जो कि तनख्वाहदार हैं, जो कि शहरों में रहने वाले कहे जाते हैं, उनके ऊपर खर्च किया। यह हम किस तरह से खर्च

कर सकेंगे वित्त मंत्री जी को मालूम है कि उस समय अनाज लेने के लिए अंगूठा लगाना पड़ता था। अनाज बाहर से मिला जाता था। अमरीका से दस्तखत करके 5000 करोड़ रुपये की मालियत का अनाज हमारे जितने वित्त मंत्री आये, हमारी सरकार ने लिया। लेकिन आज तो हालत दूसरी है। आज दुनिया बदल गई है। कई भाई कहते हैं कि गेहूं की जो कीमत मुकरर की है वह आज मोर दैन रिम्यूनेरेटिव है। वे यह भूल जाते हैं कि अमरीका में जहां ट्रैक्टर सस्ता है, जहां खाद सस्ती है, पानी सस्ता है, वहां इंडस्ट्रियलाइजेशन बहुत हद तक है, आज वहां पर दो सौ करोड़ रुपये क्विंटल के हिसाब से हमारी सरकार ने खरीदा और खरीदना पड़ा और 90 रुपये जहाज का भाड़ा देना होगा। इस तरह 290 रुपये क्विंटल के हिसाब से यहां गेहूं आयेगा और वहां से अंगूठे से अब नहीं मिलेगा। अब चव्हाण माहव के दस्तखत से वह अनाज नहीं मिल सकता है। चव्हाण माहव को हिन्दुस्तान का सामान बेचकर वह अनाज लेना होगा अगर हिन्दुस्तान के लोगों को भूख से बचाना है, तो एक ही तरीका है कि अब हमारे देश की सरकार को इस पर बड़ी गंभीरता से सोचना चाहिए कि हमारे देश की आर्थिक अवस्था ऐसी हालत में आ गयी है कि हमारे किसान का बेटा भी यह कह सकता है कि जब एक एल० आई० सी० के चपरासी को 500 और 700 रुपये माह तनख्वाह मिलती है तो यह जो रिम्यूनेरेटिव हिसाब बनाने वाले हैं और जो 58 रुपये की क्विंटल गेहूं का खर्चा बताते हैं वे लोग भूल जाते हैं कि अब वह विदेशी नहीं हैं, एग्रीकल्चर वे आफ लाइफ उन का नहीं है। आज यहां का किसान उस चपरासी के बराबर जरूर रहना चाहता है। हिन्दुस्तान की सबसे बड़ी इंडस्ट्री एग्रीकल्चर है और हिन्दुस्तान की एग्रीकल्चर इंडस्ट्री में जो भी काम करता है वह भी अपना हक समझता है कि कम से कम उस के बेटे को या उस इंडस्ट्री में काम करने वाले को चपरासी जितनी आमदनी जरूर हो। और अगर उसे चपरासी जितनी आमदनी हो तो यह जो बड़े भाई लोग कुलक का

नाम लेते हैं, जो बड़े बड़े डाक्टर किताबें पढ़कर आते हैं वह हिसाब लगायें कि कितना रुपये फी क्विंटल गेहूं पड़ेगा? कितने रुपये की सेर दूध पड़ेगा, कितने रुपये फी सेर घी पड़ेगा। तो भाई दूसरों की मेहनत पर खाते रहो, दूसरों की कमाई पर रहते रहो वह जमाना चला गया। (Time bell rings) चूंकि सब लोग दूसरे ढंग से बोलें हैं इस लिए मैं प्रार्थना करूंगा कि मुझे कुछ ज्यादा समय दिया जाय।

श्री राजनारायण : आप बैठ जाइये तो हमारा एक्सप्लेनेशन हो जाय।

श्री रणवीर सिंह : बाद में होगा। उप-सभाध्यक्ष जी, राजनारायण जी बाद में बोलेंगे।

उपसभाध्यक्ष (श्री वी०बी०राजू): आप की पार्टी को जब पाटिसिपेट करने का मौका मिलता है तो उन का जवाब आप दे सकते हैं। इस समय उन का टाइम क्यों लेते हैं।

श्री राजनारायण : या तो आप सदन में नियम बना दीजिए कि किसी को बीच में सफाई देने का मौका नहीं मिलेगा।

THE VICE-CHAIRMAN (SHRI V. B. RAJU): He is not yielding.

श्री रणवीर सिंह : जब मैं आप के लिए कुछ कह रहा था तब तो आप उठे नहीं। तो उप-सभाध्यक्ष जी, मैं निवेदन कर रहा था कि आज किसान का बेटा भी अगर उतना ही चाहता है तो कोई हर्ज की बात नहीं। इस के साथ साथ मैं निवेदन करना चाहता हूं कि जहां एक तरफ आप टैक्सेशन को देखें तो पता नहीं कहां से तलाश कर के बड़े बड़े विरोध लगें और उन्होंने बताया कि एग्रीकल्चर पर कोई टैक्सेशन नहीं है। अभी श्री टी० एन० सिंह ने ठीक बताया था कि तीन हिस्सा जितना टैक्स है वह इन्डस्ट्रियल टैक्सेज से आता है। वित्त मंत्री जी, आज वह जमाना चला गया जब इस देश के आदमी का कुल खर्चा जो कुछ होता था महीने या साल में उस में वह 60 फीसदी अनाज पर खर्च करता

[श्री रणवीर सिंह]

था। आज किसान और मजदूर भी तीस फीसदी से ज्यादा अनाज पर खर्च नहीं करता है। उन की पोजीशन को आप देखें। वह जमाना तब्दील हो गया। बहुत सारे भाई हैं, क्योंकि दूसरे मेहनत करने वाले हैं इस लिए जैसा चाहे हिसाब बँठा लेते हैं। रात दिन जो गरमी में और सरदी में काम करता है उस को सस्ता अनाज चाहिए। उस के खेत की पैदावार सस्ती चाहिए और इस के लिए आप के जो उच्च अधिकारी हैं, अंग्रेजी पढ़े लिखे हैं, डाक्टर की डिग्री भी उन को मिली हुई है, रिसर्च भी करते हैं, मैं उन से पूछना चाहता हूँ कि जो यह एक्सपोर्ट ड्यूटी चाय पर लगती है, जो ड्यूटी काफी पर लगती है, जिस का यहाँ जिक्र हुआ, जिस से आप दो हजार करोड़ रुपया कमते हैं यह किस प्रकार से आती है। अगर यह ड्यूटी न हो तो यह पैसा केरल के किसान को मिलता। यह पैसा उस की जेब से आया है। इसी तरह से इंपोर्ट ड्यूटी, जो सामान आता है उस पर लगती है। यह आप भूल जायें कि चन्द आदमी जो तनख्वाहदार हैं वहीं उस में से खर्च करते हैं। आज जमाना यह है कि तीन चौथाई जो हमारी आमदनी है इन्डाइरेक्ट टैक्सेज से उस में कम से कम जो पैसा हम टैक्सेशन में देते हैं वह 60 फीसदी जरूर है। हमारी आबादी 80 फीसदी है, और उस में 30 फीसदी भाई ऐसे हैं जो बहुत गरीब हैं, लेकिन आज किसान को जो उस के रहने का खर्च है, जो ट्रैक्टर के ऊपर इंपोर्ट ड्यूटी लगती है, फर्टीलाइजर पर जो ड्यूटी लगती है, वह सारा खर्च किसान देता है। तो मैं वित्त मंत्री महोदय से कहूँगा कि राज कमेटी नहीं कोई और एग्रीकल्चर कमेटी जिस को हिन्दुस्तान के देहात का इल्म हो, जिस को हिन्दुस्तान की इकोनामिक्स का इल्म हो, जो कागजी दुनिया में ही न रहती हो, जो हिन्दुस्तान के एवाम में रहती हो, ऐसी कमेटी, ऐसे लोगों की एक कमेटी वह बनायें और वह इस पर विचार करे। मुझे खुशी होगी कि राजनारायण जी उसमें आयें। वह देखेंगे आज हिन्दुस्तान की

आर्थिक अवस्था में तबदीली करने के लिए समाजवाद लाने की क्या जरूरत है।

उपसभाध्यक्ष महोदय, मैं एक ही प्वाइंट पर कहूँगा। वित्त मंत्री जी ने इन्कम टैक्स के लिए कहा है कि अगर किसी मास्टर की 600 रुपये के ऊपर आमदनी होगी, 10 बीघा जमीन भी होगी तो उसके टैक्स का हिसाब लगाने के लिए उसकी आमदनी जोड़ी जाएगी। मैंने बहुत कोशिश की देखने की इस बिल के अन्दर कि कहीं कुछ पता लगे। इस बारे में मुझे कुछ पता नहीं लगा।

लोग कहते हैं कि गवर्नमेंट आफ इंडिया की अनाज व्यापार की पालिसी बदल गई है, नीति बदल गई है। मैं कहता हूँ कि अगर हिन्दुस्तान की नीति नहीं बदलती तो हिन्दुस्तान की सरकार को मुश्किलात में पड़ जाना पड़ता। हमारे जितने विरोधी दल के दोस्त हैं वे हर प्रदेश को पंजाब, हरियाणा को छोड़कर गुजरात बनाना चाहते हैं।

उपसभाध्यक्ष (श्री वी०बी० राजू) : समाप्त कीजिए।

श्री रणवीर सिंह : मैं समाप्त कर रहा हूँ, केवल दो मिनट लूँगा। यह जो नीति बदली है इसका कारण यह नहीं है कि अनाज कम मिले बल्कि इसका कारण यह है कि खेत में जो अब की बार सर्दी, पाला पड़ा, उस पाला से देश में जो गेहूँ पैदा करते हैं उन्हें मालूम है अग्रे से भी कम प्रोडक्शन गेहूँ की हुई है, उसको पूरा किया जा सके। क्योंकि ऐसा होता है कि जो पहले गेहूँ बोता उसकी एबरेज ज्यादा पड़ती थी, और उसकी औसत पैदावार ज्यादा होती थी और अगर कोई बाद में बोता था तो उसको नुकसान उठाना पड़ता था।

मैं आपसे निवेदन करना चाहता हूँ कि हमें कुछ पता नहीं कि कौन हमारी जमीन की कीमत लगाएगा, कौन बताएगा कि हमारी आमदनी क्या है? उसका कोई नाप-तौल नहीं है, यानी नेट एग्रीकल्चर इन्कम कोई नहीं बता सकता। इसका कोई तरीका ही रख देते तो अच्छा होता

लैब रेवेन्यू में जरूरत, तकसीम करके हिसाब लगा देते तो भी पता लग सकता, लेकिन कुछ नहीं हुआ।

इसके अलावा उपसमाध्यक्ष महोदय, एक बान और बैल्य टैक्स के बारे में कहना चाहता हूँ। आपने बैल्य टैक्स कारखाने पर नहीं लगाया। अगर किसान के मकान के ऊपर बैल्य टैक्स लगाया तो मुझे कोई एतराज नहीं। जमीन जिससे अनाज पैदा होता है उस पर बैल्य टैक्स लगाया तो मुझे कोई एतराज नहीं लेकिन अगर बिरला, टाटा के 800 करोड़ रुपये के कारखानों के ऊपर बैल्य टैक्स नहीं है तो किसान के 50 हजार, लाख, डेढ़ लाख, दो लाख की जमीन के ऊपर क्यों बैल्य टैक्स है, इस पर मुझे एतराज है। मैं वित्त मंत्री महोदय से कहूँगा कि हिन्दुस्तान की सबसे बड़ी इंडस्ट्री खेती है। अगर कारखानों पर बैल्य टैक्स नहीं है तो खेती पर भी बैल्य टैक्स नहीं होना चाहिए। अगर रखना ही है तो कोई ऐसा तरीका निकालें जिससे इनकम टैक्स आफिसरों के हाथ में हमारी जान न आए। इसी तरह से आमदनी का तरीका निकालें। इतना ही मैं कहना चाहता हूँ।

श्री राजनारायण (उत्तर प्रदेश) : श्रीमन्, मैं आपकी इजाजत से व्यक्तिगत सफाई देना चाहता हूँ। इस सदन में मैं देख रहा हूँ कि कल से कुछ सम्बन्धित सदस्य अनावश्यक ढंग से मेरा और चौधरी चरण सिंह जी का नाम लेते हैं। मैं चाहता हूँ कि सदन के सम्मानित सदस्य, विशेषकर चौधरी साहब इस बात को मान लें कि चौधरी चरण सिंह ईमानदार व्यक्ति हैं। वह जैसा महसूस करते हैं वैसा कहते हैं, इसलिए हमारा चौधरी चरण सिंह जी के साथ संबंध है चौधरी चरण सिंह जी का साथ हम इसलिए नहीं दे रहे हैं कि चौधरी चरण सिंह और हम मिलकर किसी के धन को लूटेंगे या किसी के साथ बेईमानी करेंगे . . . या अपने देश के साथ गद्दारी करेंगे, इसलिए नहीं कर रहे हैं। हमको देश बनाना है, हमको समाज बनाना है, हमको गरीबों को उठाना है, हमको पिछड़े हुआँ को उठाना है, अल्पसंख्यकों

का हित देखना है, देश को मानव समाज की तरफ की राह पर ले जाना है। इसलिए हम चरण सिंह से मिल गए। हम उनकी बात के लिए दाव देते हैं चौधरी साहब को। श्रीमन्, श्रीमती कृष्णा हाथी सिंह ने एक किताब लिखी है . . .

उपसमाध्यक्ष (श्री बी० बी० राजू) : उससे क्या ताल्लुक है ?

श्री राजनारायण : है, क्योंकि हमारा और इंदिरा जी का साथ क्यों नहीं हो रहा है, हमारा चरण सिंह के साथ मेल क्यों हो रहा है ? तो उन्होंने लिखा है—“इन्दु से प्रधान मंत्री उन्होंने लिखा है कि हमारे परिवार के सभी लोगों का लालन पालन पाश्चात्य ढंग से हुआ है। तो जिस व्यक्ति का लालन-पालन पाश्चात्य ढंग से हो, क्या वह भारतीय समाज को बना सकता है ? भारतीय संस्कृति की जानकारी कर सकता है ?

श्री रणवीर सिंह : उपसमाध्यक्ष जी, मैंने उनसे यह कहाँ कहा था। राजनारायण जी क्यों नहीं कहते हम चरण सिंह के कंधे पर बैठ कर आए हैं।

(Interruptions)

उपसमाध्यक्ष (श्री बी० बी० राजू) : आपने कहा पर्सनल एक्स प्लेनेशन देना है।

श्री राजनारायण : हाँ तो हमें 6 बजे तक बोलने दीजिएगा। हमारा कहना है यह क्या बात है—टु फ्रिक इन् द स्ट्रीट एण्ड टु किस इन् द किचन? भारत की सरकार और प्रधान मंत्री जी बिड़ला को, टाटा को, जयपुरिया को, सिंहानिया को सड़क पर तो लात मारती है और एसोईघर में बुलाकर गोलगप्पा खिलाती है। हमारी नीति साफ है इसलिए चौधरी चरण सिंह का हमारा साथ हो रहा है। देखिए, अखबार क्या लिखता है :

"Birlas buy up Maruti. It is reliably learnt that Mr. K. K. Birla, the eldest son of Mr. G. D. Birla, has paid Rs. fifty lakhs to Maruti Ltd., the small car company headed by Mr. Sanjay Gandhi, the Prime Minister's younger son."

उपसभाध्यक्ष (श्री बी० बी० राजू) : इससे यहाँ कोई ताल्लुक नहीं है।

श्री राजनारायण : श्रीमन्, मैं कहता हूँ हमारा चरण सिंह का साथ इसलिए हो रहा है क्योंकि चरण सिंह ऐसे आदमी नहीं हैं जो कि बिड़ला से पैसा लें, टाटा से पैसा लें, जैसा कि भारत की प्रधान मंत्री ले रही हैं। मैं क्या इसे सिद्ध करूँ कि जो जनता के पैसे के बल पर चुनाव लड़े।

श्री कल्याण चन्द (उत्तर प्रदेश) : मान्यवर, इसका क्या संबंध है ?

श्री रणवीर सिंह : इन्दिरा जी के बारे में, प्राइम मिनिस्टर के बारे में, जो ये कहते हैं बिलकुल गलत कहते हैं। उनको इस बात की इजाजत नहीं होनी चाहिए।

उपसभाध्यक्ष (श्री बी० बी० राजू) : पर्सनल एक्सप्लेनशन पर बोलने को कहा था लेकिन इधर उधर की बातें बोल रहे हैं। (Interruptions) चौधरी जी, आपसे कहा गया था आप नाम न लें। आपने नाम ले लिया है तो उनको मौका मिल गया।

श्री रणवीर सिंह : क्यों फालतू बातें करते हैं। जो मैंने कहा उसका जवाब दें।

श्री राजनारायण : चौधरी चरण सिंह का नाम इसलिए ले रहा हूँ क्योंकि हमारे देश में फासिस्ट व्यवस्था आ रही है, इन्दिरा जी और कम्युनिस्टों का साथ हो रहा है।

उपसभाध्यक्ष (श्री बी० बी० राजू) : इसमें क्यों जाते हैं ?

श्री राजनारायण : श्रीमन्, आप 2 मिनट का समय और दे दें। आज हम देख रहे हैं हमारा देश गर्त में जा रहा है, तानाशाही की चक्की में पिसा जा रहा है। एक ईमानदार आदमी चरण सिंह से हम मिल रहे हैं। हम केवल चौधरी चरण सिंह को ही नहीं बल्कि हमारे देश में आज जितने विरोधी दल हैं, हम डा० राम मनोहर लोहिया के सिद्धांत को शिरोधार्य करके, एक साथ मिल कर सभी विरोधी दलों को एक समान कार्यक्रम और नीति के उपर ला रहे हैं और उसको लाकर रहेंगे। इस सरकार की चाहे कितनी ही ताकत उसको तोड़ने में लगी होगी।

GIPN—S 5—13 R.S.S./74—6-8-74—595.

देखिए, लोक सभा में श्री ज्योतिर्मय बसु ने क्या कहा था, मैं पढ़ देता हूँ :

"I have given supporting document to prove that before amendment was incorporated in the Blue book entitled "Rules and Instructions covering Prime Minister when on tour and in travel" the relevant provision read as follows:—

71(6). It has been noticed that the rostrum arrangements are not always properly made because 'he hosts are sometimes unable to bear the cost. As the Prime Minister security is the concern of the State, all arrangements for putting up the rostrum and the barriers at the meeting place will be borne by the State whatever may be the occasion for which the public meeting is called, except election meetings."

6 P.M.

इसमें यह भी लिखा है :—

It was amended on 19-11-69—

"In the case of public meetings other than election meetings, all expenditure on the arrangements including provision of rostrum, the setting up of barricades, making lighting arrangements, public address system, etc., will be borne by the State Government. The Term 'public meeting' mentioned in this paragraph shall cover not only meetings organised by the State Governments but also those held by the political parties to which the general public has access."

THE VICE-CHAIRMAN (Shri V. B.

"इसमें प्रधान मंत्री की मीटींग्स को भी इंकलूड कर दिया गया और यह कह दिया....

श्री रणवीर सिंह : श्रीमन्, ये जो बात कह रहे (Interruptions)

श्री राजनारायण : मैं यह कहना चाहता हूँ (Interruptions)

RAJU): The House stands adjourned till 11.00 A. M. tomorrow.

The House adjourned at one minute past six of the clock till eleven of the clock on the 9th May, 1974.