

Otherwise, the people will have to face difficulties. I would like the Minister of Petroleum and Chemicals to look into it and give us a picture as to how he is going to combat this very difficult problem.

#### REPORT OF THE PUBLIC ACCOUNTS COMMITTEE. 197.V74

(मध्य प्रदेश)

श्रीमन् मैं आपकी आज्ञा से सीमा शुल्क के संबंध में 1970-71 के वर्ष के लिये भारत के नियंत्रक महालेखा परिक्षक के प्रतिवेदन केन्द्रीय सरकार (सिविल) राजस्व प्राप्तियों के अध्याय 2 के संबंध में लोक लेखा समिति (पांचवी लोक सभा) के 80 वें प्रतिवेदन में निहित सिफारिशों पर सरकार द्वारा की गई कार्यवाही के संबंध में लोक लेखा समिति (1973-74) के एक सी चौथे प्रतिवेदन की एक प्रति सभा पटल पर रखता हूँ।

MR. DEPUTY CHAIRMAN : The House stands adjourned till 2-15 P.M.

The House then adjourned for lunch at twenty-four minutes past one of the clock.

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

#### THE BUDGET (GENERAL), 1974-75— General Discussion—contd.

SHRI B. C. BHAGWATI (Assam) : Mr. Deputy Chairman, Sir, the money economy has some inherent defects and they are manifesting themselves in various ways in many countries. Sir, plenty of money, more money, yet more money and erosion of money value and dearth of money, all these have created a vicious circle in the monetary market. Then again, prosperity and super-affluence on the one hand and privation, shortage and poverty on the other—this is the enigma of this modern age. I then again, most of the problems today which humanity is facing are world problems. But the institutions to deal with them are

national in character; that is the contradiction in the situation. Under such circumstances, Chavanji has managed the finances of this country as best as a Finance Minister can do.

Sir, the Budget proposals are adjusted and balanced with relief, concession and tax-increase in such a manner that they have received general support. And it is also encouraging that he has kept the socialist objectives in mind and has claimed that this Budget is a further step towards the fulfilment of that objective. As a matter of fact, the struggle for social transformation has entered a phase in which those who are opposed to change are trying to give their last fight against it. So it has become very necessary to be watchful of the whole situation. It is necessary to see that there is no deviation from the declared path, because of pressure put by those who are opposed to such changes and what is known philosophy of pragmatism is adopted.

Sir, the first and foremost task before the Government and the Finance Ministry is to arrest inflation and to stabilise prices at a reasonable level. In view of the inflation, the Reserve Bank thought of putting some restrictions on bank credit. That is really a very good and necessary thing to be done. But what the Economic Survey has noted in this connection is disturbing. They have said "Despite continued emphasis by the Reserve Bank on credit restraint, credit expansion to the commercial sector recorded unusually large increase in the 1973 slack season. The fact that non-food credit expanded by Rs. 447 crores between end October 1973 and end January 1974 indicates that utmost vigilance will be needed in the coming months in order to contain the expansion of credit within the overall ceiling fixed for the busy season." This shows that credit, though the policy is to curb it, has expanded. The Government has to see that this sort of expansion is not allowed to grow.

Sir, last year it was hoped that with good harvest of rabi crop in April and May 1973 and also followed by normal kharif crop there will be impact on the prices and the prices will be reduced. But, as a matter of fact, rabi crop declined in 1973. Why it

[Shri B. C. Bhagwati.] was so is very difficult to understand. There was a special programme for raising rabi crop, and if I am not wrong, about Rs. 150 crores were spent on this special programme. But the yield was not commensurate with investment. This is an instance how in this country money supply grows, adding to inflation, even though technically it can not be called deficit financing. This time the Finance Minister has put deficit financing at Rs. 125 crores. In the same way there are factories which are established by investing money crores of rupees. But not more than 50 per cent, of the installed capacity or developed capacity has been utilised.

That means that certain portion of the money remains idle, and commodities are not produced commensurate with the investment. But that money goes out to the market. That is why in this country we find gradually things are going out of control and there is more money than commodities to purchase. We have to see how every rupee invested fetches something in return in concrete terms. Every rupee has to produce something. That has to be assured. Then, the important question is, what is the proper basis of our economy. The Government. Members of this House or people outside, everybody thinks that our economy depends on agriculture. But agriculture again is a gamble in this country because it depends upon weather conditions mostly. Now the question is : How to stabilise agriculture? How to ensure that there is a steady progress in agricultural production? That will require firstly regulated water supply to the farmers in the fields. It is computed that there are 179 million hectare metres of water resources in this country. But on account of certain limitations, out of that 67 million hectare metres of surface water and 26.7 million hectare metres ground water can be utilised. We have arable land of 174 million hectare in the country. Out of that 147 million hectare can be brought under cultivation. Out of that again 107 hectares can be brought under irrigation. But that is the actual position? The Irrigation Commission has, however, said that only 13 per cent of the cropped area in the drought affected regions has been irrigated. And if the schemes which are under execution are

completed, then the percentage will be 19. But even then 81 per cent of the cropped areas will remain unirrigated. That is really a sorry state of affairs. If we really want that there should be two or more crops, then we must have irrigation facilities in much wider areas.

Another factor I would like to refer to is the irrigation potential created by medium and major schemes is so different in different States that that again is a bad phenomenon. In Assam the percentage is 4, the lowest percentage. In Tamil Nadu it is 70 per cent. In Haryana and Punjab it is 50 per cent. So it varies from State to State so much. I think the Government has to see to it.

Another factor that we have to carefully examine is this : What is the disparity in holdings? We know, we have passed land ceiling laws, and the ceiling is 20 acres or so. But we do not know what the actual position is. The 17th round of NSS survey was done in 1961-62. It is true this is very old. But after that survey no scientific survey has been made. So we have to rely on that survey even now. According to that survey 39.1 per cent of the holdings are below 1 hectare, 75 per cent of the farmers own holdings below 3 hectares and they operate on 31 per cent of the cultivable land in this country.

On the other extreme, 4.5 per cent of the farmers with holdings at more than 10 hectares operate 29 per cent of the cultivable land. This shows the very wide gap between one class of farmers and another. If this state of things continues, then agriculture in this country cannot be stabilised. I am afraid. Holdings of small farmers should be consolidated and brought under co-operative system so that they can apply modern methods and grow multiple crops in which case yield will also increase several times more.

Another matter to which I want to draw the attention of the Government is that some years back the American President's Scientific Council was engaged in finding out why it has not been possible to solve the food problem in the developing countries'. That learned body, after careful study, has produced a very valuable report and in that report, among other recom-

ntendations. they said that while a steel plant or refinery plant can be imported by developing countries, the science of agriculture can never be imported. They said that it is necessary for developing countries to find out indigenously by their own research how in their own climate they can improve the conditions of agriculture, and how they can modernise agriculture. That we have not done. It is surprising that out of Rs. 61 crores earmarked for research work on agriculture, in the first year of the Fourth Plan only Rs. 3.5 crores were spent and in the second year of the Fourth Plan only Rs. 6.7 crores were spent. We know that we have now high-yielding variety of wheat from Mexico. We cannot expect that they will give high yielding variety of pulses. They do not know about pulses. But we have not improved the seed of pulses. We have not improved our horticulture. Even animal science in this country is very backward. Research has not been carried out in these fields. I think it is very important that we do something about it.

We know that in this country the problem of high prices is very acute and it has caused hardship to the people. Along with that problem we are also facing the problem of unemployment. But unfortunately it has been receded to the back-ground. I do not know why. Maybe, because it has been overshadowed by the problem of high prices and inflation and that is why people do not talk so much about unemployment nowadays. But unemployment, I think, is a very serious problem. It is very acute in the rural areas. It is not confined amongst educated people only. About five crores are agricultural workers in this country. But they do not have land and they do not get employment for more than three or four months in a year. Some of them are partly unemployed and others are fully unemployed. This is the position. The Committee on Unemployment examined the whole situation they recommended that there should be a concerted move at least on the part of the Government to tackle this problem. They suggested that all developmental schemes should be employment oriented. They also recommended that there should be one Department in which all agencies now dealing with

different aspects of employment should be merged or all agencies should be co-ordinated and integrated under that Department. They also suggested that there should be a National Commission on Unemployment and a Parliamentary Committee like the Estimates Committee should be constituted to deal with this subject. But nothing so far has been done. And, Sir, I am afraid, enough attention has not been drawn to this. I think it is very important to do something about it.

Then, Sir, we are facing the energy crisis. We are short of oil and we are short of other petroleum products and this is a very big problem. Now, what can be done about it? Apart from vigorous pursuit of oil exploration, we can shift over to coal to produce energy. But the main problem is transport. Even now, with the present production of coal, we all know that it has not been possible to carry coal from the pitheads to the steel plants and the steel plants are in short supply and they run short of coal and sometimes they face the grave danger of being closed down for want of coal. In such circumstances, the Government can think of carrying coal by inland water transport. But we have not cared to develop our inland water transport, though this is the cheapest transport. I can quote some figures in support of this. One Horse Power (HP) can move a cargo of 150 kgs. by road, 500 kgs. of cargo by rail and 4,000 kgs. of cargo by water. Similarly, for building a track of one kilometre on water the initial investment will be Rs. 1.25 lakhs to Rs. 2.00 lakhs, on road from Rs. 1.50 lakhs to Rs. 4.50 lakhs and on railway from Rs. 5.00 to 10.00 lakhs and the maintenance expenditure also will be less. It will be, per km. per year in respect of waterways, about Rs. 1,000, in respect of road about Rs. 4,500 and in respect of rail it will be much more than that, about Rs. 9,600. So, this inland water transport is economical and they can carry coal cheaply. But nothing has been done so far. So, Sir, I would request the Government to do something about it.

*(Time bell rings).*

Lastly, Sir—I have no time and I have to hurry up and sum up—I would like to say something about the industrial rela-

(Shri B. C. Bhagwati.J

tions and the labour problems in the country.

Sir, it is true that we are facing a crisis on the economic front and there is a challenge and we have to meet the challenge. The working class and the trade union movement will have to make their contribution to meet the challenge and we have to see in the trade union movement that production goes and productivity also moves up. We are all (or it. But I would like to say something on this: Why are they feeling restive and why sometimes do they create problems?' It is because some of their very reasonable demands are not accepted and (lie disputes are not settled for a very long time. Now, because this Parliament passed the Payment of Bonus Act the loss of man-days has come down and many disputes in this regard are now settled soon because of this Act. But in many cases you will find that the disputes are being dragged on for years, and agreements are not reached or settlement is not made.

DR. K. MATHEW KURIAN (Kerala) : They are denying bonus to many people.

SHRI B. C. BHAGWATI : I shall come to that later. I agree that the coverage of bonus should be expanded and at least all undertakings, whether run Departmentally or otherwise, which are governed by the Industrial Disputes Act should be brought under the orbit of the Payment of Bonus Act. Now, Sir, there is a dangerous trend and the trend is that some employers now think that they can teach a lesson to the workers and the workers are to be taught a lesson. And they seem to be very rigid in their attitude. Sir, you will be surprised to know that there are more lock-outs in some places than strikes. But the general impression is that there are more strikes. As a matter of fact, in West Bengal, there are more lock-outs than strikes.

In some quarters they think now that the workers' wage bill has gone very high and they have to be stiff and resist any demand for rise in wages. But what is the real position? According to the Reserve Bank, "the manufacturing cost of companies has remained at 55 per cent of the value output, whereas the cost of wages

has declined from 14 per cent in 1965-66 to 13.2 per cent in 1970-71."

MR. DEPUTY CHAIRMAN : Please wind up.

SHRI B. C. BHAGWATI : A wrong impression has been created that workers have got much more than they deserved. I would like that public opinion is educated on the right lines and the workers' case is appreciated.

You will be surprised. Sir, that in Faridabad, which is, in a way, projection of the capital city of Delhi, the minimum wage in some factories, in some enterprises, is not more than Rs. 135 or Rs. 140. Though the per capita income in Haryana and in Punjab is the highest in the country, the minimum wages in some places in these States are the lowest. These things are happening. There is disparity. I agree in some places the employees get something more. But we want that disparity is removed. We want a rational policy in regard to income, price and Wage, to be fixed by the Government. A National wage policy should be determined. That is necessary. We cannot say that the Government is indifferent to the state of affairs that is prevailing in the country, so far as workers are concerned. . .

MR. DEPUTY CHAIRMAN: Please wind up.

SHRI B. C. BHAGWATI: There should be fair price shops run by the employers themselves for the employees, because then they will feel secure. Now, there is shortage and there are high prices. If the workers can get essential commodities in Fair Price shops, run by the employers, then they will feel secure and they can work whole-heartedly. I hope the Government will make the employers run fair price shops and I believe that will relieve the general public to some extent, because the pressure will be less on the open market. I hope that Government will look into all these matters.

As regards the budget, it is after all an annual account of receipts and *expenditure*. But the main purpose is to build up the new economy on the basis of Socialism. And for that we have to organize public

opinion. We have to see that there is involvement of the people; there is involvement of the working class, organized working class. This is very necessary. And for that a congenial climate has to be created and proper conditions have to be provided.

MR. DEPUTY CHAIRMAN : Dr. Kuriyan.

DR. K. MATHEW KURIAN : Sir, I rise to oppose the budgetary policies contained in the speech of the finance Minister and also the large number of anti-people policies incorporated in budget.

Sir, there are several naked lies propagated by the Finance Minister and his Government. The first naked lie is that the budget is not inflationary. Another lie is that the deficit in the budget has been kept at the minimum, (that the budget is production-oriented and it does not adversely affect the weaker sections of the people. Mr. Manubhai Shah said that the poor consumers will not be hit. Sir, another lie propagated by the Government is that the economy is "turning the corner". This is the expression used by the hon. Mr. Manubhai Shah. Another lie is that there is nothing basically wrong with the economic policies pursued by the Government.

Sir, I would like to submit that these propositions propagated by members of the ruling party are in fact deliberately made to detract people's anger against the budget and its policies and to divert the attention of the people who are struggling for social justice. Sir, in fact, the crisis in India is deepening and we are on the verge of economic collapse. What does the Government do? They are pursuing their rotten economic policies of the past.

Sir, the budget for the year 1974-75 has completely exposed (the bourgeois-landlord policies of the Congress Party. The budgetary policy enunciated by the Finance Minister, Mr. Chavan, is a blatantly anti-people policy. The budget gives a substantial bonanza to big business on a golden plate. They give a substantial bonanza to traders, black-marketers, black money operators and so on. Sir, this budget is a compliment and a pay-off to the support given by the big business during the last elections to the Congress. Heavy dose of

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taxation on the people and reduction in the tax burden on the rich are the basic contents of this budget.

Sir, we find that the corporate sector has been left untouched by additional taxation. In fact, the development rebate for purchase of ships and machinery has been extended by one year. Further relief has been given to the high-income groups by reducing the maximum rate of income-tax from 97.75 per cent to 77 per cent of the taxable income. Sir, the hon. Member, Mr. Manubhai Shah, said with great flourish that there is massive support for this budget. I would like to ask the hon. Members of the ruling party where the evidence of this massive support to this budget is, Sir, the spokesmen of big business have been jubilant by the budget. They have welcomed the budget by showing unprecedented enthusiasm. These days we talk of unprecedented rise in prices. In the stock market of this country, we witnessed a mood of optimism as reported by financial newspapers. Reporting about the stock market reaction to the budget, another newspaper said, "The stock market is exceptionally buoyant, inspired in the absence of any fresh imposition on the corporate sector." Mr. Ganesh, please tell your Minister, Mr. Chavan, that he has given a bonanza to big business and the corporate sector. The Financial Express of 2nd March 1974 reported that industrial securities in the major stock markets 'surged forward'—this is the word used 'surged forward'—'reflecting their favourable response to the budget proposals'. Whose favourable response was it, Sir? It was the favourable response, the psychological mood, of the big business. The stock markets reacted in the right way. Financial Express Corporate Index scored a spectacular rise of 5.68, possibly the biggest single day rise so far in the stock market. They should take credit for enabling the stock market to rise by 5.68 in one single day. It is most unprecedented in the history of the stock market in this country.

On the other hand, what is the massive support of the people? There is massive support for the budget in the stock market. But for the people there is further tax burden and further deprivation their

[Dr. K. Malhew Kurian.] livelihood. The cumulative effect of the new taxes on top of the heavy burden imposed through indirect taxes which increased from 50 per cent in 1951 to more than 80 per cent a year ago, is that the country is being led to the verge of an explosive situation in which the people are getting angry with the Government. Instead of massive support, there is massive anger of the people against the wrong budgetary and economic policies adopted by the Government.

Sir, Mr. Manubhai Shah said that the budget has a carefully thought-out tax structure. Obviously, it is true. Sir, it is a very carefully thought-out tax structure to benefit the big business. Instead of the poor consumers being left out, they are hit the hardest. Punitive taxes have been imposed by Mr. Chavan on household goods ranging from toothpaste to towels. Soaps, postcards, inland letters and covers will cost more. Prices of paper, tobacco, cigarettes, cotton cloth, glass and glasswares and aerated water have gone up.

Even the incidence of excise duty on industrial products will be shifted to the consumers. Sir, according to a calculation, the additional excise duties on iron and steel, cement, paper, ply-wood, dye stuffs and so on will increase the wholesale price by at least 10 per cent, on a very conservative estimate. The reduction in income-tax on the middle-class, on the lower slab or rather the increase in exemption was meant to silence the middle-class, who normally protest vocally against the Government. Even that was not successful because the benefit given to the middle-class are more than off set by the increase in consumer prices, which will result from this Budget.

Sir, I would like to show that the total lie that the Budget is not going to have an inflationary impact, that, the deficit has been kept at the minimum, cannot stand any scrutiny. Sir, the real deficit in the Budget, according to a rough calculation, will be something of the order of 800 to 1,000 crores of rupees. Let the Minister challenge me *on that*. I can show that on a very conservative estimate, the minimum deficit of the Budget will be anywhere between 800 to 1,000 crores of rupees. My hon. friend, Mr. Chinai says that it will be Rs. 1,500 crores. Nonetheless. Let us see i

the hon. Minister's own Budget Speech. He says in his Budget Speech, Part B, page 2, and I quote :

"The reduction in the rates of income-tax on personal income would ordinarily have resulted in a loss of about Rs. 60 crores in a full year. . . I am, however, not taking any loss into account for budgetary purposes and I expect that the reduction in the rates of taxes will be lead to better tax compliance, and full disclosures of incomes..."

Sir, this is a trick played in the Budget to cut down deficit which, in fact, is very staggering. Today's 'Times of India' reports, and I quote :

"The Government will have to fork out a massive subsidy of around Rs. 300 crores for imported fertilizers in 1974-75, thanks to the steep rise in international prices. The Government can avoid the subsidy by increasing its sale price of fertilizers by 100 per cent..."

which they cannot do except by cutting at the root of agricultural development. Then, it goes on to say,

"The Budget does not provide anything for subsidising imported fertilizers next year. Hence the entire loss on such sales will go towards increasing deficit financing and thus add to inflationary pressures."

Sir, added to this, the calculated increase in revenue expenditure has also been concealed. Sir, we have experiences of the past that despite the so-called economy measures, public expenditure of wasteful nature has been expanding cheerfully over the years—Rs. 250 crores have been earmarked in the Fifth Plan for big officers to purchase automobile cars. And lakhs of rupees were spent on Delhi High Court building for beautifying it with marbles. And there is unnecessary and wasteful expenditure on petrol by all kinds of travel and tour programmes of Ministers and high officials. And, Sir, by concealing the expenditure on one side, by not taking into account the decrease in revenue because of tax exemptions, by not taking into account the high increase in subsidies because of imported fertilizers on the other side, as the fertilizer production has been going down in this country, Mr. Chavan has very cunningly

fooled the Indian people by showing such a pitifully low level of deficit which in fact will be anywhere between 8 to 10 thousand crores of rupees. Sir, according to Mr. Manubhai Shah, in the Annual Plan of 1974-75, an additional amount of Rs. 405 crores has been added.

Sir, I tried to work out in a very rough and ready manner the erosion of value of rupee in the last one year. According to the statement of Mr. Chavan the rupee value in India had declined by 19 per cent in one year. On that count we have lost Rs. 4,769 crores in the annual plan. The reduction in value will be something like Rs. 586 crores. Even with the added investment in money terms of Rs. 405 crores the annual plan of the first year of the Fifth Five Year Plan will be less than the previous year by something like Rs. 181 crores. This is the level at which the real investment in this country is going up.

Sir, the Economic Survey of 1973-74 in page No. 1 talks of rate of savings and investment. The Report admits that saving rate and the investment rate have gone up in the country though in the earlier period they had declined. But, what is the reality? The reality is that not only in private sector but even in public sector there is substantial unutilised capacity of investment and assets already created. This country is short of fertilizer, short of every important essential commodity. The assets created by scarce resources in this country are lying idle in both public and private sectors.

Sir, similarly, if you look into the question of prices, the Government claims that the deficit Budget will be disinflationary. We have the classic example of at least one index number of development which has been continuously going up, i.e., prices apart from unemployment and poverty of the people. The wholesale prices with 100 as a base in 1948 increased to more than 316 last year. Sir, in fact, prices of rice, bajra, barley, ghee and other foodstuffs have risen by 50 to 70 per cent on the eve of the Central Budget on the top of substantial increases in the past. Prices of maida, mustard oil, vanaspati, biscuits and butter have all gone up by 30 to 50 per cent.

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Sir, I would like to show another canard, a total lie perpetuated by the Government regarding price rise. When the prices in the open market increased by 100 per cent Government brings a figure which shows hardly 10 per cent. Sir, I would like to show how this foolery, this type of attempt at fraud on the people is being perpetuated.

Sir, the official index number of wholesale prices rose to 240.8 during the week ending June 1973 registering an increase of 21.5 per cent over the level of the previous year. But, in fact, the actual increase in the price level was much higher indicating that the official figures are almost irrelevant to any discussion on economic policy in this country.

Sir, in the document called a Note on the Index Number of the Wholesale Prices in India, New Series, page number 10, it is stated that the commodity index is arrived at as a simple arithmetic average of prices of different varieties in different markets. In the case of wheat of the 23 quotations used, 6 are for imported varieties even though imports have been very negligible. This is one point, Sir. Moreover, the Bombay market quotation is based on the maximum wholesale price fixed by the Government which has no relation whatsoever to the actual market price even in the wholesale.

Apart from this the rise for various commodity groups is so unreal that they do not reflect the real content of the increases. Sir, by this I am trying to show that the way in which the wholesale price index and the consumer price index is determined is so inadequate and unscientific that the Government is taking shelter on the statistics which are really \* \* \* given over to the people by the Government.

MR. DEPUTY CHAIRMAN : You have been using the words which are unparliamentary words. You can use some other words in their place.

DR. K. MATHEW KURIAN : Sir, a spade has to be called a spade.

MR. DEPUTY CHAIRMAN : They are unparliamentary. They have to be expunged.

\*Expunged as ordered by the Chair

DR. K. MATHEY KURIAN : Sir, a spade has to be called a spade. If you want me also to say that the wholesale price index is correct, I shall do that. Do you want me to do that?

MR. DEPUTY CHAIRMAN: You cannot use unparliamentary words. There is something like 'unparliamentary words'.

DR. K. MATHEW KURIAN : We reflect the people and we must express the sentiments of ordinary people.

MR. DEPUTY CHAIRMAN : But you cannot go on using the words which you want.

DR. K. MATHEW KURIAN : Is \* an unparliamentary word?

MR. DEPUTY CHAIRMAN : Yes, it is an unparliamentary word, for your information. I have been keeping quiet and . . .

DR. K. MATHEW KURIAN : The word for \* is 'statistics'. You can substitute the word 'statistics'.

SHRI MAHAVIR TYAGI (Uttar Pradesh) : You can say—Untrue, incorrect, mistake, false.

DR. K. MATHEW KURIAN: I am not terribly worried about the form or the parliamentary niceties but I must reflect the fact that this Government is bringing forward statistics which are irrelevant to the discussion of economic policy.

Lastly, Sir, I would like to show that the budgetary policies and also economic policies implied and explicitly stated in the Plan document as well as in the Budget papers will take this country not towards further self-reliance and economic justice but towards the verge of collapse. Sir, during the Fourth Five Year Plan, actually the average rate of growth of national income did not exceed 4.5 per cent as compared to the target of 5.7 per cent. Sir, one of the reasons why the target was not achieved, as the Government would themselves admit, was the fact that resources could not be generated. Sir, studies on resource mobilisation in this country during the last two decade very clearly show that

•Expunged as ordered by the Chair

the real resources are being frittered away. According to one study which is with me here, the value which went to the workers during the last several years declined. On the contrary, the share of profits, dividends and rents, that is all kinds of surpluses has increased. If you take the study of the Reserve Bank of India, during the period 1965-66 to 1970-71, the share of workers and employees in value decreased from 10.8 per cent to 29 per cent. On the other hand the share of owners of property increased from 69.2 per cent to 71 per cent. Sir, during the period of rising prices, big capitalists, monopolists and landlords are enabled to get larger profits, interests and dividends. On the contrary, the real value which goes to workers declined. In such a situation where there is increase in exploitation of people, resources mobilisation gets difficult. This is the crucial problem which this country has faced.

I conclude by narrating a few proposals which should be considered as alternative economic policies if this country has to come out of the morass in which it finds itself.

Firstly, fundamentally, the property relations in India should be changed in the interest of vast masses of the working people. We must nationalise and take over the entire foreign monopoly concerns in this country. A moratorium should be declared on all the foreign debts. Concentration of wealth in the few hands or speculation and black money and corruption should be removed. Implement radical land reforms with land to the tillers and take over the entire surpluses of the landlord without compensation. Similarly, Sir, entire black money should be nullified by effective measures and I would also suggest that the budgetary policy should be restructured by moving away from the increasing tax burden on the people through indirect taxes. You must reduce the taxes on the poorer sections, the huge burden of taxes which fall on the people. We must depart from the policy of deficit financing which transfers value from the people to the owners of property. Unless, these measures are accepted, unless large amounts of human resources, manpower resources of the country which go to waste today because of

increasing unemployment are harnessed in the interest of development, we will not be able to get over the crisis. Therefore, I plead with the Government that these alternative economic policies be considered seriously and that they should depart from their economic policies of the past.

DR. R. K. CHAKRABARTY (West Bengal)  
: Sir, the Budget, though a promising one in some respects, has failed to mention any programme or strategy to halt the rate of inflation and to reduce the price rise which is raging in our country for the past 2-3 years. Sir, it is good to see that some relief has been given in the form of individual income-tax for the salaried persons and others and also it is good to see that a certain category of salaried persons drawing upto Rs. 18,000 per year has been exempted from submitting the voluntary income-tax return every year. Sir, it is not clear either from the Budget proposals or from the newspaper reports whether this amount of Rs. 18,000 is the gross income or the taxable income. My request to the hon. Finance Minister will be to make it Rs. 20,000 on the taxable income. In this way we will be able to relieve many officers in the Income-Tax Department so that they can concentrate on the bigger issues or on the tax evasion issues because after all for the salaried persons, for those whose income is only from the salary from the employer and where the income-tax is deducted at the source, it is no use asking them for submission of these papers because otherwise you are wasting volumes of paper every year in the form of files which are practically never opened because people working in the Income-tax Department also know that these are salaried persons and they are not very much interested to deal with those files.

Sir, the tax has come on practically every item but one of my requests to the hon. Minister will be at least to exempt the increase in price of the postcard and also commission on the Money Orders upto say Rs. 100. Sir, we know that many people, thousands and thousands of them leave their own State and live in another State and once in a while or occasionally or once a month they have to write to their homes. Even 90 per cent of these

people do not know how to write. So they take the help of the people who are sitting outside the Post Offices and they have to pay 3 paise or 5 paise to get the postcard written so that they can send the postcard to their home. If you raise the price of the postcard from 10 paise to 15 paise, actually the cost to these people will come to 18 paise or 20 paise. So far as the increase in the price of the inland letters or covers is concerned, that is the concern of the Finance Ministry. My request will be to keep the price of the postcard at least, to 10 paise and do not increase commission upto the remittance of Rs. 100 because these people will be remitting money to home every month and this would be a burden on them, on the poorer sections.

Sir, this Budget to some extent is also production-oriented. It is good to see that at least a beginning has been made to make it a production-oriented budget but the difficulty is, Sir, I would like to draw the attention of the hon. Minister to the answer given to Starred Question No. 385 on the 12th of this month, that is yesterday, regarding selecting personnel for the top positions in public sector enterprises. I may quote from the statement given :

"The new system of appointment of incumbents to the top posts in public enterprises is intended to assist the process of development of specialised skills, greater continuity and commitment in the work-force..." etc.

But, Sir, the way our bureaucracy is functioning for the last 10 to 15 years reminds me of a proverb which says that bad coins always drive away the good coins. I am extremely sorry to say this. I can cite hundreds of examples on the floor of the House to show the way things have been going on in the technical field all over the country especially in the public sector enterprises.

I would only cite four examples for the information of this House. Sir, it is no secret that the private sector is trying practically every trick in the book in order to destroy the public enterprise system or any Government system in the country because they are very vehemently against it. And they are trying to do it with the

[Dr. R. K. Chakrabarti.] help of the corrupt officials at the top levels of the bureaucracy. The first instance relates to the field of fertilisers. The top man who has spent all his life in building up the fertiliser factories in this country was eased out from his position to make room for some other person so that we may not develop the industry and become self-sufficient in fertiliser, 'this top man who has devoted his whole life in this field is a technical person and under his guidance almost all the fertiliser factories have come up in this country during the last 15 years and ultimately he was shunted out and shifted from that place because he was working to the disadvantage of the people in the private sector.

The second instance is this. You remember we fought so much for taking over the Burn & Co. of Howrah. As soon as this company was taken over a custodian was appointed to sort out the difficulties in the firm. So far so good. We hoped that the production will start increasing and everything will function smoothly. Now suddenly a month ago or about three weeks ago, an ex-military man, a retired reran, was put on the top of this custodian in this factory. Sir, it has been found that the first action he did was to drive out the honest sincere technical workers and officers and he is trying to protect those guilty officers against whom repeatedly charges have been made for the last two years by the unions and workers of Burn & Co., Howrah.

In the third case—this is the latest blatant example of corruption and malpractice—the Managing Director of the Bokharo steel plant has been shifted. Probably you know this is the first steel plant that is being built practically by our own engineers without much technical help from abroad. Now the Managing Director who is a very energetic and technical person and who was doing his work in right earnest and trying to finish the job before the time schedule has been very recently shifted from his place. I would like to quote one of the Delhi papers regarding this. This is from Indian Express of the 11th March: "Mr. Bhattacharya belongs to the Ordnance Factory cadre and has been responsible for the progress made in Bokharo so far. the Bokharo steel plant

commissioned a 100-ton converter on January 1 this year and according to the present schedule it will commission the second blast furnace and (the third coke oven battery and two more converters in 1974. Bokharo according to indications so far is in a position to produce finished steel by the beginning of 1975."

Is this the reward for the Managing Director who worked very hard and tried to do the job satisfactorily? Let us see what the paper further says :

" I he top members in the Ministry of Steel and Mines did not like his speed. It is said that at the top level there is sympathy for the private sector plant."

In the fourth instance, some top officials in the Ministry of Rehabilitation are trying to destroy the Rehabilitation Industries Corporation at Calcutta simply by adopting delaying tactics and by changing the Managing Director after every six months like pawns in a chess game. In this way they are trying to see that this may be closed down in which case thousands and thousands of refugee families will be starving. These are the few examples I have given.

Therefore what I would like to point out is whatever we may do in the budgetary proposals, whatever decision the Government may take, unless there is sincerity and honesty at the top level in the Administration we cannot progress further and we cannot make those public sector enterprises successful.

Then, Sir, some disquieting news has appeared that recently something has been leaked out from the World Bank Report that our food position is going to be very bad in this year and also in the coming years. It is also rumoured that the wheat trade take-over is going to be decentralised which means it is going to be given back to the private trader. This will be a very wrong thing to do. All the essential commodities, including foodgrains, drugs and baby food, must be taken over under Government control. In a country where we have a population problem and we are always having a shortage in these commodities, there will be a chance for hoarding, storing and blackmarketing and we will not

be able to stop this unless and until the wholesale trade, the, wholesale market and the wholesale distribution are taken over by the Government and it is brought under the Government's aegis. Now, one of the common explanations most of the time given for the failure of the takeover of wheat or anything is that we do not have the machinery for proper procurement or distribution. I think this can be sorted out. Simply we can keep those people who are already in these trades by making them Government agents and let them work on a commission basis, but do not allow any private sale or private trade to take place anywhere in the country.

We heard a lot about black money in the country and we have also heard that this black money is not a static money. It is a dynamic money, but what is this dynamic money doing? We have not yet been able to arrive at a position by which we can stop this black money from accumulating. At least what we can do is this. We can ask those people who are having black money to invest it on more production, for setting up more factories and not to utilise this black money, this dynamic money for the purpose of hoarding essential commodities and play ladka in the share market. This money should be utilised elsewhere in setting up new factories, for producing new items, for producing items which are vitally required for industrial development. Now, they are simply mopping up, with the help of black money, every essential commodity in the country. They hoard it in different places in different names and then they bring it out a little at a time and charge double or four times the usual market price.

We find that for every eight-point rise in the price index there will be an increase in the dearness allowance. My question is, how long can we go on giving this increase in dearness allowance? We hear that in the current year by the end of 31st March, a fifth instalment of dearness allowance will have to be given. In the coming year, when the price is rising, we will have to give a sixth instalment of D.A. That does not solve the problem. Also, my appeal to the trade union leaders in this country is they should have only one union. Instead of

demanding more bonus, more D.A. or more salary, we should persistently demand that the prices should be checked, so that they do not go that high that they cannot cope with the normal increase in the emoluments of the working people.

Two more points I want to touch. The one which I have mentioned several times on the floor of the House is that there should be a uniform wage policy all over the country. We cannot expect that in a State or even in between States in a similar type of institution, similar type if people should get different pay scales. That creates confusion and agitates the minds of the working-class or working people. So, there should be an effort to see that there is a uniform wage policy all over the country for similar work.

Lastly, there is the right which is currently going on between technocrats and bureaucrats. Now, the way it is going on in West Bengal for the last eighteen or twenty days, I am afraid it is going to spread to other States very soon. If this continues, I can caution the Government, the whole country will be paralysed because if the whole section of the medical profession and technocrats do not work, the country will be affected. They are saying that they must get the same status and should have parity with the IAS. There is a nefarious propaganda going on that the technocrats and medical people are asking for more money when the country is passing through a critical period. It is not mere money which they are asking. This is false propaganda. At every platform and in every memorandum they have said it. It is not that they are asking Rs. 3,500 like a Secretary or the Rs. 250 allowance given to a Commissioner. If the Government have no money and if the country is passing through a critical time or crisis, then why do you not ask the IAS people to bring down their salary to P.s. 2,500? Then, they will accept Rs. 2,500 as the highest salary which is paid to any Government servant.

Thank you.

SHRI P. N. BIS1: (Nominated): Mr. Deputy Chairman, Sir, welcome the Budget as far as I understand these things—I do not understand these things very

[Shri P. N. Bisi.] much—I am going to draw the attention of the House and of the Education Minister *in absentia* to a very important problem that is the Visva-Bharati University. Recently, many well-wishers of the Visva-Bharati University and top-ranking people have realised that all is not well with the Visva-Bharati. Recently, at the convocation that took place at Shantiniketan, the Vice-Chancellor of the University and an eminent educationist, Dr. Nihar Raman Ray, who were invited to conic, had to say something. Both of them said that something must be done to revitalise the Visva-Bharati University. And I am congratulating the hon. Minister for Education *in absentia* that he has already appointed a Committee to go into details about the future of the Visva-Bharati. It is under the Chairmanship of Mr. Justice Maqsd who is connected with the Visva-Bharati in many ways for many years and Dr. P. C. Gupta, Vice-Chancellor. There are other members also whom unfortunately I do not know, and I am afraid, they do not know much about the University. Anyway, something is coming up; that is a sign of hope.

Before I enter into a detailed discussion, I shall present my thesis in clear terms. That will help the House to understand the whole situation. Before that, I must remind that at the place called Shantiniketan, there are three parallel institutions running. One is the school which deserves a separ&jte discussion but not today. The other is the Visva-Bharti Institute founded by Tagore, Another is the Visva-Bharati University established by the Parliament of India. All go by the name of one single nomenclature, Visva-Bharati. Tagore has gone into shade when some say that th?y do not understand the Visva-Bharati, the original institution founded by Tagore, but the statutory University established by the Parliament of India. I do not blame the Parliament of India because with the best of intentions and out of respect for that great man, they did it. But I have heard a story for which I cannot cite chapter and verse just now. But Panditji was not at all happy that it should be made a statutory University. He requested the then bead of the institution not to insist on it. But unfortunately it was not to be. I have got three proposals which I put before you. Sir, by Visva-Bharati I

mean the institution founded by Tagore. It should be made a centre of culture for the South-East Asian countries. Secondly, the statutory University established by the Parliament of India should be totally, ruthlessly abolished. As long as this old man is on the shoulder of Sindbad, the sailor, there is no hope for the Tagore institution. It will cruelly throttle the institution. Everybody wants to see the old Visva-Bharati. But of the old Visva-Bharati nothing remains except a row of Sal trees and diminishing mango groves which is now a tourist attraction. I dare say in a few years time it will lose that attraction too. The present Visva-Bharati University is like any other hundred universities—I do not know how many of them are there and every year two or three more universities are being added. Now there is no distinction between the Visva-Bharati and any other University. On the contrary this is the cause of the decay and ultimate death of the Tagore's institution.

Thirdly, the Visva-Bharati University, I mean the institution that Tagore founded, must be kept above politics. Th?t is what Tagore did all along his forty years While he was alive. When in 1945 Gandhiji went to see the institution for the last time he also approved of Visva-Bharati as being above politics. Now it is being slowly drawn into the mire of politics. These are my three propositions.

Sir, may I tell you what made Tagore establish the School originally in 1901,? The idea was that it should be an institution where national integration should take place. I hough now we swear by national integration, the idea of national integration was conceived long before in the School. During 1916 when the i'rst World War was going on Tagore was invited on a lecture tour in Japán and America. He saw, metaphorically speaking, that eyes were read. Japan was already in the war and America was on the verge of declaring war. That made him analyse the cause of the war. He attributed it to aggressive nationalism. This aggressive nationalism was the malady of those days and it still remains the malady of the present time. That made him think about the remedy. He realised that some sort of rapproachment should be made among nations. This time international

integration: he said such an institution should be created where all the big scholars, indologists from all countries could go and preach what is the best, the best said and the best written. In 1921 when the Visva-Bharati institution was established, reputed and most eminent scholars from France, Scandinavia, Czechoslovakia, Italy were invited. They stayed there for one year or more. Prof. Suchi of Italy is fortunately still alive. That was the beginning of the Visva-Bharati. Above its gate is written a Sanskrit sloka. I do not know whether anybody sees it or not. It means where the world can find commonness. Then in 1924 he went to China. And after returning from China he got handsome money from the then Government, and the China Bhavan was established. And after 1931-32 or 1933 when Tagore was over 70 and was not keeping very good health, he went out on a tour from Malaysia to Indonesia. At that time that big chunk of land was known as Indonesia. It was his idea that like China Bhavan we should create another bhavan. 'Bhavan' means a special institution where detailed studies are made. There are four Bhavans at present: China Bhavan, Hindi Bhavan, Kala Bhavan, Sangeet Bhavan. If he were alive for a few years, he would have made another Bhavan comprising South-East Asia. But unfortunately two things intervened—his health and chronic scarcity of money. Once in this very city of Delhi Gandhiji saw Tagore. Tagore came with his troupe for presenting his drama. Gandhiji helped him out, procured some Rs. 60,000 and gave him. So we have come almost to the last year of his life. His connection with the western world was established, his connection with China was established; but unfortunately his connection with South-East Asia, that is, Burma, Malaysia, Indonesia and that land once known as Indo-China—it is now called in different names having different cultures, different languages—could not be realised. In 1940 the poet was ailing. Gandhiji went to see him and the poet handed over the future of the institution to him. Then another decade passed, full of historical memories. In 1951 in spite of many well-wishers Visva-Bharati University was statutorily established. That was the beginning of the 'Paradise Lost'. Today Visva-Bharati institution is like any other university. Why

create another? We at least say that we are groping to find new avenues to education. When we get a new avenue ready at hand, we make it a conventional one. That is what we have done. If the whole statutory university is not abolished, at least I shall request this House and the Parliament to abolish the science faculties. That is the bane that has led to the decay of Visva-Bharati. Here is a press cutting that higher research in these things is going to be studied there in this university. 'I here is plenty of place elsewhere for this. Why at Shanliniketan? I have heard from very reliable sources that there is pressure from the authorities to start an engineering college there. It will not end there. Then there will be a medical college and something else. When it becomes a hotch-potch, then Government will take over the institution. Sometimes I think that if they are very keen on having that institution at some where, there is plenty of empty space in Bibhum or Shivri. They can have the science faculties transferred there. (*Time bell rings*). I will finish before you ring the third bell. I shall ask you and the Education Minister *in absentia* and the Members of the House, absent and present, and the bigger public outside to have some mercy on the old man who spent almost his last farthing and last breath of his life to cherish this new experiment. What is that experiment? International integration through culture. That was his basic idea. Therefore, while treading this subject, I would ask you to tread soft because you tread on his dreams and visions and his unique and noble educational experiment which remains unfinished only because of his untimely death.

श्री बलराम दास (मध्य प्रदेश) : आदरणीय उपसभापति महोदय, आज हम वज्र के बारे में विचार कर रहे हैं और अप्रैल से हमारी अगली पंचवर्षीय योजना शुरू होने जा रही है।

[The Vice-Chairman (Shrimati Purabi Mukhopadhyay) in the Chair.]

लेकिन मैंने 1973 और 1974 की जो आर्थिक समीक्षा पढ़ी, उसको पढ़ कर मुझे बड़ी निराशा हुई क्योंकि समीक्षा में एक यह भविष्यवाणी की गई है कि हमारा 1974 का जो साल होगा, वह अत्यंत गम्भीर

(श्री बलराम दास)

परिस्थितियों से भरा हुआ होगा। यह पढ़ कर मुझे बड़ा दुःख भी हुआ। मैं यह चाहता था कि उसमें मुझे कुछ आशा दिखायी देती, जिससे कि हमें, जो वर्तमान परिस्थितियाँ हैं और जिस अभाव में जीवन व्यतीत कर रहे हैं, उस जीवन से छुटकारा मिलता। मुझे ऐसी आशा थी, लेकिन वह आशा पूरी नहीं हुई। आर्थिक समीक्षा में यह भी कहा गया है कि आज देश की सबसे बड़ी समस्या हमारे सामने महंगाई की है। पिछले वर्ष जो थोक भाव का इंडेक्स था, वह करीब 14 परसेंट बढ़ गया है और इस साल वह करीब 26 परसेंट बढ़ गया है। लेकिन आम आदमी के लिए जहाँ तक कीमतों का सवाल है, उनके लिए महंगाई दुगुनी, तिगुनी हो गई है। इसमें कोई शक नहीं है कि आज जो गरीब वर्ग है, उसकी हालत बहुत चिन्ताजनक है और इसी लिए हमें बड़ी गम्भीरता से इस विषय पर विचार करना होगा।

मैं यह मानता हूँ कि हमारे देश में जब से पंचवर्षीय योजना शुरू हुई है, तब से वह आगे बढ़ता जा रहा है। हमारा कृषि का जो उत्पादन था वह दुगुना हो गया है और औद्योगिक उत्पादन तिगुना हो गया है। हमारे देश में नये-नये उद्योग खले, वैज्ञानिक अनुसंधान तथा टेक्नोलोजी प्रशिक्षण का काफी विस्तार हुआ और इन चीजों में हमने काफी उन्नति की। लेकिन दुःख इस बात का है कि गल्ला, कोयला, कपड़ा, मिट्टी का तेल, खाने का तेल घी और शक्कर के उत्पादन में दिन प्रति दिन कमी होती जा रही है और इसकी वजह से देश की हालत बहुत चिन्ताजनक हो गई है। लेकिन दूसरी ओर जब हम यह देखते हैं कि रेडियो, टेलीविजन एयर कंडिशनरों का उत्पादन दुगुना और तिगुना बढ़ता ही चला जा रहा है, जो कि एक अच्छी बात नहीं है। हमें इस बात की कोशिश करनी चाहिये कि हमारे यहाँ रोजमर्रा की काम आने वाली चीजों का उत्पादन बढ़े और यह जो विलासता की सामग्री है, उसका उत्पादन हमें रोक देना चाहिये। जब हम इस तरह की बात करेंगे तब ही हम इस महंगाई से छुटकारा पा सकते हैं।

दूसरी ओर जब हम यह देखते हैं कि हमारे यहाँ

बेरोजगारी बढ़ती ही चली जा रही है और जब दूसरी पंचवर्षीय योजना समाप्त होने को थी तो उस समय हमारे यहाँ करीब 30 लाख 30 हजार आदमी बेकार थे। लेकिन आज हम देखते हैं कि हमारे देश में करीब 2 करोड़ के लोग बेकार पड़े हुए हैं। अगर गांवों में देखा जाय, तो गांवों में करीब 5 करोड़ खेतिहर मजदूर लोग बेकार पड़े हुए हैं। यह हालत हमारे देश के लिए चिन्ताजनक है। करीब 30 लाख लोग ऐसे हैं, नौजवान लोग हैं, जो डाक्टर हैं, इंजीनियर हैं, टीचर्स हैं, डिप्लोमा होल्डर्स हैं, जो आज बड़ी ही दयनीय स्थिति में अपना जीवन व्यतीत कर रहे हैं। इस चीज के ऊपर हमें गम्भीरता पूर्वक विचार करना चाहिये। महंगाई की समस्या, बेकारी की समस्या ये ऐसी चुनौतियाँ हैं, जो हमें गम्भीरता-पूर्वक विचार करने के लिए मजबूर करती हैं। वास्तव में जब हम अपनी योजनाएँ बनायें तो उनमें कोई इस तरह का परिवर्तन हो, जिससे हम इन सब मुसीबतों से छुटकारा पा सकें, लेकिन नेशनल सैम्पुल सर्वे ने जो अपनी रिपोर्ट पेश की है, उसमें उन्होंने यह उल्लेख किया है कि हमारे देश में 30 प्रतिशत लोग ऐसे हैं जो गरीबी के नीचे के स्तर पर जीवन व्यतीत कर रहे हैं। हमारी पंचवर्षीय योजना के प्रस्तावित प्रारूप में यह उल्लेख हुआ है :—

"The basic goal is rapid increase in the standard of living of the people and the emphasis is placed on the common man, the weaker sections and the less privileged."

यह लक्ष्य जो हमने निर्धारित किया है, यदि इसका कोई अर्थ होता है तो मेरी समझ में यही होता है कि जो गरीब से गरीब आदमी है और जो पिछड़े इलाके हैं, उनको हम महत्व देने जा रहे हैं, उनको उठाने जा रहे हैं, लेकिन हम ये देखते हैं कि वास्तव में योजना आयोग जिन पिछड़े वर्गों के लिए, जिन पिछड़े प्रदेशों के लिए जितना महत्व देना चाहिए उतना महत्व नहीं देता है। यह देख कर दुःख होता है।

मैं खास तौर से मध्य प्रदेश की ओर—चूँकि मैं मध्य प्रदेश का रहने वाला हूँ और मध्य प्रदेश एक बहुत पिछड़ा प्रान्त है—आपका ध्यान आकृष्ट

करना चाहता हूँ। श्रीमन्, 1971 की जनगणना के अनुसार मध्य प्रदेश की आबादी करीब 416 लाख है और उसमें से 85 लाख आदिवासी और 55 लाख हरिजन रहते हैं। इस आबादी में से 84 परसेंट लोग गांवों में रहते हैं और 16 परसेंट शहरों और कस्बों में रहते हैं। नेशनल सेमिनल सर्वे ने इन गांवों में रहने वाले लोगों के बारे में जो विवरण दिया है उसमें यह लगता है कि गांवों में 77 परसेंट लोग बिजली पावर्टी लाइन हैं। अब आप स्वयं अन्दाज लगा लीजिए कि हमारे प्रान्त के गांवों में रहने वाले 77 परसेंट लोग गरीबी से नीचे के स्तर पर अपना जीवन व्यतीत कर रहे हैं, जिनकी आमदनी 40 रुपए महीने भी नहीं है, जिनको दो टाइम भोजन खाने के लिए नहीं मिलता। वे किसी प्रकार गुलामी करके अपना जीवन बिता रहे हैं।

योजना आयोग ने पिछड़े लोगों के लिये और पिछड़े प्रान्तों के लिये मिनिमम नीड्स प्रोग्राम का एक कार्यक्रम अपने हाथ में लिया है। उस कार्यक्रम में मध्य प्रदेश के सम्बन्ध में उन्होंने यह आवश्यकता बताई है कि मध्य प्रदेश को मिनिमम नीड्स प्रोग्राम के लिए करीब 382 करोड़ रुपया मिलना चाहिए, लेकिन उसके साथ-साथ योजना आयोग ने यह भी कहा है कि राज्य सरकार को चाहिए कि वह इस खर्च को स्वयं वर्दाश करे। मेरा वित्त मंत्री महोदय से यह निवेदन है कि आप देखिए कि हमारा प्रान्त पहले से पिछड़ा हुआ है और यदि मिनिमम नीड्स प्रोग्राम के लिए केन्द्रीय सरकार से हमें मदद नहीं मिलती तो हमारे बजट का 30 परसेंट मिनिमम नीड्स प्रोग्राम के अन्दर खर्च हो जायगा, जबकि दूसरे प्रान्तों के बजट का 10 परसेंट मिनिमम नीड्स प्रोग्राम के ऊपर खर्च होगा। इसलिए मेरा केन्द्रीय शासन से यह निवेदन है कि यह 382 करोड़ की रकम केन्द्रीय सरकार के बजट से दी जाय। यदि यहां से दिया जायगा तो यह जो हमारे यहां 85 लाख आदिवासी और 55 लाख हरिजन हमारे प्रान्त में हैं, यदि केन्द्रीय शासन से हमें मदद मिलती है तो प्रान्तीय सरकार अपने बजट से

हरिजनों और आदिवासियों के कल्याण में खर्च कर सकेगी। इसलिए मेरा निवेदन है कि केन्द्रीय सरकार मिनिमम नीड्स प्रोग्राम के लिए अपने बजट से रकम दे।

जैसा मैंने बताया, आदिवासियों का औसत मध्य प्रदेश में करीब 22 परसेंट है। केन्द्रीय सरकार से मेरा यह निवेदन है कि चौथी पंचवर्षीय योजना में जिस प्रकार पहाड़ी इलाकों के आदिवासियों को मदद दी गई थी, उसी प्रकार से यदि पांचवी पंचवर्षीय योजना के अन्दर मध्य प्रदेश के आदिवासियों को मदद दी जाय, तो मैं समझता हूँ कि उनका आर्थिक विकास हो सकेगा। मध्य प्रदेश शिक्षा के मामले में, चिकित्सा के मामले में, रोड्स के मामले में, रेलवेज के मामले में, सिंचाई के मामले में, किसी भी मामले में यदि देखा जाए तो बहुत पिछड़ा हुआ है। इसलिए जब तक केन्द्रीय शासन से मदद नहीं मिलती, तब तक हमारा प्रान्त आगे बढ़ने की स्थिति में नहीं आयेगा।

सिंचाई के मामले में यदि लें तो हमारे देश का सिंचाई का जो आमत है वह 23 परसेंट है, लेकिन मध्य प्रदेश में मुश्किल से 8-9 परसेंट ही सिंचाई होती है। यह देखा जाए कि मध्य प्रदेश से जितनी नदियां बहती हैं, उन नदियों का पानी पूरे भारत वर्ष की नदियों के पानी का 1 बटा 5 (1/5) है, लेकिन पैसा न होने की वजह से हम उस पानी का सदुपयोग नहीं कर पाते। यह हमारी गरीबी का एक बहुत बड़ा कारण है।

मध्य प्रदेश शासन ने अपने प्रान्त में सिंचाई बढ़ाने के लिए 450 करोड़ रुपये की योजनायें केन्द्रीय सरकार को दी हैं। 11-12 बड़ी-बड़ी सिंचाई योजनाएं हैं। इनके अलावा करीब 30 मीडियम सिंचाई योजनायें हैं, जिनके द्वारा हम चाहे तो भारत वर्ष में जो गल्ले की समस्या है उस गल्ले की समस्या को हल करने में बहुत बड़ा भाग ले सकते हैं।

यहां तक विजली का सवाल है, मुश्किल से 15-16 परसेंट हमारे गांवों में विजली है, जबकि

[श्री बलराम दास]

मीनिमम प्रोग्राम में, पंचवर्षीय योजना में करीब 40 परसेंट बिजली गांवों वालों को देने के लिए केन्द्रीय सरकार ने अपना लक्ष्य बनाया है। लेकिन हमारे यहां केवल 15 परसेंट बिजली है। उस बिजली को बढ़ाने के लिए यदि केन्द्रीय शासन हमें मदद देगा तो हम बिजली बढ़ा पायेंगे।

जहां तक जंगलों का सवाल है, मध्य प्रदेश में बहुत जंगल हैं, करीब 33 परसेंट जंगलों का हम शोषण कर पाते हैं। उससे राज्य सरकार को करीब 30 करोड़ रुपये की आमदनी होती है। वस्तर, आवुआ, सरगुजा, शाहडोल सीधी आदि ऐसे आदिवासी जिले हैं, जिन आदिवासी जिलों में बहुत से जंगल हैं और आदिवासी लोग इन्हीं जंगलों के ऊपर निर्भर करते हैं। यदि केन्द्रीय सरकार मदद दे तो जंगलों का जो कच्चा माल है उस कच्चे माल के आधार के ऊपर छोटे-छोटे उद्योग धंधे खोले जा सकते हैं और आदिवासियों की जो गरीबी है, उस गरीबी को दूर किया जा सकता है।

लेकिन सबसे बड़ी समस्या हमारे यहां सड़कों की है और रेलों की है। सड़कों और रेलों के न होने की वजह से कोई नये-नये उद्योग धंधे नहीं खोले जा सकते और केन्द्रीय सरकार के पास राज्य सरकारों ने कई रोड्स और रेलवेज की योजनायें भेजी हैं। यदि केन्द्रीय सरकार उन योजनाओं को पूरा करने के लिए आर्थिक सहायता दे तो मैं समझता हूं कि ये जो जंगल हैं, जंगली इलाके हैं, जिनमें आदिवासी रहते हैं उन आदिवासी इलाकों का विकास हो सकता है।

स्टेट्स रिआर्गनाइजेशन कमीशन ने भी इस विषय में अपनी सिफारिश की थी और यह कहा था कि इन आदिवासी इलाकों से रेलवे लाइन्स निकलनी चाहिए। उन्होंने यह भी सिफारिश की थी कि बिन्ध्य प्रदेश, महाकौशल को जोड़ने के लिए ललितपुर, छतरपुर, बीना, टीकमगढ़, सतना, रीवा होते हुए जबलपुर से रेल मिलाई जा सकती है। उससे पिछड़े इलाकों का काफी विकास हो सकता है।

इसके अलावा मैं केन्द्रीय सरकार से यह निवेदन करूंगा कि मैं मानता हूं कि केन्द्रीय सरकार हरिजन और आदिवासियों के विकास के लिए काफी सोचती है और उनके लिए बड़ी-बड़ी योजनायें बनाती है, लेकिन अफसोस तो इस बात का है कि वह योजनायें कार्यान्वित नहीं की जाती जिसकी वजह से यह पिछड़ा वर्ग पिछड़ जाता है। इस विषय में मैं एक उदाहरण दूंगा कि दिसम्बर, 1971 में केन्द्रीय सरकार ने 5 करोड़ रुपये की लागत से बीस हजार हरिजन बस्तियों में बिजली देने की एक योजना बनायी थी, लेकिन तीन साल होने जा रहे हैं अभी तक करीब 8 प्रान्तों ने उसके ऊपर कोई कार्यवाही नहीं की है और उस पर अमल करने के लिए कोई भी कदम नहीं उठाया। कई प्रान्तीय सरकारें यह कह रही हैं कि हमारे यहां की जो ग्राम पंचायतें हैं, वह ग्राम पंचायतें जो बिजली का खर्च होगा उस को पूरा करने में असमर्थ हैं और इस वजह से वे इस योजना को कार्यान्वित करने में असमर्थ हैं। इसके अलावा जो आदिवासियों के टी० डी० ब्लाक्स हैं उनके बारे में कहना चाहूंगा कि हमारे यहां करीब 120 टी० डी० ब्लाक्स हैं। चौथी पंचवर्षीय योजना के समय में केन्द्रीय सरकार ने एक धेवर कमीशन नियुक्त किया था और उस धेवर कमीशन ने यह सिफारिश की थी कि करीब 75 टी० डी० ब्लाक्स और मध्य प्रदेश में खोले जाने चाहिए। ऐसा होने पर ही वहां के आदिवासियों का विकास हो सकता है। उस योजना को राज्य सरकार ने यहां केन्द्रीय सरकार में भेजा, लेकिन अभी तक उसके ऊपर कोई कार्यवाही नहीं हुई है। एक दो प्वाइन्ट और मुझे कहने की इजाजत दीजिए।

श्री उपसभाध्यक्ष (श्रीमती पुरबी मुखोपाध्याय) : आपने बहुत टाइम ले लिया है।

श्री बलराम दास : मैं जो बातें कह रहा हूं वे सब गरीब आदिवासियों के बारे में कह रहा हूं।

श्री उपसभाध्यक्ष (श्रीमती पुरबी मुखोपाध्याय) : दूसरे बजट में कह लीजिएगा।

श्री बलराम दास : हरिजन आदिवासियों को हमारे प्रान्त में जो स्कालरशिप दी जाती है उस स्कालरशिप का रेट गवर्नमेन्ट ने दस रुपया माहवार होस्टलस का बढ़ाया है और उस को बढ़ाने के लिए राज्य सरकार के बजट के ऊपर करीब 60 लाख रुपये का अतिरिक्त खर्च आने वाला है। वह केन्द्रीय सरकार से मांगा गया है। मझे आशा है कि केन्द्रीय सरकार इस खर्च को बर्दाश्त करेगी। हरिजन आदिवासियों के लिए जो होस्टलस हैं आज कल हमारे यहां 1600 होस्टलस हैं। उन में शेड्यूल्ड ट्राइब्स के लिए 300 और शेड्यूल्ड कास्ट के लिए 100 बढ़ाना है। उन होस्टलस की बिल्डिंग बनाने के लिए राज्य सरकार ने एक योजना भेजी है और उस का खर्च 282 लाख रुपया है। मैं केन्द्रीय सरकार से निवेदन करूंगा कि इस के निर्माण के लिए भी केन्द्रीय सरकार अतिरिक्त सहायता दे। इस के अलावा हरिजन और आदिवासी जो बेकार हैं उन की कोचिंग के लिए और उन के ट्रेनिंग सेंटर्स खोलने के लिए राज्य सरकार ने एक योजना भेजी है 80 लाख रुपये की। उस योजना को भी मंजूर किया जाय यह मैं निवेदन करता हूं।

सब से अंत में मैं छुआछूत निवारण के लिए आप से निवेदन करना चाहता हूं कि हमारे प्रान्त में हमारे मुख्य मंत्री श्री सेठी जी ने एक बहुत अच्छी योजना बनायी है। वह हरिजनों के साथ जो एट्रोसिटीज होती हैं उन के लिए हर जिले में एक पुलिस सेल कायम करना चाहते हैं। वह योजना केन्द्रीय सरकार के पास आ गयी है और उस में करीब 5 लाख रुपये खर्च होंगे। मैं यह निवेदन करूंगा कि केन्द्रीय सरकार से कि उस योजना को मंजूर कर के उस में मदद करने की कृपा करे। इतना कह कर मैं अपनी बात समाप्त करता हूं।

4 P.M.

SHRI BABUBHAI M. CHINAI (Maharashtra):  
Madam Vice-Chairman, I am grateful to you for giving me some time to speak on this Budget.

The Hon. Finance Minister while presenting the Budget for 1974-75 observed that

this was his fourth Budget in the series. For my part, I can say that I had the good fortune to react as a Member of this august House to at least four times that Dumber of Budgets. No Budget can please all for the simple reason that it is an exercise in tax. For many years now in our own country this exercise has been carried on with such gusto that apart from not pleasing everyone it always displeased all. I must, however say to the credit of Shri V. B. Chavan that for the first time after many years a sincere attempt has been made to present a Budget which is intelligible and realistic. There are many firsts to his credit so far as this Budget is concerned. Broadly his proposals are in accord with the broad assessment of the economy made by the Economic Survey. We have had many Budgets which flew against the reasoning of the Economic Survey. In addition, the present Budget is a straightforward one. The relief as well as the incidence are easily discernible. There are not many ifs and buts and even a casual reader of the Budget papers can find for himself quite easily the relief he will get or the higher tax that he has to pay.

Having said this, I must also point out that perhaps for the first time the Budget proposals will not have such a great influence on the economy as the happenings or non-happenings outside the Budget. Let me explain. The modern Budgets are more than a statement of accounting of income and expenditure of the Government. They affect the tempo of the economic activity to the way in which Government spends money and the manner in which the Budget stimulates or decelerates the ability and limits of the ordinary citizen to save and invest. All this will have an impact on the economic activity for good or bad. After all, at the present time the non-budgetary phenomenon will have a decisive influence on the economic activity.

The Finance Minister might provide for additional funds to raise more coal if there is go-slow in the coal industry or strike in the Railways both of which are quite on the cards. As the budgetary provisions will not improve either coal production or

[Shri Babubhai M. Chinai.] its movement. On the contrary the condition might well deteriorate.

These are general observations. The budget proposals proper have to be judged from the effects they have on growth and the extent to which they will be in a position to contain inflation, which has almost reached absurd limits. Let us take personal taxation. It is true there is some cause for satisfaction at the reduction in the marginal tax rates and the increase in the exemption limit. But the fact is that reductions at the lower and middle levels of income do not go far. Even the Finance Minister has conceded that the price rise during the last year is as much as 26 per cent. In respect of certain commodities it ranges from 28 to 30 per cent. The reduction in tax at the middle and lower levels will work out a very small proportion and will not provide any worthwhile relief. I am of the view that special concessions should be given particularly to fixed salary earners to cover at least a part of last year's increase in prices.

The Finance Minister has increased the rate of wealth tax levy in some slabs. This will have the effect of neutralising almost the whole relief given in respect of income-tax in higher income brackets. Another important thing is that even assuming that the high rates of wealth-tax cannot be taken objection to in the context of the present economic situation, the fact remains that there is no proper system of valuation for arriving at wealth-tax. The notional value is often arbitrary and the tax payable is substantially inflated. Further, in calculating wealth-tax other taxes are not taken into account.

So far as the corporate sector is concerned, it is good that the duration of the development rebate has been extended by another year in respect of cases where orders for plant and machinery were placed before the end of 1973. It is true that many mini-steel plants, fertiliser projects, etc. will benefit from this step. The switch over to coal-based fuel from oil will enable industrial units to enjoy development rebate even after 1975 if the plants are installed before June next year. It is not understandable, at a time when the need

of the hour is to give a big boost to production, why it should not have been possible for the Finance Minister to be much more liberal in the coverage of the development rebate.

It was also expected that there would be some sort of relief in respect of inter-corporate investments and inter-corporate dividends. This would have facilitated rapid growth and increased production at an economic cost. In fact, Government had hint-ad at such a move earlier in various meetings with the entrepreneurs and industrialists.

Then there is the inflationary aspect of the budget. I do not think that I will be wrong if I say that nothing has broken the confidence in the economic and political future of the country so much in recent years as the sharp rise in prices in the course of last year. The percentage rise in 1973 was higher than in any single year prior to World II. There is no evidence that measures to arrest this movement have succeeded. The Finance Minister has contended that the impact of the budgetary imposts on prices would be negligible. I am afraid not only this is an incorrect statement but a false and misleading one. The budget has imposed additional tax burden of the order of Rs. 212 crores. This is over and above the Posts and Telegraphs levies amounting to Rs. 57 crores, and increase in freights and fares of the order of Rs. 137 crores. This is not all. One has to take into account the taxation by Ordinance when prices of petroleum products were raised in November, 1973. We have also to take into account the price increases in petroleum, gas and kerosene announced the day after the presentation of the budget. Taken together, the tax burden will not be short of Rs. 11 CO crores, which has not taken place during the last 25 years after independence.

Then there is also the uncovered deficit of Rs. 125 crores. In 1973 there was an increase in money supply to the extent of Rs. 1,378 crores. This worked out to about an increase of 16 per cent. This was mainly responsible for the sharp increase in the level of prices. It was expected that the budget for 1974-75 would be more or less

balanced. However, the Finance Minister has budgeted for a deficit of Rs. 125 crores even against the advice of the Planning Commission which has made out a strong case for a balanced budget in the first two years of the Fifth Plan. He has not at all taken into account the new wage demands that are most likely to be made by Government and public sector employees in the present inflationary situation during the next 12 months. As things are, it will not be surprising indeed if the story of the current year is repeated yet again. Resorting to deficit financing on a much bigger scale will further add to the inflationary pressures at a time when the primary aim of prudent budgeting is to arrest the inflationary spiral.

I also cannot understand on what basis Government has provided only a sum of Rs. 100 crores for food subsidy as against Rs. 251 crores last year. The foreign prices of wheat are at a high rate of Rs. 250 per quintal. According to the World Bank at least a minimum of 6 million tonnes of imports are required. This means that the food subsidy would rise up to an alarmingly high amount. In any case, it will not be less than Rs. 500 crores. My personal feeling is that the Government procurement will again fail very badly unless it allows the cultivators an alternative market. The Government should procure only some portion of the marketable surplus and allow the balance to be sold in the free market. It may confine its own purchases to the extent it needs for feeding the vulnerable section of the country. This way the Government can win the cooperation of the cultivator who will come forward to sell a sizeable portion of his produce. To this we have to add a sum of Rs. 500 crores which is required to subsidise fertiliser imports and basic raw materials for dyes and chemicals, pharmaceuticals, etc. Therefore, the total deficit on these considerations will not be less than Rs. 1,500 crores. I would like to know how the Government will meet the situation without deficit financing.

In the case of excise duty the burden has been spread over a large number of commodities, some of which are required

by industries as fuel or as an essential raw material. In particular, the stiff increase in duty on special boiling point spirit required for use in the manufacture of rubber from Rs. 425 to Rs. 1,921.55 per kilo litre is going to hit these manufacturers very hard. Similar hardship will be experienced by the manufacturers of solvent extracted V.N.E. oils where the rate of duty on S.B.P. spirits has been enhanced from Rs. 425 to Rs. 1,763.20 per kilo litre.

As a result of the withdrawal of the present exemption in basic duty, to the extent of Rs. 50 per tonne, on steel ingots produced with the aid of electric furnaces out of old iron or steel melting scrap, etc. such ingots will now have to pay full rate of duty at Rs. 100 per tonne. In addition, they will have to pay auxiliary duty at the rate of 75 per cent of the higher effective basic excise duty. The cumulative burden of these levies is bound to create severe hardship. Iron and steel products made out of ingots from electric furnaces will also pay correspondingly a higher rate of effective duties and auxiliary duties. It is also proposed to withdraw the present exemption from product duty on iron or steel products like bars, rods, structural, etc. manufactured out of duty-paid ingots, cut or broken (but not rolled) into pieces resembling the shape of semi-finished steel. The net effect of these increases in duty on iron and steel and its products at various stages will mean a rise in the costs for the engineering industry.

Although the Finance Minister expressed satisfaction at the performance of our exports, he has not made even a symbolic gesture towards further export promotion by way of a marginal lowering of export duties, at least on some items. One would have expected this, in view of the oil crisis and the need to earn more foreign exchange, which he himself has underscored.

I am of the view that a major break with budgetary and Plan policies is necessary to save the economy from imbalances and strains and provide the necessary climate for an accelerated economic growth. At the same time, it will be necessary to

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exercise the utmost restraint on the expenditure side, particularly of an unproductive nature. I request the Finance Minister to have a second look at the Budget proposals and effect such changes as are necessary. Thank you.

SHRI JAGAN NATH BHARDWAJ (Himachal Pradesh): Madan Vice-Chairman, I congratulate the Finance Minister for presenting a Budget which has got a tendency for being called a balanced Budget. I admit that this year the Budget has not been so much balanced, but a study of the Budget surely indicates that the Finance Minister has made a good deal of effort to make it a balanced Budget. It is also evident from the fact that last year the deficit was of the order of about Rs. 300 crores, including the effect of the Pay Commission's recommendation. This year he has presented a Budget which shows a deficit of Rs. 125 crores.

In this way, if the Finance Minister continues to make efforts, I think he will surely reach the goal towards a balanced Budget within two years' time, as Mr. Chinai was explaining. Therefore I support the Budget proposals that have been made by the Finance Minister.

I do not propose to study the Budget item by item because the Finance Minister has given proper thought to all the relevant points before taking into consideration the proposals, according to the circumstances that are prevailing in the country. But I have to make a few observations which I think are necessary, within the time available to me.

My first observation is that the Finance Minister has tried to give some concessions to the people whose income is in the slab above Rs. 50,000. Here the main reason given by the Finance Minister is that it will be an incentive for them to stop tax evasion. But I do not think that it could be so. A study of the Wanchoo Committee's Report will clearly show that they have in fact proposed such a recommendation but there is a dissenting of Mr. Chitale who has opposed it, saying that such measures cannot really provide an incentive to reduce tax evasion, because

as you know, the real incentive can only be when all taxation stops. Otherwise, it is not so. Sales-tax is only five or six per cent. Still people make efforts to avoid payment of the sales-tax. They keep double accounts. Similarly, whenever there is something conceded to these businessmen or traders who are in the habit of stealing, still they will go on stealing; they will find one way or the other to do it. Now, the level of taxation is 77 per cent. There also, instead of saving Rs. 4000, they will try to save Rs. 5500. They will conceal so much of income. So, this cannot be a real incentive to avoid or reduce tax evasion. Even if the Finance Minister wants to try this measure—I think there is a need to try this—he should not give so much concession at one jump. But I think it should be reduced to half of what has now been given because there are two elements, in my opinion, in this. One is to give a boost to the industry and the second is to provide an incentive so that there is little tax evasion.

So far as the incentive element is concerned, I think that it should be ruled out. But only because there is some concession in tax, people might like to put more into industry and do better so that more money comes into industry and production increases and there is boosting of industry. For this reason, I can agree on these two points.

Sir, the second point is price control. As a matter of fact, price control is the real thing which can stabilise our economy. But it appears that no concrete measures have so far been taken towards price control.

I feel the situation is rather getting to the other side. Take, for example, the procurement of wheat. The procurement price was Rs. 76. Last year it came to Rs. 8. Now it seems to be going even much higher. Now there is one basic question, namely, we have to stabilise the price. But the question is at what point it is to be stabilised! After all, wheat is the basic, central commodity around which the price structure of the commodity revolves. If we go on playing to the tune of those people who produce wheat in a big farms and in large quantities; who want more and more price, the

there is no end to our food problem, no end to the rise in prices; the prices will go on increasing and the stability in terms of which we are thinking will remain a dream. Therefore, Madam Vice-Chairman, I think it is very essential that the Government [ must think in terms of fixing the wheat price for some reasonable time somewhere so that every year we need not increase the procurement price. In this way only we can think of reducing the prices and then alone can we think of achieving our dream of stabilising prices.

My next point is about saving. We see so much wasteful expenditure being incurred on construction work. It may be on the P.W.D. or the Panchayati Raj. The contract system is mainly responsible for this. Sir, we are working in the age of planning. Hence we cannot afford to work on speculation, tenders and competition in construction works because there is danger of corruption in it. Therefore, I think in the matter of construction the Government should prepare reasonable schedules and revise it from time to time. And against this schedule work may be allotted to petty contractors, individual labourers and co-operative societies of labourers so that the speculative tendency in investment on construction which, I think, is of the order of one-third of the total Budget is eliminated. For example, we are spending about Rs. 8800 crores during the next Budget. Of this—I have roughly calculated—one-third is on construction. If we make a saving of 10 per cent, in this way by giving up the contract system, we can provide Rs. 300 crores which amount we are generally providing towards meeting unemployment; we will thus be saved of making this much of extra provision. The main argument in favour of contract system is that there is no efficiency otherwise. Abolition of this system can provide work for a large number of people. Even if we do not make a saving, we will be able to employ more people. This is not a bad bargain. The people who corner wealth under the contract system will not be able to do so. So it is high time that we gave hard thinking to the contract system based on tenders.

Then, another point is about industrial relations. There are two or three reasons L | B(D)6RSS—8

for bad industrial relations. Firstly, our workers are illiterate, ignorant, mostly. And our leaders are very highly educated; they are degree-holders. In the name of workers the leaders are flourishing with the result there is always unrest in the country. For this I propose that the Government must think in terms of providing education to the workers employed under it. What I mean to say is there should be a sort of university just as there is a Workers' University in Yugoslavia. There should be a labour college. There is a Central Board for workers' education. But that is a different type of thing, a bureaucratic thing. There should be a college like the Russian College in Great Britain. There are similar schools and colleges in the US., the UK, etc. My first point is for improving industrial relations there should be a regular, suitable, arrangement on a continuous basis for the education of workers.

My next suggestion is that the Government must take interest in developing industrial relations in the country, as, for example, in public undertakings. In these undertakings there are officers who are interested in doing less work but making more TA and who always think in terms of making their own career. They create groups in the workers' organisations and they exploit workers' unions to further their own ends. For example, one officer sets the workers against another officer whom he wants to supersede. In this way exploitation goes on. For this purpose it is necessary that these officers should be trained and they should not be allowed to exploit workers and trade unions to their own advantage. They should be trained to have faith in healthy trade-unionism. They should be given proper knowledge about the usefulness of trade-unionism. Only thus can industrial relations improve in our country. Then there is a talk that there should be only one union in one industry. The idea of one union, one industry, is welcome. But in practice it is not possible because in our democratic system people are free and they have the right of association. Who can prevent them from forming a union? Of course, one strong union can help industry develop. Let us I hope gradually the weaker unions are

[Shri Jagan Nath Bhardwaj ] pruned out and strong unions rise to the top- These are my suggestions, and since the time is up I have to conclude here. Thank you.

SHRI S. S. MARISWAMY (Tamil Nadu): Madam Vice-Chairman, I have read the Budget Speech of our honourable Finance Minister which runs through sixteen pages in a closely printed book form. In every paragraph he says that our economy will be faced with greater and greater challenges. I shall read out a few paragraphs. In the third paragraph he says, " I would like to state frankly that in the coming financial year the economy will be faced with even greater challenges. Its strength and adaptability will be severely tested." This is the starting paragraph.

The second paragraph reads:

"As the House is aware, the Government has been deeply concerned about the acute inflationary pressures that have prevailed in the economy during the last two years" and so on and so forth.

Like this I find that in a number of places he repeats phrases such as 'sharp rise in prices', 'non-developmental expenditure', 'continued recess in industrial production', 'failure of monsoon', 'industrial unrest', 'floods', 'droughts', etc. etc. Now an additional misery has come in the form of oil crisis. This has come like a bonanza to the Government to levy tax. If you take up the budget speeches of the Finance Minister for the last four years, you will find that this is nothing but a repetition of the same. The same thing is being drafted by different persons and presented to the House. The sum and substance are the same- Absolutely there is no difference.

Madam, know that Charles Dickens was a great author and has written the book 'Hard Times'. If the hon. Finance Minister. Shri Chavan, is given the job of writing a book on 'Our Hard Times', I am, sure he will out-do Charles Dickens and will earn- a good name in the literary world. This is nothing but absolute bungling of this Government. We find that every year they come with fresh taxation

and new assurances and promises. This time the Finance Minister has said that ; the deficit would be somewhere around Rs. 650 crores. But I am quite sure it will come to Rs. 1,000 crores. When you asked the hon. Member on the other side to speak, at the next budget, I told the hon. Member that he would get a number of opportunities to speak because we are going to be presented with number of supplementary budgets before the end of the financial year. I am quite sure that we will be having number of supplementary budgets presented either by Shri K. R. Ganesh or Shrimati Sushila Rohatgi or by the hon. Finance Minister himself who would come and present them to the House- And I am quite sure that with these supplementary budgets further taxation will come or it will be in store.

Hon. Members from the other side passed the Finance Minister for giving some concessions on direct taxation. I did ask the hon. Finance Minister, through you, as to whom the direct taxation affects. It affects individuals. It affects corporate sector whereas indirect taxes affect the entire community. As one great economist has once said indirect tax is like picking the pockets of the public. The concession that we have got is absolutely nothing and it will not be of any help to the common man. If there is a big general election as the one we had recently in U.P. *a-d* if the budget is prepared on the eve of that election, naturally we will get this sort of concession. The same thing applies to corporate sector. I do not think you want me to dilate on that and say what I mean by that. If there is a big general election as we had recently in U.P. and if the budget comes on the eve of that election, naturally some concessions will be given to the corporate sector for whatever help they have rendered in the election. I am not surprised, but I would warn the corporate sector that this is only a temporary relief that has been given to them because Government did not want to be harsh to them immediately after they have received certain things from the corporate sector. They will also get some relief course of time.

How does the budget affect the poor people? Now there are so many important items which are either scarce or have disappeared from the market. For example, aerated water—which I hope is a poor man's drink—was costing 60 paise during pre-budget period. Now it costs 75 paise. Coca Cola costs 80 paise. Fortran's tooth paste which was costing Rs. 4.30 now costs nearly Rs. 5/-. Colgate (Family Size) which was costing Rs. 6/- now costs Rs. 7/-. This is the first time that any Finance Minister has taxed tooth paste. Tooth paste is something which is used by all of us. I do not know whether Shri Chavan wants us to go back to the neem-stick age. I do not mind going to the neem-stick age. But that should be followed by similar things also.

THE VICE-CHAIRMAN (SHRI V. B. KAJU) in the chair.]

Then we must leave our bungalows and live in huts and we must discard the present attire and take to our sanyasi dress. I do not mind this if it comes in conformity with the rest of the things that we have. But it is not so. Sir, in the roomings, the first thing that we do is to take the toothpaste. And, Sir, when I take it, I am reminded of our redoubtable Mr. Chavan, because the cap of the toothpaste tube resembles the Gandhi cap which Mr. Chavan wears and the body of the tube also looks exactly like our Finance Minister. And, Sir, in the night, before retiring to bed, we would like to have a wash and for that we require the soap and the soap also reminds me of Mr. Chavan. So, the result of Mr. Chavan's Budget is that he is uppermost in our minds all the twenty-four hours and he is there even in our dreams and he causes nightmares. Now, Sir, take the case of cosmetics.

THE VICE-CHAIRMAN (SHRI V. B. KAJU): I do not use cosmetics.

SHRI S. S. MARISWAMY: But most of the people use them though they may not say so. But I am speaking frankly. 'Now these cosmetics are articles desired by women. If a working woman is there, she would like to have cosmetics and that

too bought by her husband and this is the custom prevalent here. But imagine the case of the modern teen-age girls. If you go round Delhi, you will find that these modern girls consume all these cosmetics and since they do not earn anything, they depend for this on the incomes of their parents. But the father may be a Government servant or a businessman and he is already taxed and another levy is now imposed upon him and he is burdened too much. So, what we find is that so many such things are taxed with a view to augmenting the revenues.

Now, Sir, they say that they have saved this year a grand sum of Rs. 400 crores by observing economy. Mr. Vice-Chairman, Sir, now I would like to ask a question. Have they really achieved any economy? Has the desired economy been made or have the savings been made? I do not think so. This is only a drop in the ocean. Many people have praised the Government for having brought about this economy. But I can tell you that if you take the case of some small countries, and see how they have implemented their savings programmes, that would provide a great lesson to our Government. For example, take the case of Bangladesh itself. After the installation of a free Government there, they introduced certain measures which have given them a saving of about Rs. 150 crores! How have they done it? They asked their Government servants not to pay any income-tax and the government servants are the tax-exempted people. But they have revised the salaries of the government servants. They have fixed the salary of the top-most official at Rs. 2,000/- or so whereas in our government we have fixed at Rs. 4,000/- or Rs. 5,000/- and we give this much salary by our right hand and take away by our left hand about Rs. 2,000/- or Rs. 1,500/- by way of taxes. They in Bangladesh tell their government servants, "Your salary is about two thousand rupees or so and you do not have to pay any income-tax." So, their salary is pegged at a particular level. So, what is the result? What has happened as a result? The staff of the Income-Tax Department there has been halved and

[Shri S. S. Mariswamy]

the work has been reduced considerably and so many people have been retrenched and much money has been saved there and also the government servants need not go to the Income-tax Department to file their annual tax returns. And, Sir, I do not want to say much more about this. So, this measure has not only reduced the staff of the Income-Tax Department, but has also given a great relief and boon to the Government servants there. Why not our Government do the same thing here? If Bangladesh can manage to save about Rs. 150 crores, I am quite sure we can even save about Rs. 1,000 crores.

Now, Sir, I am told that we spend some lakhs of rupees every month on newspapers, magazines and other periodicals to be freely supplied to our Ministers, which I do not grudge, and also to certain other officials and to a number of other people also. I don't know what they do with these papers. They might be reading these papers. But I do not find any action on their part to show that they have been benefited by reading all these papers. Sir, this is a small item which, I think, the Government should look into.

There are several staff cars, with the name plates, running in streets all the 24 hours. The movement must be curtailed from 10 o'clock to 5 o'clock. But what do we find? All the time we find them near the Parliament House or the South Block or the North Block. In the evening we find staff-cars at the Oberoi Hotel or Asoka Hotel. They go for lunch to Oberoi and they go for dinner to Asoka. Then, there are cars belonging to public undertakings. Forty per cent of the total cars of the country are either owned by Government or public undertakings. If we look to the consumption of petrol by them, you will find that their consumption is too much. Even the Birlas or the Tatas would not spend that much on petrol as any public undertakings or the Government. So the Government is a big buyer of petrol more than any individual.

If you also adopt economy in this, I am quite sure that we can save more than Rs. 100 to Rs. 200 crores.

Now, in England and other places they work for 3 days a week or at the most 4 days a week to save fuel. And within the three days they are expected to complete the work of a week. But we work for six days and on the seventh day also we work overtime, which costs the country not less than Rs. 280 crores. Yesterday a question was asked as to how the nationalised banks have been working lately and how much overtime they paid. They have given a list. And with your permission, Sir, I read out some of these items. The State Bank of India has paid as overtime for the year 1972, after nationalization, Rs. 410.63 lakhs, in 1973 they have paid Rs. 450.35 lakhs. The Central Bank of India has paid Rs. 94.50 lakhs; now it is Rs. 108 lakhs. The Bank of India has paid Rs. 83.82 lakhs in 1972; now it is Rs. 51.47. This is the only bank which has reduced its overtime bill. The Punjab National Bank has paid Rs. 103.66 lakhs in 1972; now it has paid Rs. 127 lakhs. Like that it goes on. If you add all these things, I am quite sure it will work out to several crores of rupees. We talk about Socialism. We talk about the abolition of Privy Purses. We have bid goodbye to all the remnants of the British.

I would like some of the hon. Members to take a trip to the office of the Steel Authority of India. That office is situated in Connaught place. It has a very big mansion. The Chief of the Steel Authority occupies a very big hall. Around him there is absolute emptiness. One-fourth of the building is occupied by him and his office. . .

SHRI BRAHMANANDA PANDA (Orissa): That might be the Conference Room in which you entered. . .

SHRI S. S. MARISWAMY: I do not know. Anyway, in every room you cannot hold conferences. Ten rooms cannot be conference rooms. They are also spacious. If you happen to go, you can find for yourself. In other countries, the officers are given only a table and a typewriter. They sit and type and dispose of the entire work and go away.

They don't keep papers. They don't have an almirah. They keep papers on the

table. The messenger boy comes and takes tiffin away. Here we find that each room is full of a number of almshouses. As I said earlier, they sit for six days and they work on the 7th day in order to earn overtime. I do not blame them. Our economy is such. If my belly cries, I cannot speak about ethics. Mahatma Gandhi also said, "I cannot take the message of God to a hungry man". I do not think even our Ministers are happy because they know that a mess is being created and they know the repercussions it will have at the time of the next election. No one is happy. Our entire economy is ruined. We are suffering because of the wrong policies which we started adopting from 1956 onwards. We did not depend upon our local economists. We brought Kaldor from Hungary and others. They never understood our condition. In England, even a child wishes good night after switching off the lights. In India, the lights are on all the 24 hours. People don't care for electricity. Our conditions are difficult. In the West, the conditions are diametrically opposite. Yet we have imported economists who have led the country to a great mess. I am told that the building in which the Steel Authority is located has been rented for 1 lakh of rupees per month. If you walk into the building, you will hardly find 15 people. Once in a blue moon, they get visitors. As my friend, Mr. Panda, said they might hold a conference once in two years. Of course, he is duty-bound to support the Government. If they want to hold a conference, why can't they hold it in Vigyan Bhavan or at some other place? Why should they have such a colossal building?

Mr. Vice-Chairman, another point is that they have really helped some of the foreign companies which produce aerated waters like Coca Cola and others. They have taxed the ordinary aerated water makers. They have taxed them 30 per cent *ad valorem*. In every village or a small town, there is an aerated water factory run by local men. They do not have heavy machinery like Coca Cola or Limca. The water is drawn from the well and they process it. They have such factories in Madras, in Andhra Pradesh and other

places. Now they have taxed 30 per cent. They have no mass production. A small man lives in a hut, makes soda water and sells it. He cannot afford it. He has to close down and seek employment in Coca Cola and some other factory. This is very unfortunate. I think the Minister should remove this levy. He should also remove the levy on cosmetics, toothpaste and some of these other items which are absolutely essential for daily life. Thank you.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Shri Kali Mukherjee—not here. DR. V. B. Singh—not here.

Those who have given their names are expected to be present.

Sri Tirath Ram Amla, Shri Bhaiya Ram Munda, Shri Nageshwar Prashad Shahi, Sri H. S. Narasiah—not here. Shri N. R. Choudhury—not here.

Shri A. P. Sinha—not here; Smt. Rathna-bai Sreenivasa Rao —not here; Smt. Sushila Shankar Adivarekar—not here; Shri P. S. Patil—not here; Smt. Lakshmikumari Chundawat—not here; Shri Sultan Singh—not here.

This is the second appeal that I am making. Those who have given their names must be present in the House and they must avail of the opportunity. Now Shri Malle Gowda.

SHRI K. S. MALLE GOWDA (Karnataka): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to speak.

Sir speaking about the Budget, I would say that I see only one or two bright spots in the otherwise dark picture of the Budget proposals. Democrats of this nation, looking at the conditions in this country over the last few years, tremble for the safety of our democracy. Good many of the educated and thinking villagers weep at the bad fate that has befallen the citizens born and living in the villages of India now. True lovers of the poor masses of this country, the statesmen among the Ministers of this Government, and the free press of this country have to search for the truth whether there is balanced development in India, whether, generally, there is more contentment in every family in the

[Shri K. S. Malle Gowda.] country and whether there are no new causes for new unrest and new upheavals after 27 years of rule by our own people.

Sir, can the Government deny when I say that all our progress and economic development for the last quarter of a century are quite poor and not significant when measured in terms of the *per capita* income or gross national product for 58 crores of people? This august House knows very well that our *per capita* income is nearly the lowest in the world, meaning that we are nearly the poorest among the poor nations. Is this bitter fruit not the produce of bad planning, bad economic policies and maladministration?

Now I come to the new cause of the revolution, the new cause of conflagration which will consume this nation sooner than later, unless there is re-orientated political thinking and action to save our democracy. Sir, the cause for this coming revolution in this country is the steadily widening socio-economic gap between the urban and rural societies caused by the so-called Government of the people, by the people and for the people. This widening gap is clearly shown by the fact that our national cake or the gross national output of about 17 crores from agriculture is shared by 44 crores of rural citizens while nearly the same amount of 17 crores of non-farm output is shared by only 11 crores of urban citizens. It is most shameful and shocking that in this modern age, at the close of four national Plan, a clear demarcating line dividing our country and our people into two definitive, distinguishable zones—urban and rural—has come to stay. They may not constitute political divisions like the Eastern and Western Zones of Germany or the North and the South Vietnam, but they constitute clear social and economic zones with deeply distressing, dark, dingy and ugly villages and unimproved, ill-clad, illiterate, malnourished melancholy and idle citizens and grinding poverty in one zone, and sky-scrapers, limousines and busy, vibrant, vocal citizens, variety, wealth of opportunities, privileges and facilities, exploitation through food

and drug adulteration and blackmarketing, nation-killing corruption, brilliance and wealth in the other. Sir, would Gandhiji, Father of our freedom movement, if he were alive today, have been a silent spectator to the adaptation of economic policies, leading to the division of his dreamland into two unnatural, man-made, explosive socio-economic zones? This tragic and explosive situation is brought about because the good people of this country, largely, through ignorance and indifference, have elected representatives, who dare treat me villagers as "second-class citizens" and treat agriculture as a rustic, mean profession which has necessarily to give low incomes to the farming families.

Sir, Dr. Norman E. Borlaug, the Nobel Prize winning agricultural scientist, who helped to bring about the green revolution in wheat in our country must have in his mind the treatment meted out to the farmers of India when he stated at Delhi last year here that 'those who produced food should not be treated as second class citizens', and stressed the need to ensure remunerative return to the growers.

This tragic and explosive situation is brought about because most of the political parties and many legislators in India are urban-orientated and urban-directed and the Indian socialism is allowed by the good Indian people—the luxury of applying double standards one for the rural and a different one for the urban people.

It can also be found out by the democrats of this country that a great majority of the legislators, bureaucrats, ministers and planners—who are radical enough to ordain low incomes and low standard of life to the villagers are snugly sheltered in the cities enjoying unlimited urban incomes, opportunities, privileges and facilities.

Sir, Indian socialism as practised today in India is perhaps a good subject for study for students of political science. If one makes a little study one will see that the agricultural economy and with that the rural economy have been steadily weakened by the agricultural and fiscal policies of the Government during the last 20 years, that the back-breaking debts have been steadily piling on the back of the Indian

farmer, that the debt-load of the farmers is of the order of ten thousand crores and the interest paid thereon is a colossal sum of Rs. 1,800 crores per annum.

What is the effect of this weakening, this crippling of the agricultural economy in a poor backward country like India? The effect is the economic crisis as that of today. Food scarcity and rising prices of food and fabric which are the basic requirements of poor masses of this country.

What is the effect? I have a statement here of food imports of every year since 1947 totalling a sum of Rs. 4,800 crores of foreign exchange. What is the direct effect? Meagre are the means of the rural living standards, shockingly broad-based is the incapacity to effect savings and put in new investments in agriculture. Idle hands abound in rural India. That is why this vast country with vast resources cannot grow rich and prosperous with so many crores of hands not engaged in creating the much needed consumer goods and wealth for the nation to raise the living standards of the people as a whole.

In rural India under-employment is nearly co-extensive with the countryside. I may tell this august House that more than 17.5 million households or more than 52.5 million adult farmers are under-employed.

Let the Government tell the nation whether with its agricultural policies it has succeeded in.

(1) modernising agriculture in our country;

(2) whether it has not failed to modernise the vast majority of our nearly obsolete, grotesque, uninhabitable villages, and

(3) let the Planning Minister answer whether the Government can show that the proportion of population dependent on land is being reduced from Plan to Plan, as it is the right index of the progress and prosperity of a nation in modern times<sup>7</sup>. Mr. Shinde has stated in this House that landholding in this country have increased by nearly 25 to 30 per cent in just 10 years between 1961 and 1971. It means the proportion of

population has increased in this country. Planning Minister Should be held accountable for this tragic situation.

In India the percentage of population dependent on land being 70 per cent is nearly highest in the world and has not been brought down even by 3 to 4 per cent during the four Plan-periods.

I may tell this House for comparison that the percentage of population dependent on land in U.K. and U.S.A. is only 4 per cent.

I urge upon the Government to state specifically in the fifth and subsequent Plans their target for reduction of this percentage.

This measure to reduce the terrific pressure on land is the one vital measure that could surely increase the *per capita* land holding of the farmers of Indian and raise their incomes and standard of life and investment capacity.

I would stress here that smaller the maximum size of land-holding allowed to a rural family below a rational and realistic limit, the greater is the danger to our democracy and nearer to Communism or some other form of dictatorship the country is pushed.

This is not only my warning but also the warning of realities, and a warning not only to India but also to other developing and over-populated free democracies of the world-  
5 P.M.

Sir, I would beg of the Prime Minister to tell the nation why the Government makes references to the village adults who are not gainfully employed as 'landless'. Is it correct to call even the educated villagers who are unemployed and the unemployed barbers, carpenters and other artisans in the villages as 'landless'? Does the Government call the unemployed in the cities as 'propertyless' or as people who own no shops or hotels or factories? We must understand that many of the educated villagers would not care a bit to take up agriculture in this country any more and, therefore, it is misleading and a misnomer to call them as 'landless'. It is clear that the unemployed in the villages and cities have to be taken together and counted together as

[Shri K. S. Malle Gowda] those needing employment and treated as 'jobless persons'. Therefore, our policy should be an integrated national policy, to give employment to the unemployed, both of the villages and cities, in non-farm avocations as it is admitted on all sides that no more people can be packed or herded into land to rob their brothers of their meagre livelihood.

I would like to dwell on the subject of taking over of the foodgrains trade and distribution by Government. In a young democracy like ours, where many of our politicians seem to have a taste for 'interference with the lives of the people', for spreading their tentacles of control over them, where the enfeebled farm-voice could be ignored in the councils of Government with impunity, monopoly procurement of foodgrains by Government would not subserve the interests of the farmers. The government may be pressurised by the ruling political masters at Delhi to fix low prices (unremunerative prices) as was done for wheat and rice in the beginning of 1973 when the wheat trade was taken over. It is well known that the monopoly procurement was a failure mainly due to the low, unrealistic prices fixed by Govt. Thus, Government could become a worse despoiler by paying low procurement-price to the peasants.

And, of course, even then, the powerful Government propaganda machinery would be singing songs of this great policy and dinning into the ears of the people that even this plan adversely affecting the farmers was the right one to ensure better prices to them.

Moreover, we do not have a proper Government machinery and the honest spirit to handle the procurement on such a gigantic scale without making a muddle of the whole undertaking, and incurring, as usual, unduly heavy expenditure in the red-tape government operations, making them costlier to the poor consumers. It would be in the best interests of the nation to procure just about 10 to 15 million tonnes of foodgrains annually to hold as a buffer stock, by a system of levy on cropped holdings exceeding 3 acres of wheat or paddy (as the case may be). The

procurement prices fixed for wheat, paddy, etc. should ensure a fair return to the grower. This quantity of foodgrains can be sold through societies and licensed fair-price shops to the weaker sections of the society. This system will, not only help the farmers with a support price for their farm produce, but also ensure the supply of the vital needs of the working class and other vulnerable sections of the society at a fair price.

Independent India, which could not attain self-sufficiency in food during the last quarter of a century and, which has now six hundred million mouths to feed, cannot play with the fire of food-supply by taking to such new political plans as the 'monopoly procurement of foodgrains'. There must be sufficient food stocks at suitable centres within easy reach of the people (to rush foodgrains to the needy). Otherwise, hunger of the masses causes food-riots and food-riots will be the order of the day in the country (as we saw in Gujarat and elsewhere in this year of bumper harvests). Reckless grain levy orders and movement control orders issued from Delhi, and rigorous procurement of foodgrains can usher in man-made famines (without drought) in parts of the country by depletion of food stocks there.

Prof. Colin Clark, renowned British economist, speaking in New Delhi (1974), under the auspices of the Federation of Indian Chambers of Commerce and Industry, said that the 'appalling famines' in the Soviet Union in 1921 and 1931 were due to the whole-hearted manner in which Lenin and Stalin had pursued the procurement policy.

He said that he was glad the procurement of foodgrains was done "in a halfhearted manner" in India, implying that it was just, as well that the policy was not being rigorously applied. This facet of the procurement problem must be borne in mind by our planners.

In our new world of higher knowledge and better appreciation of realities and truth, the people are realising that it is a good government and a government of free people which rules least, i.e., least controls the lives of the ruled while fully promoting the well-being of the society as

a whole.

Lastly I would say that I welcome the proposal of the Finance Minister to slash income-tax rates and raising the exemption limit. Such reliefs should become the order of the Budget-presenting day in future years, wherever necessary, so that the production base becomes stronger and this nation is enabled to grow from strength to strength to alleviate the suffering of the common man in particular and all the people in general.

I would like to point out here once again that cheering income-tax relief will not cheer the rural sector, for the Government policies are in the process of demolishing even the small band of middle class there and there are too few income-tax assesseees in rural India when compared to the urban sector.

How unfortunate that the Finance Minister has proposed to remove the exemption given to 'Fann-houses' h respect

of weaith-tax assessment as if all the mortal blows dealt year after year to bleed the rural sector and prevent its robust growth, are not enough.

I would urge upon him to remove the Farm-wealth-tax altogether so that the farm sector may become robust and play its great role and responsibility to deliver the goods to the people.

I also appeal to him to drop the new proposals regarding the wealth-tax. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI V. B. RAJU):  
Shri Shyam Lai Yadav. Not here. Shri Sali! Kumar Ganguli. Not here. Any Member to speak?

The House stands adjourned till 11.00 A.M. tomorrow.

The House then adjourned at seven minutes past five of the clock till eleven of the clock on Thursday, the 14th March, 1974.