

(7) Consideration and passing of

(i) The International Airports Authority Bill, 1971, as passed by Lok Sabha

(ii) The Contempt of Court Bill, 1968, as reported by the Joint Committee

(8) Discuss on under Rule 176 on the function of the nationalised Banks in the country

श्री अर्जुन अरोडा (उत्तर प्रदेश) :
एक हफ्ते में इतना काम कैसे होगा ? इस सेशन को तो बढ़ाना पड़ेगा ।

श्री ओम् मेहता देख लेंगे ।

MR DEPUTY CHAIRMAN The House stands adjourned till 2.15 P M

The House then adjourned for lunch at fifteen minutes past one of the clock

The House reassembled after lunch at fifteen minutes past two of the clock, THE VICE CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair

THE FINANCE (NO 2) BILL, 1971

—contd

SHRI ARJUN ARORA Mr. Vice-Chairman, Sir, the most important thing today is the rising cost of living in the country. There is, according to the Government's own admission, a rise of 7.5 per cent each year during the last three years. If we go back a little, what we find is that as compared to pre-war prices, the

cost of living today is nine times. I come from Kanpur and I am a humble trade union worker in that city. The Working Class Cost of Living Index for Kanpur today is 904 as compared to 100 of August, 1939. During the last three years there has been a continuous rise. There is almost a general agreement that this year the rise may be higher because the indirect taxes are higher and the administration is so weak, rather so weak kneed, that the prices of other commodities have also risen after the Budget came out. The Government is able to do nothing. The Finance Minister talked of consumer resistance. Sir, no consumer is willing to pay more. But the consumer is unable to resist the price rises. A few years back, Mr. Nanda organised Consumer Councils. They failed miserably. Then the Government set up Super Markets. They have also become a drain on the exchequer.

श्री ओम् मेहता उसका नाम ही न लें ।

SHRI ARJUN ARORA The Super Markets are such that Mr. Om Mehta says that the name of Super Market stinks. It has become a drain. It was Mr. Subramaniam as Food Minister who began the Super Markets and they have become a drain on the exchequer.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) The idea was good

SHRI ARJUN ARORA The way to hell is paved with good intentions. The way to disaster is paved with good ideas. What is needed today is strict control. The Government should take the responsibility of distribution of some consumer goods.

That was done during the war and during the years after the war. But slowly and surely all controls were abandoned and we succumbed to the ill-advised policy of the Forum of Free Enterprise.

[Shri Arjun Arora.]

Sir, the Finance Minister is reported to have said somewhere that if we impose controls we have to post policemen and post policemen after policemen. Sir, that in reality amounts to a frank admission from no less a person than the Finance Minister that the administration is incompetent, that it is corrupt. I want to know what the Government is doing to fight corruption particularly in the administration. What steps is the Government taking to improve administration and, Sir, I want to know what steps does the Government propose to take to punish the black-marketeers? Unless black-marketeers are punished and unless corruption is fought rigorously and administrative reforms are given top priority the economy is bound to deteriorate and the people are likely to continue to suffer.

Sir, the price rise does not affect Birlas, Tatas, Dalmias and the like. It does not even affect those who get perquisites. Price rise affects the common man, the low income group, the wage-earners, people who have fixed income.

Sir, another formula given by the Finance Minister somewhere is increased production. That sounds very good. During the last year the growth rate of industrial production was 4.8 per cent, much below the target. I am glad the Minister of State for Industrial Development is here.

THE MINISTER OF STATE IN THE
MINISTRY OF INDUSTRIAL DEVELOPMENT/
औद्योगिक विकास मंत्रालय में
राज्य मंत्री (SHRI GHANSHYAM OZA) :
To encourage you.

SHRI ARJUN ARORA : Encourage me but do not encourage the monopolist.

SHRI GHANSHYAM OZA : No, to encourage you.

SHRI ARJUN ARORA : do not need any patronage. The growth of industrial production was 4.8 per cent., and in the vital sector of steel the production was far below the target. The target was 7.6 million tonnes and the production was 5.9 million tonnes. With the collapse at Rourkela steel production is bound to go down and not improve. It will sink below 5.9 million tonnes, the production of last year. And, that is bound to affect other industries, engineering industries and many other industries. So, when the Finance Minister says that the way to fight the rising cost of living is increased production, I am sorry to say he is indulging in slogan-mongering and ignoring realities of which he is very well aware.

Sir, the only sector of economy which has shown some growth is agriculture. But there, again, dangers loom ahead. Sir, the agricultural production has increased because our cultivators have taken to inputs, particularly chemical fertilisers and hybrid seeds. In the case of fertilisers the production last year was one lakh ton short of the target.

I do not know what the position to-day is, but if fertilizers also are not available, the growth in the agriculture sector is likely to be affected. I want to know what the Government is going to do about achieving the targets in the case of fertilizers so that at least we have enough to eat, if we do not have enough clothes to wear and enough iron bars to build houses.

SHRI BHUPESH GUPTA : What do you mean by "we" ?

SHRI ARJUN ARORA : "We" means the Indian people, not Mr. Bhupesh Gupta and Arjun Arora alone.

SHRI BHUPESH GUPTA : Not some of your Ministers also ?

SHRI ARJUN ARORA : Oh, Ministers have houses ; they will at any rate have houses.

Sir, though the economic disparities are increasing, we find that conspicuous consumption is also increasing, and the Government does not know how to check it. Sir, there is talk of ceilings, ceilings on land, ceilings on urban property and many other ceilings. But why can't there be ceilings on expenditure on feasts whether connected with marriages or otherwise ? Why can't there be ceilings on that and the extra expenditure subjected to 100 per cent taxation ? Sir, the fact that some people to-day indulge in lavish entertainment—the stories are well known . . .

SHRI BHUPESH GUPTA : We do not know. Tell us.

SHRI ARJUN ARORA : Well you should read the newspapers more carefully, Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : I read carefully, but tell us about it.

SHRI ARJUN ARORA : I have very limited time. Unlike Mr. Bhupesh Gupta and Mr. Rajnarain, my time in this House is limited.

SHRI BHUPESH GUPTA : I would plead with you, at least give two names.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Please sit down. That is his discretion.

SHRI ARJUN ARORA : Sir, this conspicuous consumption by a section of our people highlights the economic disparities and leads to anger among the people and frustration among the unemployed youth. The Government has imposed many taxes and some of the measures are good measures. The idea of legislation

about *benami* property is good and welcome. But there should be a strict scrutiny of the accounts of those who are known to indulge in lavish entertainment and beyond a ceiling, there should be 100 per cent tax on conspicuous consumption.

Sir, the poor man pays his taxes. Whenever I light a cigarette, I pay excise duty on tobacco, on cigarette and on match-box. So, the poor man pays his taxes because he has to pay the indirect taxes which the Government imposes every year. But the rich do not pay the taxes. They use smuggled lighters, not matches. The tax arrears of Rs. 500 crores are with the rich. I would like to know who are the people who owe the Government this Rs. 500 crores. I assure you it is not the wage-earner, it is not, those of the fixed income group, it is not even the small trader; it is the big sharks, the big monopolists, who continue to grow and whose growth is being encouraged and financed by the Ministry of Finance and the institutions run by this Ministry, who owe these arrears.

Sir, many people have from many platforms advocated that the income-tax exemption limit should be raised to Rs. 7,500. If that is done, the Income-tax Department will be spared of 10 to 12 lakh assesseees and the revenue officials will be able to concentrate on the remaining 16 lakh assesseees whose incomes are more than Rs. 7,500 a year.

And no less a person than Mr. Bhoothalingam who was the Finance Secretary and who is now the Director of the Institute of Applied Economic Research said that if that is done the reduced workload will also improve tax collection from the middle and higher income group assesseees. But I do not know why the Government does not take this measure which will make it popular. Why does it shun popularity ? The only explanation

[Shri Arjun Arora]

can be that the Government does not want revenue officials to concentrate on the higher income groups. Tax evasion amongst higher income groups is common and whenever they are assessed, whenever, in spite of evasion they are assessed, they do not pay the taxes and the revenue officials are burdened with the small tax-payers.

Agricultural income is also a phenomenon of which the Finance Minister should have taken a serious note. The rural rich are becoming a force. On the plea that the constitution does not permit the Government to do certain things the Finance Minister has not imposed any income-tax on the rural rich. Amendments to the Constitution are now the talk of the day. Why does not the Government either persuade the State Governments to levy taxes on agricultural income and increase their resources or amend the Constitution suitably to include agricultural income amongst incomes taxable by the Central Government?

With regard to tax arrears I think, Mr Ganesh, the Minister of State for Finance, has announced that five Additional Commissioners will be appointed to speed up the realisation of arrears. Commissioners alone will not do. Firstly, the realisation must become a Central responsibility. Just now it is the responsibility of the revenue officials of the States.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE/वित्त मंत्रालय में राज्य मंत्री (SHRI K. R. GANESH) :
No, it has become Central responsibility.

SHRI ARJUN ARORA : Thank you. One good thing has been done. But then if he has done that, he should appoint more income-tax officers in charge of realisation. Mere Commissioners will not do. I find there are wonderful performances in the Income-Tax Department.

There is, for example, a Kanpur Bench of the Income-Tax Tribunal and that Bench is housed in Calcutta. It is called the Kanpur Bench of the Income-Tax Tribunal but it is housed in Calcutta because somebody, probably a friend of Mr Bhupesh Gupta, does not want to leave Calcutta and the comforts of Calcutta and go to a small town like Kanpur. (Interruption) Such anomalies can be found everywhere.

A plea has been made that there should be demonetisation, and according to press reports, an interim report of the Wanchoo Commission has also recommended demonetisation of certain categories of notes. While the Finance Minister is very loudly declaring that there is a parallel economy of black money, he does not take the step which will curb black money, and that step is demonetisation. Unless that is done, the parallel economy will continue to flourish. Mr Rajnarain today spoke of a particular locker being opened or not opened. I am not concerned with that.

But I know, as every one knows, that bank lockers are the safe deposits of black money. If the government had any imagination, if the government had any initiative.

श्री निरंजन वर्मा (मध्य प्रदेश): मैं अपने मित्र श्री अर्जुन अरोड़ा से पूछना चाहता हूँ कि किसी लाकर में ब्लैक मनी है या नहीं इससे आप कहते हैं—मुझे कोई मतलब नहीं। क्यों मतलब नहीं?

श्री अर्जुन अरोड़ा : किसी खास आदमी से मतलब नहीं। मैं यह कह रहा हूँ निरंजन वर्मा जी, कि किसी एक व्यक्ति विशेष के लाकर से मुझे मतलब नहीं है। लेकिन जितने लाकर्स हैं उनमें से अधिकांश में ब्लैक मनी है।

The bank lockers maintained even by nationalised banks and by the State Bank of India are the safe deposit vaults of black money. If the government is serious about finding black-marketeers, if the government wants to put an end to the parallel economy, one of the obvious steps, apart from demonetisation, is opening up of all the bank lockers in the country one fine morning. Much of the black money will be found.

We are all concerned about refugees coming from Bangla Desh. I do not know why the government is so niggardly in providing money for them. The government estimates of expenditure are all wrong. At first they provided Rs. 60 crores. Now, according to press reports, they are asking for Rs. 75 crores more. Rs. 60 crores is not even one month's expenditure, nor Rs. 75 crores is one month's expenditure. Even Rs. 200 crores won't do. Each Ministry is, of course, an empire in itself. The Minister of Rehabilitation, Shri Khadilkar, came to this House last week or early this week and according to the figures given by him the expenditure is more than Rs. 3 crores per day. Yes, it comes to Rs. 3 crores or more per day. Was the government so unrealistic on the 28th May that it provided only Rs. 60 crores? Did they think that these refugees who have come in large numbers escaping from the brutalities of Yahya Khan have come here for Tirtha Yatra and would go back within four weeks? Government should learn and take the people into confidence and tell the people the real situation and the real burdens involved in maintaining the refugees.

I hope the government will give up the habit of imposing new indirect taxes each year and allowing the big shots to escape. I also hope that the government will realise that no amount of election victories will bring it credit if it is not able to control the rising cost of living and to do that black-marketeers have to be punished and

physical control over distribution taken over. Thank you.

DR K. MATHEW KURIAN (Kerala)
Mr. Vice-Chairman, Sir, Shri Aroia expressed the hope that the cheerful expansion of indirect taxation, as we have seen in the past, will now be reversed. I hope Shri Aroia's wishes will be fulfilled. But I would like to remind him that judging from the history of Indian taxation and judging from the intentions of the government as embodied in the Finance Bill, it is very clear that they rely upon a taxation policy of putting burdens on the people increasing the proportion as well as absolute quantum of indirect taxation in the total tax revenue.

The same policy they pursued for the last two decades they intend to pursue even now and this is very clear from the Finance Minister's speech here and also in the Lok Sabha. Sir, the main objective of the Bill, as the Finance Minister has said in his speech, is (1) to simplify and rationalise the tax laws, (2) to reduce the opportunities for tax evasion, and (3) to bring about scaling down of the concentration of the economic power and redistribution in the inequalities of income and wealth.

Sir, I would like to argue in my speech that all these pious objectives laid down by the hon. Finance Minister are precisely the ones which do not exist in concrete terms in the tax proposals which he himself has brought forward. I would like to remind the House in this connection of the deepening economic crisis in this country, particularly the crisis in resource mobilisation. The Government, through their policies of foreign aid and foreign capital, continues to mortgage our future to the foreign capitalists and the imperialist powers. Domestic savings which increased from 8.5% to 11.5% have now slumped to 6.4%. On the contrary, foreign debt has increased to

[Dr. K. Mathew Kurian]

somewhere around Rs. 7,400 crores. While our future gets mortgaged to the foreign imperialist countries, our domestic resources as a proportion of total savings have now declined.

Sir, we have experience of even the capitalist countries of the West where indirect taxes constitute only about 50% of the total revenue, that is, the ratio between indirect and direct taxes is 50:50. On the contrary, we find in India that the ratio between indirect and direct taxes is 81:19, that is, 81% constitutes indirect taxes and, as a result of this, during the last several years, over the last five years particularly, the prices have risen at the rate of 7.4%. Prices of tobacco, fuel oils, lubricants, manufactured products etc. are all on the increase. The cheerful expansion of prices is the consequence of the tax policy, the monetary policy and the over all economic policy pursued by the government. We have no indication from the Finance Minister's speech or from the tax proposals in Finance Bill as to whether these completely rotten economic, fiscal and monetary policies will be reversed or not.

Sir, the ruling party talks about radical changes. They are talking from the house tops about all sorts of pious intentions. But the Finance Bill is a clear indication of the continuance of the rotten economic and fiscal policies they pursued during the last 24 years. We understand that in the Budget, in addition to the Rs. 224 crores of uncovered gap we are going to face another Rs. 200 crores of uncovered gap through the Supplementary Budget which is on the way. The total deficit financing will be Rs. 420 crores at the minimum and this figure 420 may be very simple. But '420' is the policy which the Government has been pursuing in the past. Sir, this policy of 420, fooling the people, hoodwinking the people, is their policy. While on the one hand they are talking from the house-tops about their good intentions of bringing about socialism, they bring

forward a Budget which puts burdens on the people and which allows the moneyed people to go without real burdens on them.

Sir, we talk about tax concessions. This Finance Bill has the intentions of taking away the Development Rebate from 1970-74. While bringing this measure, the Finance Minister himself has referred to one thing.

"Although the Development Rebate has served a very useful purpose in attracting investments to the industries during the last 17 years, it is no longer necessary to continue this concession."

Sir, the Finance Minister also refers to the fact that in the past there has been wasteful use of the capital resources as a result of this. At least he makes a reference to possible criticism in this regard.

Sir, I would like to ask the Finance Minister a straight question. If the Development Rebate has in the past helped monopoly growth, and increase in concentration of wealth, which is a criticism he himself has referred to, is it not a fact that today he is taking away the Development Rebate precisely because the monopolists have grown to such an extent that they can continue uninterruptedly without the Development Rebate? Is it not true that during the last seventeen years, with tax concessions, with their licensing policy the monopolists have grown? According to the latest figures, the monopoly hold of the 75 monopoly houses has increased from 46.9 per cent in 1963-64 to 53.8 per cent in 1967-68.

In the days of Shrimati Indira Gandhi, monopolists have been growing and expanding. Sir, during the last 17 years of tax policy, the licensing policy and so on, monopolies have grown. Today the largest

75 monopoly houses constitute about 54 per cent of the total investments in the non-governmental, non-banking sector. Is it not true that the Minister now brings forth his proposal on development rebate as if he is giving a great concession to people, as if he is going to curb monopolies. Monopolies have been allowed to grow. Is it not a political trickery to bring forward this measure in this fashion?

Sir, I would also like to refer to the fact that non-Plan expenditure is on the increase. We used to calculate in the Government, both at the Centre and States, that non-Plan expenditure increased every year anywhere between 7 to 8 per cent. In 1971-72 it is around 12 per cent.

Are not the economic policies which the Government has been following responsible for this? I understand the Government is in a dilemma between growth and justice, dilemma between growth and distribution, which is precisely a problem which a capitalist country faces.

Yesterday, the hon. Member Mr. Mohtra pleaded for incentives to increase production. The Swatantra Member preached the need for tax incentives. What the protagonists and ideologues of the Swatantra party preach, in naked fashion, is what the ruling party in fact practices. The ruling party, true to its practice of hoodwinking the people, in fact does the same. If you analyse the structure of taxation, it is very clear that this is precisely what Mr. Mohtra has been demanding and the ruling party has been accepting, though it is couched in all the progressive language.

Sir, black money in this country today is anywhere, according to estimates, in thousands of crores of rupees. Sir, the

total quantity of gold lying idle in this country, according to the Reserve Bank figure of 1963, was Rs 3700 crores. The total amount of smuggling into this country every year is at least 200 million dollars. If we calculate on this basis, the total gold available in this country, including the smuggled gold, will be anywhere around Rs 7500 crores. Has this Government the guts to touch these idle resources in this country? Is the Government prepared to touch black money and idle gold rather than increase the burden on the people?

Today when we talk about radical policies, the ruling party and its leadership does talk about radical policies. But even a little dissent in the ruling party is now attempted to be destroyed by black mail. The hon. Member Mr. Chandra Shekhar has been talking about monopolies. Sir, I would like to bring to your attention one of the most staggering facts of monopoly business. Sir, the Monopolies Commission has brought out three or four reports. One report they produced on a Birla company, the Century Weaving & Spinning Mills. Mr. Alguraj Shastri, who is the Chairman of the Monopolies Commission and the Planning Minister, Mr. Subramaniam, were both hands in glove in giving licence to this Birla company. The majority report on this is about 13 pages but the note of dissent is 60 pages which exposes the whole basis of the Monopolies Commission and its probe. Similarly, a report on the Tube Investments Company in which Murugappa Chettiar is involved. With the elections coming, the Planning Minister, obviously, has to raise resources. I can understand the urge, the eagerness of the Planning Minister to humour those who have resources. I understand that the Tube Investments company is being given licence contrary to the need for controlling monopolies. I would like to know from the hon. Minister, while they bring this Finance Bill, while they seek more resources, whether they are prepared

[Dr. K. Mathew Kurian]

to control monopolies, whether they are prepared to rearrange the whole structure of the Monopolies Commission—the most incompetent commission that you can ever think of. Are they prepared really to tighten the monopoly controls so that resources can be generated?

I would also like to refer, in this connection to the question of resources to be raised from the public sector. We have already invested thousands of crores of rupees. The total investment from the Government including loans would be about Rs. 3,333 crores. The net return, calculating also the profits from trading organisations is a net loss of Rs. 35 crores per year.

In this connection I would like to refer to the State Trading Corporation—a good case of Government's inability to control a public sector enterprise which ought to have produced resources for our Plans. The State Trading Corporation today is manned by a Chairman who is an absolute, one hundred per cent free enterprise man. Shri P. L. Tandon, the protagonist of the free enterprise, today presides over the State Trading Corporation. He has brought an umpteen number of people from Hindustan Lever including Dr. N. C. B. Nag who is in charge of rubber.

The Tariff Commission agreed that a minimum price of Rs. 520/- per hundred kilogrammes would be the fair price. Today, in the market, the actual price is not more than Rs. 420/-. Here we find yet another example of this great 420 business. Rs. 420/- is the price of rubber in the market in Kottavam. Today, the hon. Deputy Minister for Foreign Trade goes about saying that he is going to export rubber. I would like to ask the hon. Finance Minister whether they are aware of it. Is it a serious measure, a serious move to export rubber? The Minister is on record of making public statements that

he is going to export rubber. While the minimum price is Rs. 520, the international price is anywhere below Rs. 250/- per 100 Kg., and if you take ex-Cochin price including transportation and warehousing charges, the export price will be anywhere over Rs. 650/-. Does the Finance Minister know that his own colleague in the Government goes round taking about exporting rubber? Behind this talk of exporting rubber there is, on one hand, an attempt to fool small producers of rubber in Kerala and other States. On the other hand, there is an attempt on the part of the big companies like Goodyear, Dunlop, Madras Rubber Factory and others to create an artificial situation; if rubber is exported, tomorrow they would come forth with the plea that rubber is in scarcity. Therefore, they have to be allowed to import rubber at cheap international price which they will stock for three or four months, and then the price would be depressed again. The whole game of monopoly companies is behind this. I would like to ask the hon. Minister whether he knows about this, this attempt to hoodwink the people, a measure which will ultimately result in substantial subsidies resulting in a resources problem. Is the Ministry of Finance aware of it?

We talk of raising resources for the Plan. We have public sector agencies like the Reserve Bank of India and the Employees Provident Fund organisation. I would like to know from the hon. Finance Minister whether he is aware of the problem in the Reserve Bank of India office in Madras where the employees had a very legitimate struggle for about 7 or 10 days. Despite the great professions of the hon. Finance Minister for having proper employer-employee relations in the Reserve Bank of India and other banking institutions in general, anti-labour policies are being pursued in these organisations. Is he aware that the Reserve Bank manager in Madras has unilaterally decided to cut 10 per cent pay of the employees during the period

of the agitation despite the fact that at the time of agreement, it was an open issue? Similarly, in the Employees Provident Fund, which can raise a lot of resources for the plan, you have one of the most archaic feudal type of labour relations. I would like the Finance Minister to get in touch with the concerned Departments and ensure that the existing bad employer-employee relations, particularly in the Reserve Bank of India, are reversed. You should put right people in such places so that these agencies can be the instruments for mopping up the required resources.

At the end, I would like to refer only to one more point. We have always been talking about avoiding wasteful expenditure. If you look into the continuous expansion of expenditure in the Ministries, Raj Bhavans, Rashtrapati Bhavans and the feudal splendours of the Ministers you have no right to talk about socialism any longer. Unless the Government brings forward concrete proposals, concrete measures to curb this cheerful expansion of feudal splendour, they have no business to talk about socialism.

Lastly, having criticised the Government policies, I would put forward for the consideration of the hon. Finance Minister a few proposals as to how this rotten fiscal policy can be reversed and a new orientation made. I would like in this connection to refer to the memorandum which my party, the Communist (Marxist) Party of India, presented to the Planning Commission. I would like also to refer to the memorandum which we submitted to the National Development Council two years ago in which we had made very concrete proposals. At this stage, in order to reverse the present fiscal policies of the Government, I would like to suggest the following . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please conclude.

You have already given the suggestions in the memoranda.

DR. K. MATHEW KURIAN: I would like to emphasise certain new points which are not covered in the memorandum. I will take only one minute. I would suggest that the Government should come forward with a clear enunciation of policy to nationalise all the 75 top monopoly houses without paying compensation. The Government should nationalise all the big foreign companies. I would demand abolition of privy purses without compensation and stop payment of compensation to landlords and big capitalists. There should be ceiling on incomes. End deficit financing which transfers value from the toiling masses to the propertied classes. Cut down defence expenditure at least by 50 per cent, if not by more, and develop a people's militia, equipped and trained with arms composed of citizens which can be used in times of emergency and war. Impose ceiling on profits of all big companies. Take over the surpluses into a national pool which can be used for development. I would like to suggest a review of the administrative expenditure at all levels. I would suggest reduction in the public expenditure, salaries of high officials, Ministers, members of Parliaments, M. L. A.s as well as expenditure on luxurious buildings and amenities for their residences and offices.

I would like to say that there is need for complete re-structuring of Centre State relations, passing on more powers to the States. Today with the increase in deficit financing, increase in prices, increase in indirect taxes, the real burden is being felt at the State level. The State Governments are not allowed overdraft from the Reserve Bank of India beyond certain limits. Uneven, inequitable distribution of resources, mobilisation of powers are being insisted upon. The State Governments are being prevented from taking overdrafts while the Central Government has power to get foreign aid, to print notes and to impose all sorts of onerous tax levies.

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3 P M

Therefore unless the proposals that our Party has made for restructuring the tax system, transferring powers to the State as given in the memorandum which we have already submitted, the problem of resource mobilisation cannot be solved.

We are to-day on the last days of the Mughul empire. Aurangzeb's days we are witnessing. Unless these completely rotten economic policies and out and out capitalist-oriented policies are reversed, this country cannot go forward. If this Government is not prepared for this, I think it will face the music.

SHRI BIPINPAL DAS (Assam) I would, at the very outset, congratulate the Finance Minister for making a serious effort to direct the fiscal policies towards achieving the goal of economic growth coupled with social justice. I am also grateful to him for responding to the suggestions of the Members made in the other House by granting some concessions in the mean time. I know that it is not possible to achieve our goal through fiscal measures alone and that too certainly not through one Finance Bill. But I believe he has made a very serious effort to set the pace towards achieving that goal. In particular, I am happy that he has proposed some new fiscal measures so far as the capitalist classes are concerned like the surcharge on Income-Tax, Tax on Capital Gains, some new imposts on Wealth Tax, withdrawal of some exemptions, some measures on transfer of property, some Surtax on companies and a ceiling on salaries. But having said this, I would submit that I am not wholly satisfied with whatever he has proposed. I know that fiscal measures alone cannot lead us towards the socialist objective and other means must be resorted to. But I expected the Finance Minister to adopt more radical or drastic measures to propose, a more radically oriented Budget

to move towards the objective of socialism.

The Finance Minister himself said that the main objective of his Budget proposals was to augment the growth together with getting increasing social justice. So far as growth is concerned, the present situation is very sad, very dismal. According to the Planning Minister, the current growth is 5.3% which is far behind the target set before the Fourth Plan. In that too the major contribution has been made by the small sector industry and agriculture. The small sector industry alone has contributed 11.2% according to the Planning Minister. So far as agriculture is concerned, the contribution has come from only one side, that is food and is lagging behind in pulses and cash crops and even in cereals the contribution has come from wheat alone. Rice has not been able to make much contribution to the economic growth. But the worst that is the large scale industry has not been able to make any substantial contribution to our economic growth. What I would point out further is that the public sector industry has fared very much. Reasons have been advanced for this and they have said the Planning Minister said about shortage of raw materials and under utilisation of the rated capacity. I would ask why there should be under-utilisation of the rated capacity. If they point out only labour disputes, I am not satisfied. There is something wrong with the whole management and therefore a thorough enquiry is needed to look into the matter why the public sector industry has not been able to make full use of the rated capacity.

But that is not the whole story. The story is that as against the targeted outlay of Rs 1200 crores in the first two years of the Fourth Plan, the actual investment in industry at the end of two years was only Rs 950 crores.

This is shortfall in investment and the Finance Minister has said in the Economic Survey that this shortfall of investment has affected only a few industries. But I submit that it has not affected only a few industries, but it has affected some of the major industries like steel, non ferrous metals, copper zinc, fertiliser, iron ore, petroleum, petro-chemicals and newsprint. What are the causes of these shortfalls? These shortfalls are largely because of delay in the initiation of new projects and inadequate preparatory work on the projects taken up for execution. Over and above that there are other reasons also. The other reasons are delay in the supply of domestic machinery and equipment and shortage of steel. I do not know, I am not very clear how the Finance Minister and the Government propose to improve the situation in this regard. I do not understand why there should be such a huge deficit in production so far as steel is concerned. There is something very seriously wrong about the steel industry and it is high time that we go into the matter and find out what are the real causes. If you only talk of labour dispute in Durgapur or some other trouble somewhere, at least a person like me will not be satisfied. The whole matter needs a thorough investigation as to why we are not able to step up steel production in this country.

Now, the other objective laid before us by the Finance Minister is social justice. I have already pointed out that some of the direct taxes imposed by the Finance Minister are very good and I welcome them. They will go a long way towards removing disparity or bringing about social justice. But I must say that the corporate sector has been treated a bit too leniently and with undue sympathy. The rich peasants have been left out altogether. If agriculture as a whole has been left to the authority of the States I have no objection. That will be nice, let the States have some income out of agriculture, but let that be made very clear, absolutely clear, that so far as agri-

culture is concerned, the States will tax the rich peasants. Let the rich peasants be taxed by the States, I welcome it. But I do not know whether that is going to be the final decision of the Government.

Sir, my main grievance against the Finance Bill is this. Perhaps the Finance Minister has done an injustice to the middle class, and that too, the lower middle class. I know the poor people, the common man, has not been taxed but the indirect taxes will affect them more. The middle class and particularly the lower middle class, and fixed income groups have become the worst sufferers from this Finance Bill. The Finance Minister said some items have been taxed which can be called luxury or semi-luxury items and which are used by the affluent classes. I do not agree with him. For example, take the item like soap, perfumed hair oil, glassware, China, tableware, playing cards, zip fasteners, etc. are these used only by the affluent classes? Or take even pressure cooker, pressure cooker nowadays is found in the houses of even lower middle class families. Then there is petrol. Petrol is taxed every year and the price is going up. This year the Finance Minister has raised it by 20 paise and the rise in the price of crude accounts for another 5 paise. The Finance Minister says those who can use petrol, who can afford to have cars, they can pay for it. But in actual fact who is paying for it? In my State—if the Finance Minister does know I want to bring it to his notice—the buses that ply in the rural areas run on petrol and they have to pay this extra price. Wherefrom will they pay? They will pay from out of the pockets of the rural population. The State buses are run on diesel I know, but the private buses plying in the rural areas are mostly run on petrol then take a small officer drawing a salary of Rs 1000/. Is he a very rich man? After 20 years of service or so he perhaps draws this salary of Rs 1000/- and perhaps with some accumulated savings he has purchased a scooter or a second-hand motor car.

[Shri Bipinpal Das]

He has to pay this extra tax and, therefore, I do not think that this levy on petrol has affected only the affluent class or the richer class. I must submit that it has affected also the lower middle class. *(Time-bell rings)* I have taken only ten minutes. You have given twenty-five minutes to others.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : The time of the party is over.

SHRI BIPINPAL DAS : I am glad that the Finance Minister has given sufficient encouragement to co-operatives and small-scale industries. So far as price is concerned, I entirely agree with the analysis given by my friend, Mr. Arjun Arora. I do not agree that production alone can help in stabilising prices. During the last twenty-three years we have raised production, but prices have not been stabilised. The problem of price must be attacked not only from the end of production, but also from the end of distribution. One of the causes for the rise in price is black money. That everybody knows. It needs to be thoroughly controlled. There is unproductive expenditure going on in this country in the name of projects and schemes. Unless you limit income and expenditure, both, I do not think you will be able to control prices. One important suggestion regarding prices is, it is high time the State and the co-operative sector entered the trade, particularly wholesale trade, if not the retail trade, in competition with the private sector or private traders.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Please conclude.

SHRI BIPINPAL DAS: No, Sir. I must speak. This is the second time that I am speaking in this Session. Do I not deserve some consideration ? There

are Members who go on speaking every day. This is the second time that I am speaking. I have certain points to raise before the House. Now, I am going to raise the point about regional disparity. It is a problem from which many States in India are suffering and my State is one of them. I want to draw the attention of the hon. Finance Minister to four particular issues from which we suffer in the matter of augmenting our resources. Now, the Finance Minister says that the States must raise their own resources, but the question is how to raise resources and where are the resources ? Oil and tea are the two major industries in my State. We wanted to levy a road carriage tax on tea, but the Central Government objected on the ground that the tea industry cannot bear the extra tax. The Central Government object because they pretend to be sympathetic to the tea industry. But at the same time they have imposed a duty on Assam tea to this extent that when it is 25 paise per kg elsewhere, for Upper Assam tea it is 105 paise per kg. Is it justified ? If you levy so much duty on our tea, then where is our resource ? We have an Act called the Agricultural Income-tax Act, with the help of which we can get some revenue from tea. But if you go on imposing high duties on tea in Assam, what is left to the States ?

Then, I come to Oil. In 1930 we got a royalty of Rs. 10 per ton. After independence it was brought down to Rs. 4.50. After pleading with Prime Minister Nehru it was raised to Rs. 7.50. Then, on an appeal to Prime Minister Indira Gandhi it has now been raised to Rs.10. What we used to get in 1930, we are getting today. I demand and very emphatically demand that we have every right to get a higher royalty and a just royalty on our Oil. We are a major oil producing State in India and, therefore, I demand that at least Rs. 20 per tonne royalty on oil should be given to Assam. Another very interesting point is that we produce crude, we supply

two million tonnes of crude to Barauni Refinery, but we do not get any sales tax on it. When the crude goes to Barauni, the Bihar Government levies a sales tax on crude. They also levy sales tax on the refined oil. We get no sales tax on oil. They get double sales tax. We produce oil but we do not get any sales tax on the crude. Is it justified? Is it not possible for the Government of India to find a way out so that we can have sales tax on this crude? Let Bihar have sales tax on the refined product. We have no objection.

Now, I would refer to the Wanchoo Committee's Report as to how to remove regional imbalances. In order to remove regional imbalances in the matter of economic development they have suggested these measures and I would like to place them before the House.

- (i) Grant of higher development rebate
- (ii) Grant of exemption from income-tax, including Corporation Tax for 5 years after providing for the development rebate
- (iii) Exemption from the payment of import duties on imported plant and machinery, components, etc.
- (iv) Exemption from excise duties for a period of 5 years
- (v) Exemption from Sales Tax, both on raw materials and finished products, for a period of 5 years from the date of their going into production
- (vi) Transport subsidy

These are the suggestions of the Wanchoo Committee. Sir, I have got still 14 minutes.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) No, no, you must finish. It is between you and your party.

I have given you more time. All right. You can speak for two more minutes.

SHRI BIPINPAL DAS Thank you, Sir. I hope the hon. Finance Minister and the Government of India will pay due attention to these suggestions. And if they are implemented, then backward States like mine, Assam—I am not speaking for Assam only, for others also—will be helped to a large extent towards their development, it will help to increase our resources and also indirectly the resources for the Finance Minister.

Lastly, Sir, we have to depend on our own resources. The sooner we do away with foreign aid, the better it is for this country. Let us mobilise resources from our own country. But how to do it? Is there no way? Is the only way left is indirect taxes? I do not agree. The country's public sector industries must be made to produce surplus. Full and liberal use of the funds made available by the financial institutions and the nationalised banks should be made. Although sufficient work has been done by these financial institutions and the nationalised banks, I am not happy because they have not yet gone in fully for the mobilisation of resources. Nationalisation of the foreign oil companies and foreign banks should be there. We must nationalise the entire foreign oil industry and foreign banks immediately. Why not we do it immediately? What is wrong with it? Then, Sir, some of our industrialists have been given licences to start industries outside India, in Africa, for example. They have made huge profits. But the profits are shunted off to the Swiss banks. Well, is it not possible for the Government to compel these industrialists.

DR. K. MATHEW KURIAN : The Government is controlled by them.

SHRI BIPINPAL DAS It is not controlled by them. I do not agree with

[Shri Bipinpal Das]

your statement. The Government should compel these industrialists to plough back this profit into our country so that the resources of our country may be increased.

SHRI ARJUN ARORA : May I remind him that the Minister for Industrial Development last week at Bombay said that he will blow the brains out of such industrialists ?

SHRI BIPINPAL DAS : I do not want their brains to be blown out. I only want the Government to compel them so that the profits that they earn there may come back to our country for augmenting our resources.

Then, Sir, I also want the Government to nationalise all monopoly capital.

DR K. MATHEW KURIAN : The brains are going to foreign countries.

SHRI BIPINPAL DAS : I would emphatically suggest a ceiling on income and expenditure as a very important source of mobilising our resources. Black money must be controlled. I have got seven or eight suggestions to make. As you do not give me time, I cannot go into them. But I will simply say that the black currency must be controlled. Only then we will be able to increase our resources. The prices must be stabilised. Small savings—they are doing very well, and should be encouraged to do much better. Then, Sir, our exports are rising no doubt. But the imports are also rising. Something should be done about it. Why should imports also go on rising along with exports ? We shall gain nothing out of it. Something should be done about it.

Sir, finally, I would say, the slogan is that we should believe in austerity

practise austerity, we should tighten our belts. I agree, let us all tighten our belts. But who will tighten their belts ? Certainly not the exploited people, the poor people, the down-trodden people, the lower middle class people. Let those who are sitting on the top, the monopolists, the big businessmen, those who are exploiting this country and the poor people for hundreds of years; first under the aegis of the British and even now, tighten their belts first.

Only when they are controlled we move towards equality, we move towards removal of disparity. Unless this is done, the slogan of austerity will have no meaning. I, therefore, suggest in conclusion

DR K. MATHEW KURIAN : What about Ministers ?

SHRI BIPINPAL DAS : I do not agree. I am speaking only about monopolists and big businessmen. As a good Marxist Dr Kurian knows that in the present stage of our development, mobilisation of resources must come from the big monopolists and the big businessmen, and not from Ministers drawing Rs. 2,000 or Rs. 3,000 salaries and having a little bungalow or a car.

DR. K. MATHEW KURIAN : Your party is controlled by monopolists.

SHRI BIPINPAL DAS : Their own party has a programme and the programme says that we have to attack the big monopolists, the rich peasants and big businessmen. They never say that we have to expropriate people having an income of Rs. 2,000, Rs. 3,000 or Rs. 5,000, because it is a wrong policy. That would not be the Marxist way of proceeding towards socialism. I humbly suggest to the Finance Minister, let us curb the unproductive expenditures,

extravagant expenditures that the people make sometimes in their private lives. If we do all these things that I have suggested, if the hon'ble Finance Minister gives some consideration to these suggestions and does something about it in future, I hope the problem of resources of this country will ultimately be solved.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Mr. Bhupesh Gupta. I am going to call the Finance Minister at 3-30.

श्री जगदीश प्रसाद माथुर (राजस्थान) :
तो फिर हम भी बोलेंगे, इसको आप तय कर लें।

उपसभाध्यक्ष (श्री अकबर अली खान) :
टाइम नहीं रहा।

श्री जगदीश प्रसाद माथुर : जब और पार्टियों के दो मेम्बर बोल रहे हैं तो हमें भी समय देना पड़ेगा।

SHRI BHUPESH GUPTA : Mr. Vice-Chairman, Sir, when devaluation took place in 1966, many of us brought to the notice of the House at that time that the news of the decision about devaluation had already leaked out to certain big businessmen families. Some of us even suggested that the leak would be taken advantage of by the Birla family. But at that time our contention was contested from the Treasury Benches and almost the whole suggestion was pooh-poohed by that Government. Reports appeared not only in Calcutta but also in Bombay that some business people came to know of the decision about the devaluation a few days before and they took steps in order to make money out of the coming decision.

Now, Sir, I wish to bring to the notice of the House a number of details—I say brief details because much more can be given, yet I may give some details as to how things leaked out and how the Birla concerns, the Hindustan Motors Ltd. made money out of it. I hope Mr. Chavan will kindly listen to what I say.

Messrs. Hindustan Motors Ltd., a Birla company, of which Shri B. M. Birla is the Chairman, approached the United Commercial Bank, Ltd., 10, Brabourne Road, Calcutta, on the 3rd June, 1966, for booking one forward exchange contract for purchase of £ Sterling 9,32,617 to cover import of CKD parts, motor accessories, steel materials etc. from U. K. and the Continent. According to prevailing Exchange Control Regulations, the bank was to satisfy itself before booking any such forward exchange contract with its customers, that the customers are in possession of :

- (a) Valid import licence with an Exchange Control copy thereof covering the amount of the proposed contract;
- (b) Original documentary evidence showing that firm orders for the goods intended to be imported have been placed with the foreign manufacturers/suppliers; and
- (c) firm acceptances from the foreign manufacturers or suppliers accepting the offer of the party for supply of the materials. Sir, on 3rd June, 1966, when Hindustan Motors approached the United Commercial Bank Limited for booking, valid documentary evidence as required under the Exchange Control Manual was not in their possession. Accordingly, the contract was not booked on that day. On the 4th June . . .

THE VICE CHAIRMAN (SHRI AKBAR ALI KHAN) You had drawn attention to this in the morning

SHRI BHUPESH GUPTA Kindly do not disturb me I am speaking on the Finance Bill I have not drawn attention

On the 4th June, 1966, which was a Saturday, the contract was, however booked by the bank with the connivance of the higher authorities. No documentary evidence as required under the Exchange Control Manual was produced to the bank. The bank also got seven lakhs pound sterling from the Reserve Bank on the 4th June, 1966 to cover a part of its sale to the above mentioned customer, namely, the Hindustan Motors Limited, and the balance amount was covered out of its own overbought exchange position which was built up by violating the exchange control regulation relating to purchase and sale of sterling in the inter-bank market. The Indian rupee was devalued with effect from the 6th of June . . .

SHRI M K MOHTA (Rajasthan) What has it to do with the Finance Bill? We are discussing the Finance Bill and not the working of the Finance Ministry

SHRI BHUPESH GUPTA and as a result the company made a huge profit to the extent of over Rs 75 lakhs and the National Exchequer lost foreign exchange of over Rs. 133 crores at the pre-devaluation rate of exchange. Now these are the facts I should like the Finance Minister to contradict

It was evident that on the 3rd June, 1966, when the company approached the bank for booking the forward exchange contract, they were already in possession

of advance information that the Indian rupee was going to be devalued very soon. It was, therefore, with a view to getting the maximum benefit out of such proposed devaluation that the company booked the forward exchange contract through the United Commercial Bank Ltd and the bank officials helped the company to do so by violating the Exchange Control Regulations. The bank helped the company in booking the forward exchange contract by committing breach of the Exchange Control Regulations inasmuch as it did not comply with the requirements of the Exchange Control Regulations for satisfying itself that valid documentary evidence had been produced to it by the company and also by manipulating its own exchange position by purchasing sterling from the inter-bank market by violating similar Exchange Control Regulations in that respect

A search was made by the Enforcement Directorate, Calcutta, and all connected papers were seized from the bank as well as from the company in 1969. In May 1971, an enquiry was started by the Enforcement Directorate, Calcutta, and many officers and clerks of the bank were called to give evidence under section 19 F of the Foreign Exchange Regulation Act, 1947. The Custodian of the Bank Shri R B Shah and the Regional Manager of the Eastern Region, Shri B L. Purohit were also called for a number of times for giving such evidence. Irrefutable documentary evidence in the shape of even hand written manuscripts of letters and other documents by the Custodian as well as by the Regional Market Manager, both named above, were brought to their notice at time of enquiry. They were unable to deny the existence of any of these documents

It is understood that on the basis of evidence already procured, the Enforce

ment Directorate have submitted two reports making out a *prima facie* case against these two officers and are now contemplating issuance of charge-sheets under section 23 of the Foreign Exchange Regulation Act, 1947, read with section 120B of the Indian Penal Code. It is high time, Sir, that the Government clarified the position. This morning these things were not brought to the notice of the House. Only we touched on the subject, which is why I have got up now and I will end with this thing.

We were shocked to learn that when the matter went to the Reserve Bank, the Reserve Bank summarily closed the inquiry and thought the matter was closed. Today under the same Government the Enforcement Directorate has discovered documents which are not denied by the Birlas and their officials that they are genuine, and according to this document a *prima facie* case has been made out of violation of foreign exchange regulations and embezzlement of national exchequer on the basis of leaked out information. Therefore, we should like to know from the Finance Minister whether he is prepared to hold an inquiry into the doings of the Reserve Bank at the relevant time as to how it came, how it was possible for them to close the case in this manner instead of pursuing it when they had some very important, reliable, information in their possession. We are surprised at all this. I understand at that time Mr. L. K. Jha, was the Governor of the Reserve Bank. Well, he is now, I believe, the Ambassador of our country in the United States. I say this thing because everybody knew that Mr. L. K. Jha also was friendly with the Birla family. At that time when devaluation took place the Finance Ministry was under the charge of a gentleman from Calcutta, the city from which I come and his name is Sachin Chowdhury.

श्री मान सिंह वर्मा (उत्तर प्रदेश) :
श्रीमन्, घटी बजाना भूल गये क्या ?

SHRI BHUPESH GUPTA What do you want ? You can ring the bell.

Mr. Vice-Chairman, will you call him to ring the bell ?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) I want you to finish now.

SHRI BHUPESH GUPTA I am finishing within time.

So, his name is Sachin Chowdhury. At that time he was the Finance Minister of the country. I know Mr. Sachin Chowdhury as many people know him in Calcutta. He has been always a man of big business, and his family had been connected, and I believe, are still connected, with the Birla business and many other big businesses. Now, we came to know that at that time Mr. Sachin Chowdhury had leaked out the information to the Birlas. Today I think we stand vindicated in this matter. Therefore, this question should also be gone into. Mr. Asoka Mehta was also then a very important figure, a back seat driver at that time. He was believing in back seat driving. Here he made an absolute raid on our national exchequer. They leaked out these things. These things should be inquired into properly. But, how is it that even after all these disclosures have been made, this gentleman the Custodian, Mr. R. B. Saha, is still the Custodian ? The gentleman who did it is still the Custodian of the nationalised United Commercial Bank. This remains to be explained. The Government was in possession of these figures since 1969. The document had been found in 1969 and the bank was nationalised in the same year. How is it that no step has been taken in order to remove this gentleman against whom

[Shri Bhupesh Gupta]

they were actually carrying on an investigation and were also preferring charges under Section 120 (b) of the Indian Penal Code for violation of foreign exchange? This remains to be explained. Now we are told that notices have been served on the members of the Birla family to explain. But I have information the matter is being sought to be hushed up by the Birlas. Why were not the Birlas arrested at that time when others were arrested? For the simple violation of Section 144 you put Members of Parliament in prison, take them to Tihar Jail. Are the Birlas angels that they should not be arrested? When such a swindle has been discovered involving them and their officials, why was no action taken against them instantaneously at that time, when it was known that there was a *prima facie* case that they were guilty of violation of foreign exchange regulations, acting in a manner prejudicial to the national interests? These things should be explained by the honourable Finance Minister. I know Mr. Chavan was not in the Finance Ministry at that time. I hope Mr. Chavan will not misunderstand me. Personally I am not blaming him at all except that a man like him should have removed Mr. Saha as Custodian of the Bank. That was expected of him. Beyond that I do not say anything about him.

The Prime Minister has given an assurance that something will be done. We shall see what will be done. But the Finance Minister of the country is responsible for it. Now that these disclosures have been made it stands to reason that he should be removed immediately and we are shocked to learn that his family has been shifted to the United States of America. Whether it is true or not, his wife and others have been sent to the United States of America and he is contemplating to go and live there and stay there. We have also been informed that when the marriage of the daughter of Shri Shah took place, there were many gifts and presents worth

over a few millions or crores of rupees. Surely this is a matter to be found out. I know Shri Chavan has not got a daughter. But even if he has a daughter and at the time of the marriage of his daughter, he would not have presents worth crores of rupees despite the fact that Shri Chavan is a very powerful man in Maharashtra. This gentleman is a man of the big money. Even in the earlier devaluation time in 1948, the same United Commercial Bank was named in that connection. Once again it has been found out. Therefore, I would appeal to Shri Chavan in all seriousness that he himself, as the Minister of Finance, should take action.

Now I have to offer only a few suggestions. Firstly there should be instantaneous suspension or removal of this officer, Shri R. B. Saha. Secondly, there should be simultaneous investigation as to how many such people were in the bank at that time when the devaluation took place. Thirdly, there should be proper investigation through the intelligence agencies of the government as to whether there is any basis for the serious allegation—which looks to be *prima facie* true—that the information was leaked out by the Finance Minister of that time. Fourthly, with regard to the Reserve Bank, their credibility has been spoiled today. Who is going to believe this Reserve Bank which has now been exposed and which has not acted in national interest, but in the interests of the Birlas. This also should be gone into. With regard to Birlas, I should also make a suggestion. Business transactions on behalf of the Birlas or by the Birlas should be subjected to severe scrutiny by the government and no one connected with the Birla family should be placed in nationalised banks, financial institutions of the government like the IFC and others. In so far as the Governor of Reserve Bank is concerned, I think he is under clouds today after these disclosures and therefore action should be taken. Finally, the Prime Minister has given the assurance I am sure Shri Chavan

is a serious man. He is not going to treat them in a light manner. He will go into all these things and that is why I have stated facts which I believe to be true. I do personally hope that he will go into these questions and in the next session when we meet government will come out with a statement as to where we stand and will take the House into confidence and tell us with regard to the progress of the prosecution and other steps that should follow the investigation of the Directorate of Enforcement. Finally, I congratulate the officers of the Directorate of Enforcement, whom I do not know. But they have done a good job. They would have been easily purchased by Birlas. But it does appear that there are some officers in the Ministry and in this particular Directorate who are not purchaseable and who pursued the matter with courage and patriotism. Such officers should be rewarded by the Government, whoever they are. But I do not know them. It seems from the nature of the case that because of the co-operation and the sense of duty of these officers only we have come to know all these things.

Now, Sir, I would appeal to the House: Do not treat this lightly. Devaluation may be four or five years old. But it has been treated in such a manner that it has been leaked out and it is a serious matter. One thing is clear, Sir. The connection between the Government and the big business has also been revealed. The monopolists may not be in the Cabinet. But they have their placements every where; they have their placements in the financial institutions; they may have their placements even in the Cabinet, but I do not know; and they have their placements in the various secretariats and so on. Therefore, Sir, the tie-up between the monopolists on the one hand, the Birla families and others, and the Government apparatus on the other, one on this side and the other on the other side, is a serious menace to our national interests, directly hindering and jeopardizing them all the time. I do not know,

Sir, what steps the Government is going to take in order to take away the Birlas and the monopoly interests from the apparatus of the Government. This is a serious matter and I do hope that the Government and the Congress Party and others will all co-operate to disengage the apparatus and the officialdom from their close liaison and connection with such families as the Birla families, otherwise everything will be sabotaged.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please conclude now

SHRI BHUPESH GUPTA. Sir, here is a case of loot and plunder; here is a case of leakage of national secret or whatever it is. We are all opposed to devaluation. But, you see, Sir, how they all behave. Therefore, Sir, steps should be taken in this regard.

Sir, I do hope that the Finance Minister, Shri Chavan, will take the necessary steps. Thank you.

श्री जगदीश प्रसाद माथुर : श्रीमन्,
मैं भी इस बहस पर बोलूंगा।

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You will appreciate that there is no time,

श्री जगदीश प्रसाद माथुर : एग्जिजेंट
तो चेयर नहीं करता है।

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Your name is also not here

श्री जगदीश प्रसाद माथुर : श्रीमन्,
मेरा एक प्वाइन्ट आफ़ आर्डर है और मैं
यह कहना चाहता हूँ . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I hope you will co-operate with me . . . (Interruptions).

SHRI MAN SINGH VARMA: Sir, you are not co-operating, You are not going according to the Rules. . . . (Interruptions)

श्री जगदीश प्रसाद माथुर : मैं हमेशा चेयर के साथ कोऑपरेट करता हूँ ।

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): All right. I will give you a chance at the third reading.

श्री जगदीश प्रसाद माथुर : यह कोई प्रिन्सिपल नहीं है । मैं यह निवेदन करना चाहता हूँ कि जब हम चेयर के साथ कोऑपरेट करते हैं तो उन्हें भी हमारे साथ कोऑपरेट करना चाहिये । जितना श्री भूपेश गुप्त बोले है उतना ही हम भी बोलेंगे । आपको पहिले से ही समय का ठीक ढंग से निर्धारण करना चाहिये था । अगर सदन में व्यवस्थित ढंग से कार्य चलाना है तो फिर पहले से ही सबके लिए समय निर्धारित कर दिया जाना चाहिये ।

SHRI MAN SINGH VARMA : उन्होंने 20 मिनट ले लिया For nothing he has wasted the time of the hon. House.

श्री जगदीश प्रसाद माथुर : आप श्री भूपेश गुप्त को 3½ बजे रोक देने । आप ने भूपेश गुप्त को 15 मिनट से भी ऊपर बोलने के लिए समय दे दिया और अब आप हमको बोलने के लिए समय नहीं देना चाहते हैं ।

SHRI U. K. LAKSHMANA GOWDA (Mysore): Sir, my name was also there.

श्री जगदीश प्रसाद माथुर : जहाँ तक सदन में व्यवस्था का प्रश्न है, बोलने का सम्बन्ध है, श्री राजनारायण और श्री भूपेश गुप्त की इस बारे में मोनोपोली है । जो लोग सदन में शान्त रहते हैं उनको बोलने का मौका नहीं मिलता है ।

SHRI BHUPESH GUPTA: Sir, why are you opening us to this charge? If there were a monopoly, I would like to share monopoly concern.

SHRI A. G. KULKARNI (Maharashtra): Sir, he has also got a right to speak.

SHRI CHITTA BASU (West Bengal): Sir, Mr. Gowda is there. He is also there, Sir. (Interruptions)

DR. K. MATHEW KURIAN: Sir, Mr. Gowda should get a chance. . . .

(Interruptions)

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please sit down, Mr. Chitta Basu. I have called him. We have to keep the dignity of the House.

श्री जगदीश प्रसाद माथुर : श्रीमान्, मैं वित्त सम्बन्धी चर्चा कर रहा हूँ जिसमें माननीय मंत्री जी ने कर प्रस्ताव रखे हैं । जिस समय माननीय मंत्री जी ने कर प्रस्ताव रखे थे उस समय उन्होंने यह सम्भावना प्रकट की थी कि इन प्रस्तावों और करों से चीजों के दाम नहीं बढ़ेंगे । लेकिन मैं यह कहना चाहता हूँ कि पिछले दो महीनों में चीजों के दाम बढ़ गये हैं और माननीय मंत्री जी ने भी यह बात दोनों सदन में स्वीकार

की है कि महगाई बढ़ी है। इसके साथ ही साथ उन्होंने यह भी कहा कि जिन चीजों पर हमने कर नहीं लगाया था क्योंकि बहुत सी चीजों पर उन्होंने कर नहीं लगाया, लेकिन इसके बावजूद भी इन चीजों के दाम बढ़ गये हैं।

अब वह दाम क्यों बढ़े हैं। मंत्री महोदय ने शायद कहा है कि हम जाच करेंगे। जिन चीजों पर उन्होंने कर नहीं लगाया उन चीजों के दाम भी व्यापारियों के द्वारा बढ़ा दिए गए। यह स्वाभाविक प्रक्रिया है। आपने कुछ चीजों के ऊपर कर लगाया जैसे आपने पेट्रोल के ऊपर कर लगाया। तो पेट्रोल जिन चीजों के ढोने में काम आता है उन चीजों के दाम बढ़ गए। तो उपाध्यक्ष महोदय, माननीय मंत्री महोदय का यह कहना सही नहीं है कि महगाई नहीं बढ़ी है, महगाई बढ़ी है और महगाई बढ़ने का प्रभाव जो स्थिर आय वाले व्यक्ति हैं उन पर बहुत भयंकर रूप में पड़ा है।

[MR. DEPUTY CHAIRMAN IN THE CHAIR]

उपसभापति महोदय, दूसरी बात मैं यह कहना चाहता हूँ कि जब से यह सरकार बनी है, जब से इस देश में आजादी आई है हमने पंचवर्षीय योजनाओं के माध्यम से लगभग 67384 करोड़ रुपये नियोजित किया है। इतना रुपया नियोजित करने के पश्चात भी देश के अन्दर जहाँ महंगाई का सवाल था, महंगाई बढ़ी है और जो बेरोजगारी को रोकना चाहते थे, लोगों को रोजगार देना चाहते थे उसकी स्थिति और भी खराब है। जब सरकार में पृच्छा जा सकता है कि इस समय देश में बेरोजगारी की संख्या

क्या होगी तो ठीक उत्तर नहीं आता। प्लानिंग कमीशन ने अनुमान तो लगाया होगा लेकिन उस संख्या से लोगों के अन्दर पैनिक न फैले इसलिये बताते नहीं हैं। पंचवर्षीय योजनाओं के द्वारा और विभिन्न वर्षों के बजट के द्वारा जो रुपया हमने नियोजित किया है उसके परिणामस्वरूप 1951 में बेकारों की संख्या जो 30 लाख थी वह बढ़कर 3 करोड़ तक पहुँच गई है। इतनी बड़ी मात्रा में रुपया नियोजित करके कुछ बढ़ा है तो बेकारी बढ़ी है।

जहाँ तक पर कॅपिटा इनकम का सवाल है 50-51 में हमारे देश की पर कॅपिटा इनकम 262.4 थी, 69-70 में पर कॅपिटा इनकम 359.4 हो गई। अपने देश के आन्तरिक स्रोतों में भी रुपया प्राप्त किया, विदेशों से भी प्राप्त किया, जितना रुपया नियोजित किया है उसको देखते हुए पर कॅपिटा इनकम जितनी बढ़नी चाहिए थी उतनी नहीं बढ़ी है। आज लोगों की क्रय शक्ति घटती जा रही है। आज इतने कर हमने लगाए हैं, सरकार समझती है कि इतना रुपया हमारे पास आएगा, लेकिन जो करो की चोरी करने में माहिर है वे उतना देते नहीं हैं।

ब्लैक मनी की बात की गई। सरकार इस प्रकार की व्यवस्था करे कि जो भी कर आपने लगाए हैं उनकी चोरी न हो। आज जिस ढंग से ब्लैक मनी पैदा होता जा रहा है, जिस प्रकार से वह इकानामी को नष्ट करता जा रहा है वह सब विचारवान लोगों के लिए खेद की बात है। सरकार को इस बात की व्यवस्था करनी चाहिए कि हमारे देश में ब्लैक मनी का निर्माण न हो।

[श्री जगदीश प्रसाद माथुर]

इम्पोर्ट लाइसेंस का सवाल आया, हमने माँग की कि आप जिस प्रकार से इम्पोर्ट लाइसेंस लोगों को देते हैं उससे उसकी ब्लैक मार्केट की बेल्ट हा जाती है। जो काम बन्धा नहीं करते हैं, कारखाना नहीं चलाते हैं, केवल एक्सपोर्ट का काम करते हैं, इम्पोर्ट लाइसेंस लेकर उसको 200,400 परसेंट ऊपर बेचते हैं। इस प्रकार ब्लैक मनी पैदा होता है। हमने कहा कि जहाँ इस प्रकार की गुंजाइश है, जहाँ सरकार को पैसा आ सकता है, सरकार को हानि नहीं है, इसलिए वह इसको नीलाम करे, जिनको आवश्यकता होगी वे जितना पैसा ब्लैक में देते हैं वह देकर इम्पोर्ट लाइसेंस खरीद लेंगे और जो निर्माण के अन्दर चाहें लगाएँगे। पता नहीं सरकार का किससे किस प्रकार का सम्बन्ध है, वह ऐसा करती नहीं। हमने तो सरकार को सुझाव दिया है, उससे सरकार की आय बढ़ेगी। आखिर सरकार कर के ऊपर ही निर्भर न रहे। अपने रिमोसेज सरकार के पास होने चाहिए जिससे उसकी आय बढ़ सकती है।

उपसभापति महोदय, जहाँ तक टैक्स एरियर्स का सवाल है, आज अपने देश के अन्दर यह स्थिति है कि लगभग 960 करोड़ का बकाया है। इस प्रकार की चर्चा है कि बंगला देश की स्थिति के कारण वित्त मंत्री जी सप्लीमेंटरी डिमांड लेकर आएँगे सदन के सामने। जहाँ तक बंगला देश की स्थिति का सम्बन्ध है उनके कारण इन्कार का सवाल नहीं होगा, लेकिन अगर यह 960 करोड़ का जो बकाया है उसको वसूल करना है तो सरकार एक विशेष डिपार्टमेंट बना कर सक्ती से उसे वसूल क्यों नहीं करती। हम चाहते हैं कि सरकारी खजाने का जो भी बकाया है वह सक्ती से वसूल होना चाहिए।

आज पी० डी० आर० एक्ट के अन्तर रिकवरी करते हैं, कई प्रोसेसेज से लोगों को गुजरना पड़ता है, उसके कारण बकाया की वसूली नहीं होती है। मैं वित्त मंत्री महोदय से निवेदन करूँगा कि वे इस प्रकार के कदम बताएं कि वे किस तरह से इस बकाया को वसूल करेंगे जिससे सरकारी खजाने के अन्दर रुपया आए; लोगों के ऊपर ज्यादा टैक्स का भार न पड़े।

उपसभापति महोदय, अभी हमारे बिपिन पाल दास जी कह रहे थे कि मंत्री सादगी से रहते हैं और ज्यादा खर्च नहीं करते हैं। हमारे माननीय सदस्य मोहता जी ने प्राइम मिनिस्टर को पत्र लिखा था और उन्होंने बताया था कि मंत्री को इनकम टैक्स के बाद जो शुद्ध आय होती है वह 70 हजार रुपया साल होती है। जिस आदमी को इनकम टैक्स देना पड़ता है उसको अगर 70 हजार रुपए की शुद्ध आय होती है तो यह माना जाएगा कि वह आदमी साल के अन्दर 12,09,777 रुपया कमाता है।

12 लाख 9 हजार 770 रुपया कमाने वाले व्यक्ति की 70,000 रुपये साल की शुद्ध आय होगी। हमारे मंत्री लोगो को 70 हजार की शुद्ध आय होती है। यदि मंत्री लोगो पर टैक्स लगे तो उनका इतनी आय होनी चाहिए। तो यह कहना कि आज देश में जिस प्रकार के मकट की बात होती है, सरकार जिस मकट की चर्चा करती है और जिसके लिए माननीय मंत्री जी एक सप्लीमेंटरी डिमांड लेकर आने वाले हैं, उनके संबंध में मैं निवेदन करूँगा कि उन सप्लीमेंटरी डिमांड में, यदि आवश्यकता है तो वे कर प्रस्ताव न लाये बल्कि स्वयं के उदाहरण से प्रारम्भ करें। देश में लोग अपने नेता की ओर देखते हैं और यदि नेता ने स्वयं उदाहरण प्रस्तुत नहीं किया तो नीचे रहने

वाले लोग इस प्रकार सोचते हैं कि यदि ऊपर के लोग इतना कमाते हैं, इस तरह रहते हैं तो हम भी चिन्ता क्यों करें। अगर आप अपने देशवासियों के लिए स्वयं प्रेरणा का श्रोत नहीं बन सकते, जनतंत्र के अन्दर प्रेरणा का श्रोत निर्वाचित प्रतिनिधि होते हैं और जनता के सामने उनके प्रति मंत्री होता है, अगर आप मंत्रियों पर इतना खर्च करते हैं तो इसका अच्छा प्रभाव जनता पर नहीं पड़ेगा। आपको स्वयं अपना उदाहरण जनता के सामने, समाज के सामने रखना पड़ेगा और अगर आज दश में सकट है तो मंत्रियों की मितव्ययिता का उदाहरण प्रस्तुत करना चाहिए।

हमारा जो नान प्लान्ड बजट है उस पर भी आप कुछ कठोरता से पालन करें। जो नान-डेवलपमेंटल खर्च है वह घटते बढ़ते जाते हैं। हमको उन पर प्रतिबंध लगाना चाहिए। इस दृष्टि से इस विधेयक में या अपने बजट प्रस्तावों में आपने इस प्रकार के उदाहरण प्रस्तुत नहीं किये कि हमने मितव्ययिता करने की दृष्टि से इस प्रकार के उदाहरण रखे हैं कि जिससे लोगों को कर देने के लिए प्रेरणा मिलेगी और वे सोचेंगे कि जो कर हमारे ऊपर लगाये गये हैं उनका ठीक ढंग से उपयोग किया जायेगा।

एक ही बात मैं और कहूंगा कि बंगला देश के लिए अगर सरकार को पैसा चाहिए तो वह पैसा हम देंगे। आज देश बंगला देश के लिए पैसा देने के लिए तैयार है, लेकिन मैं चाहता हूँ कि आप उस पैसे को बंगला देश तक ही सीमित रखें। आप एक लेवी लगा सकते हैं कि हमको बंगला देश के लिए लड़ाई लड़नी है, हमको उस समस्या

का निदान करना है और इसलिए हम यह लेवी लगा रहे हैं और यह तब तक रहेगी जब तक कि हमारे सामने यह समस्या है। जब ये शरणार्थी बंगला देश में चले जायेंगे, जैसी कि हमारी इच्छा है और देश की इच्छा है कि ये वापस जायें, उस समय एक लेवी समाप्त हो जायगी। लेकिन यदि उसके स्थान पर यदि सरकार कोई कर लगा देती है तो वह लगा ही रहेगा। यह शरणार्थी तो एक टेम्पोरेरी फेज है। अगर इनके नाते आप कोई कदम उठाना चाहते हैं तो उसके लिए देश तैयार हो सकता है और आपके उस कदम का देश समर्थन कर सकता है लेकिन यदि आप इसके लिए कर लग कर अपने टैक्स रेवेन्यू को बढ़ा लें और आपकी भावना इसके पीछे अपना टैक्स रेवेन्यू बढ़ाने की हो तो हम उसका विरोध करेंगे, इतना ही मैं निवेदन करना चाहता हूँ।

SHRI U. K. LAKSHMANA GOWDA :
Mr. Deputy Chairman, Sir, I thank you very much for having given me time to speak, as usual, at the end of the debate. At the outset I would like to commend the Finance Minister for having accepted and allowed certain reliefs within the Finance Bill from the time it was introduced and by the time it has come to our House. I would congratulate him for those.

Looking at the economic situation of the country, I cannot feel proud that we have made enough steady growth. Even though we see that overall economic growth rate has been maintained at 5.5 per cent, in crucial sectors it has slowed down. This has been, as has been stated, due to the necessity having arisen to import more items resulting in loss of foreign exchange as it is well known that we have been compelled to import items like steel, oil, oilseeds, etc. This has actually come in

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the way of our overall growth and this is a matter which needs immediate attention.

Then, I come to deficit financing. The overall deficit, which has resulted in Rs. 230 crores at the time of presentation of the Budget, is expected to increase considerably when, as expected, Supplementary Budget Demands are to be made particularly with regard to the increasing expenditure on our refugee problem. Sir, this will lead to inflation and price-rise. The most important factor to be considered is how this price-rise is to be checked. Certain suggestions have been made and there have been suggestions put forward for effective consumer resistance. This consumer resistance might be possible to a certain extent in urban areas and cities, but most of our people are living in the rural areas and villages over 70 per cent—and it is practically impossible to have any consumer resistance in such areas where the consumers are obliged to a few shop keepers or banias or the people who control the economy of these village. So, it is not possible to have any consumer resistance there and the matter of urgent importance is to increase production and hold the price-line.

Sir, shortfall in industrial raw materials has resulted in our further difficulties, And to add to this, the performance of the public sector undertakings is not encouraging. Our investment is considerable and the returns are falling below our expectations. There is another major problem with regard to the steel complex. Even before we have been able to make them break even, there are indications that the replacements are being thought of. This will be an additional burden. Our overall charge on the public sector undertakings has to be streamlined and we have to see that we do not at least incur losses, even if we are not making any profits.

Then, our foreign debt position is not very happy. Our overall foreign debt has

gone up to nearly Rs. 7,000 crores. This is in addition to the foreign private capital investment which is more than Rs. 1,200 crores. Sir, actually 40 per cent. of our export earnings in the previous years have gone for debt servicing alone and this is a major problem and this is another matter which is to be tackled and we have to increase our export and also import substitutions. We have to see to what extent we can increase our exports—both traditional and non-traditional, so that our foreign debt position is eased and we will be in a position to save on that.

Another unhappy position is about the State debt to the Centre which is nearly Rs. 6000 crores. Even according to the Finance Minister's speech, 14 states are still not out of overdraft which aggregates to Rs. 260 crores. The difficulty with many of the States is that investments in slow-yielding items like irrigation and other projects have not been able to provide sufficient returns to cover the overdraft and this matter has also to be taken serious note of.

Now I come to some of the provisions in the Finance Bill. I find
4 P.M. that there are duties on agricultural inputs and even though there were many representations both from within and outside the House the Finance Minister has not thought of reducing them. When we are thinking of green revolution and also encouraging mechanised farming, this introduction of heavier duty year after year on agricultural inputs is not going to help in the development of agriculture and I am afraid it might even retard the growth. Last year there was a levy on fertilisers which adversely affected agriculture and this year there is a levy of Customs Duty on agricultural tractors which is going to put up the prices of tractors by about Rs. 2500. As things stand today, with the smaller holdings that are coming in, I do not know how many farmers will be in a

position to own tractors. We are importing them and also we have licensed many factories to manufacture and in what way the agriculturists are going to get the finance for purchasing them I cannot understand. This will definitely affect our production of foodgrains and I would have liked that the Finance Minister had thought fit to remove or reduce the tax on agricultural tractors and also on the fertilisers on which tax was levied last year.

I come to Income tax. I find that the Income-tax limit has been put up to Rs. 5000 and with the other additional allowances amount of Rs. 1000 for transport, etc. it comes to Rs. 6000; but it is not adequate. About 30 lakh assesseees are there under this slab and about Rs. 13 crores only are collected from them. The collection charges are very high. I would strongly support those who are going for raising the limit to Rs. 7500.

Then I come to the the simplification of the tax structure. One of the main difficulties found by some assesseees has been the payment of advance tax. It is a very complicated system and it should be simplified. It is required that when advance tax is paid, self-assessment has to be made and the assessee is called upon to make the assessment on the basis of the previous year's assessment. It is not a question of not being able to pay. It is question of difficulty which arises there. The smaller assesseees find it difficult and the penalty clause is very severe. I would request the Finance Minister to look into and see and simplify this method of payment of advance tax. So far as Wealth Tax is concerned, I would say one thing about marginal assesseees. Up to a limit of Rs 1 lakh for individuals and Rs. 2 lakhs for Hindu joint families the exemption limit is there. If the amount exceeds even by a few thousands over this minimum, the entire amount is taxed. That is very unfair. Just as in the case of Income-tax the exemption limit should be exempted from taxation. Now the Finance

Minister has provided relief and said that the tax should not be more than 10 per cent of the amount exceeding the exemption limit. That will help the very marginal people.

If a person has Rs. 1,10,000 wealth then he gets relief on that to that extent but if a person has wealth of more than Rs. 1,10,000 then he has to pay for the entire amount I will give a small example. Suppose a man has invested about Rs. 1,50,000 he will get a return of Rs. 7500. Out of that his income-tax goes and if wealth-tax is calculated on that he will have to pay another Rs. 1500/-. I think this is very unfair and so far as the amount up to the limit is concerned no tax should be levied. I hope he will give consideration to this aspect

MR. DEPUTY CHAIRMAN : You must conclude now.

SHRI U. K. LAKSHMANA GOWDA: Just another point. So many speakers have made references to taxation of the agricultural sector. There seems to be a feeling here that because people have not been able to raise enough resources from urban taxation—everybody is saying both from this side and that side—if you tax the agricultural sector you could get sufficient resources but I am afraid if you actually try it out, it is not going to yield as much as is expected out of it. So far as agriculture is concerned, we must look at it from two points of view. One is the commercial crops and the other is agricultural crops. Actually commercial crops are already taxed by the States. For example, in the three southern States the taxation on coffee, tea and rubber is much higher than corporate taxation in the urban areas.

SHRI KALYAN ROY (West Bengal) : They should all be nationalised

SHRI U K LAKSHMANA GOWDA: You may nationalise them technically, but

[Shri U. K. Lakshmana Gowda]

that is a separate question. Actually in Kerala the tax on foreign companies is 75 per cent and on the Indian companies it is 65 per cent whereas in the corporate sector the tax does not go beyond 55 per cent. Nobody looks into these things. In certain States like Kerala even pure agriculture is already taxed.

MR. DEPUTY CHAIRMAN : You must conclude now.

SHRI U. K. LAKSHMANA GOWDA: Sir, you must give me one minute. So far as other States are concerned with the institution of ceiling laws and with the ceilings going to be reduced what will be available from the agriculturists I cannot really say. As things stand the ceiling imposed on agriculturists has been on the basis of Rs. 3600 net annual income whereas in the urban sector everybody is prepared to say that the ceiling on urban-property should be Rs.10 lakhs or Rs. 15 lakhs. This itself is grossly unfair and in addition everybody seems to think that if you divert your taxation to agriculture more money will become available. I am sure they will all be disappointed in this regard.

MR. DEPUTY CHAIRMAN : That will do now. The Finance Minister.

SHRI Y. B. CHAVAN : Mr. Deputy Chairman Sir, this Finance Bill as I said in my introductory speech, has been before the country for the last nearly 9 weeks and all aspects of the Finance Bill have been debated in both Houses continuously in one form or the other and outside the Houses also in the press and on the platform and whatever has to be said on both sides has already been said. I have also said all about it earlier but even then it is necessary that I should again put forward the Government's point of view in regard to some of the criticisms that have been levelled against the proposals contained in the Finance Bill. I do

not propose to go into each and every individual point that has been made because that is physically not possible and really speaking not necessary. Most of the points that the hon. Members have been making were rather of a political nature, not directly concerned with the Finance Bill. I will therefore certainly confine myself to certain major aspects of the criticism levelled against the Finance Bill.

The important point that some Members made was about the prices.

It is a very valid point and it has been consistently raised during the discussions on the budget. I have dealt with this in the other House and I am touching the same point here, because it is a very valid point. Normally during this part of the year which is the lean season there is generally upward pressure on prices. Because the general elections were held early this year, the impact of the Budget and the pressure of the lean season have coincided. Therefore, I find that the effect of the lean season is felt or reflected in a little more severe manner on prices. But there is no doubt that there is a rise which is certainly a disquieting feature which I do not want to conceal or hide or merely explain away. This is a point which Government have taken note of. Government is considering what practical steps can be taken to see that the prices are kept under control. There is some sort of irrational trend in prices in the country, which some Members have pointed out. I can understand and I can take responsibility for the rise in the price of petrol or cigarettes, but I find a rise in price even in respect of those commodities which have not been subjected to taxation.

श्री जगदीश प्रसाद माथुर : यह इन्टर रिलेटेड नहीं है ।

श्री य० ब० चव्हाण आपन जो कुछ कहना था वह तो कह दिया अब हमारी सुन लीजिये ।

I am not making a debating point, but I am trying to give certain reasons for it

SHRI BHUPESH GUPTA We have not made any debating point.

SHRI Y. B. CHAVAN I am not taking it in the spirit of a debating point. I am trying to see how this question can be tackled. It is a serious question. It is a national problem and a problem which will have to be dealt with determination by the Government and with the co-operation of Members, parties and the people as a whole. This question has become very sinister because of a certain peculiar situation that is prevailing in the country today. For example, there is this problem of refugees from Bangla Desh and its repercussions on the social, political and economic conditions in the country. So, the question of prices becomes still more important. Therefore, I am treating it as national problem and we have to solve it. I do not want to go into the details of all the monetary or fiscal steps that we have taken so far nor what were the basic reasons for the rise in trend of prices in the course of the last few months. There have been shortfalls in respect of industrial raw materials and other things. I do not want to go into that. We have many times discussed it. What we should take care to see, first of all is that at least the prices of essential commodities, which go into the consumption of the common man, do not rise. We will have to see that they are kept under control. There is one relieving feature. Though there is a rise in prices, though there is an overall rise in the general price index, as far as foodgrains are concerned, as far as cereals are concerned, there is a decline in prices. That shows how we can deal with the problem of

prices. As we all know—this is not just a matter of luck. It is because of certain strategy that we employed in the last few years that we are in this position. As a result of it we are in a very fortunate position. The foodgrain stock is nearly 8.5 million tonnes. It is something which gives us confidence. Whenever we wanted to attack the problem of prices we were always told and the theory was that because the foodgrain prices were rising the general prices were rising. Now that theory is not valid any longer. We see here today that the prices of foodgrains particularly wheat are declining, but at the same time there is a general rise in prices. One thing is certain. If we try to lay emphasis on the production of commodities which are in demand and if we succeed in that, the problem of prices can be tackled.

Of course, I have mentioned that in the case of some of the other commodities there is irrational rise in prices. Some people would like to call it as sympathetic rise in prices, I would not like to call it as 'sympathetic'—it is rather a very unsocial rise in prices and certainly, it is a criminal sort of act. We have taken steps to check this in case of certain commodities by means of physical control and price control also. e.g. statutory control was introduced in the case of certain medicinal drugs, etc. There is also informal price control in the case of certain other commodities. But I find that in some other commodities there is a very very irrational price rise. Now I find that Mr. Babubhai Chinai himself made a criticism that even in the case of those commodities on which the levies were withdrawn as a result of the Government's policy and in response to the demand of the Members, the rise in prices still persists. It is nothing but—I should say—a criminal attitude, a profiteering attitude, anti-social attitude which is responsible for this sort of rise in prices. And what do we do for that? Certainly Government should act.

SHRI BHUPESH GUPTA Physical control, as you say

SHRI Y B CHAVAN I tell you of my experience. Merely having statutory control also is not a very happy thing. I have suggested that there should be a sort of consumers' organisation, consumers' movement. Shri Goray while participating in the debate had criticised that I was thinking of some Naxalite sort of movement by the consumer. That is not my idea. I am not thinking of having gheraos. But certainly if we have an organisation of consumers whether it be city by city, or town by town, or village by village, if they are conscious about the prices and if the dealers once know that the people are aware of it, this sort of an anti-social attitude, a criminal attitude, of the wholesalers and even the retailers can to a certain extent be controlled.

SHRI BHUPESH GUPTA At the production level

SHRI Y B CHAVAN I agree, it should be done at the production level as well. We can and we should take care of it, and I am going to look into it because I have discussed this aspect with the senior officers as to what steps we can take in this matter, we will certainly do what we can about it. This is as far as the prices are concerned.

THE LEADER OF THE OPPOSITION
(**SHRI M S GURUPADASWAMY**)
May I ask you how you propose to proceed in regard to the consumers' resistance movement? Have you thought about it?

SHRI Y B CHAVAN If you merely think in terms of starting consumer co-operative stores, unfortunately, I have found that this movement has not succeeded so far. I have got some experience about the

consumer movement myself, not now, in the last ten years but in the movement in which I participated. I have found, in the case of the consumer co-operative movement that if there is a possibility of having a monopoly of distribution, it succeeds. I remember, I was Supply Minister in Bombay State in the early 50s, and there was a control on cloth and the consumers' cooperatives had a monopoly of distribution of cloth. And we had a series of consumer stores in the State of Bombay. And we found out, in the course of a few years, we had accumulated a reserve of many lakhs, I should say, more than a few crores. And in 1953, we withdrew the control on distribution of cloth, and within six months' period I had the misfortune of presiding over the liquidation of the consumers societies in the State as a whole. That is what the fact is. Possibly Mr Manubhai Shah may remember. Then his part of the country was not part of Bombay State, but a large part of Gujarat was a part of Bombay.

SHRI BHUPESH GUPTA Your experience is not always happy.

SHRI Y B CHAVAN Possibly, there might be some sort of useful thing also. Do not try to say that.

My point is, I am not talking merely of consumers' stores, etc.

SHRI M S GURUPADASWAMY I want to know whether you have got any new idea about organising consumer resistance.

SHRI Y B CHAVAN: Well, I do not think I have got any very original idea. I am talking about the consumer movement. I am not thinking of starting something about.

SHRI MANUBHAI SHAH
(Gujarat) Resistance by consumers.

SHRI Y. B. CHAVAN : If you have got any ideas . . .

SHRI M. S. GURUPADASWAMY

It is a good idea. I welcome this idea. That is why I want to know whether the Government is thinking of formulating certain things about organising consumer resistance in the country. It is a good concept.

SHRI Y. B. CHAVAN : I am giving out my idea so that our good friends like Mr. Gurupadaswamy can help me to formulate certain more ideas. I do not want to make it an official movement. This is not my idea. Really speaking, I am only suggesting one of the ways.

SHRI BHUPESH GUPTA : The trouble is not at the production level. The trouble starts when distribution starts, after the things are produced. Therefore, how about physical control at the production level? That means some of the things should be nationalised.

SHRI Y. B. CHAVAN : I quite agree with you. But in certain cases—I will give you a specific case—take Lifebuoy for example we have experienced practical difficulties. Lifebuoy is a common man's soap which is used by a large number of people. The producers agreed to absorb the rise in the prices. They announced it. They, I must say, honestly announced it. I had discussed the question with the Chairman of the company himself. I say that as far as they were concerned, they were certainly very genuine about it. We found that it was at the retailer's level ultimately and in between the middle stages that the whole trouble starts. Therefore, I thought that I should publicly share my views here. I can assure the House that we will continuously keep this question of prices under review, and

wherever necessary we can think of even physical controls on distribution of very essential commodities like cloth or kerosene and other things. We will keep it in mind.

The coming weeks and months are a very important period which we will have to watch closely.

Then the other question was about development rebate. Certain Members have made criticism about the withdrawal of development rebate, particularly Mr. Babubhai Chinai and the hon'ble Mr. M. K. Mohta, who are the spokesmen of those people who do not like the idea. When I say that we are withdrawing the development rebate it does not mean that we are against development as such. Really speaking, we want development of industries to go on continuously uninterrupted in this country, and we would always like to formulate our policies so that development goes on continuously because it is on the economic development . . .

DR K. MATHEW KURIAN : On monopoly.

SHRI Y. B. CHAVAN : That is where you have not understood either your ownself or myself.

DR K. MATHEW KURIAN : Despite your statement your professed intentions, the facts speak differently.

SHRI Y. B. CHAVAN : I have heard your lecture. Why do you not listen to my arguments now? Let me tell you what was the basic idea behind development rebate. Let us try to see why the development rebate was allowed.

Sir, development rebate was required in the case of industries which were highly

[Shri Y B Chavan]

capitalised industries, which had a longer gestation period and which required to be consolidated for some time. This type of industries requires development rebate. Development rebate is in existence for the last 17 years. Even now three years' notice is given, but development rebate does not get withdrawn immediately after three years. There are three more years for the development rebate, and I think the arrangement of its working is such that certain industries will be getting development rebate even after three years for some more time. We want the rebate to go now. It is a sort of crèche which is given to a person who cannot walk straight. If he wants to use it all the time, as I said in the other House, for the whole life, it will not be giving him assistance or incentive to grow. It will be, really speaking, giving him incentive for becoming invalid. I do not propose to do that.

I have come to the conclusion that the idea of development rebate has fulfilled its role and it is high time that we tried to think in other terms. That does not mean that we do not want to consider selective ideas of giving development rebate for the growth of industries in the backward areas. Even now there are a large number of concessions that we are giving for the growth of industries in the backward areas. For example

(1) Grant of subsidy equal to one tenth of the total capital cost, not exceeding Rs. 50 lakhs, to new industrial units set up in the backward areas comprising two selected districts in each of the nine States of Andhra Pradesh, Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Nagaland, Orissa, Rajasthan and Uttar Pradesh, and one district each of the other States and Union Territories. A tentative allocation of Rs. 5 crores has also been made for the Fourth Plan period for the purpose of this subsidy by the Central

Government. There are about 8 to 10 items. I do not want to take up the time of the hon. House. I will just cite a few concessions to illustrate. There is also—

(2) Direct assistance on softer terms by the Industrial Development Bank of India to small and medium projects in under-developed areas in the form of lower rate of interest on industrial loans.

(3) Exemption from payment of interest for the first three to five years.

(4) Larger grace period for the repayment of principal than the normal period of three years.

(5) Subscribing relatively heavily to the risk capital of the projects in the backward areas.

(6) Allowing the assisted concern to transfer dividends accruing to IDBI in the first 8 to 10 years to a special reserve fund for use by the company.

(7) Bearing the cost of consultancy service to prepare feasibility reports subject to reimbursement at a later period.

(8) Concessional rate of refinance to the lending institutions.

(9) Extension of the period of refinance on merits from 7 to 10 years in the case of banks and from 10 to 25 years in the case of SFCs.

(10) 100 per cent refinance for all eligible loans up to Rs. 20 lakhs to small and medium-sized industries.

So, Sir, all these incentives and concessions are meant for development. What more has to be done? We are prepared to give further thought to the idea of giving

incentives for development of labour-intensive industries or employment oriented industries because our major problem to-day along with growth is unemployment. Of course, I want the growth of sophisticated industries. We want new types of industries, heavy industries. I am not against it. But at the same time, our major problem is the unemployment problem and if we can give some incentive to employment-oriented industries, we can think about it.

The development rebate is being withdrawn for basically three reasons. First, the development rebate contains a built-in bias in favour of the established concerns *vis-a-vis* the new industrial undertakings. Really speaking, this is one of the incentives for the growth of monopoly, I should say. This was one of the reasons why we had to reconsider this question. Secondly, I find that the development rebate is an incentive for the growth of capital intensive industries and not employment or labour-intensive industries. Thirdly, the cost to the exchequer of the fiscal incentive is also becoming almost prohibitive. The cost to the exchequer of the development rebate was naturally small in the earlier years of its introduction. But as the tempo of industrial development increased, its cost also went on rising. A recent study shows that the estimated cost of development rebate was as high as Rs. 70 crores during the year 1970-71 and that it is likely to rise still higher and reach about Rs. 85 crores in the year 1973-74. So, it was high time that we reconsidered the entire question. I think this is a right decision taken in right time.

SHRI BHUPESH GUPTA : Why are you so apologetic about it ? Only Mr. Babubhai Chinai is for it.

SHRI Y. B. CHAVAN : Even then they are hon. Members of this House. I

am not worried about it. But I thought that I should also try to educate them.

The other point that was raised was about the priority industries. Some Members have asked : Why is it that the concessions given to the priority industries have been withdrawn ? The reasons are the same as for the withdrawal of the development rebate. Certain priority industries were given exemptions.

For what ? Because of their capital intensive nature, because of their long gestation period, because they required certain protection in the early years. Well, when these early years are over, when they reach a stage of profitability, when they can stand on their own, how long should they be given a sort of protective cover ? In the bill industries manufacturing aluminium motor trucks, buses, cement and refractories, soda ash, petrochemicals and automobile ancillaries, are being excluded from the list of priority industries for the purpose of the special deduction of 5 per cent of the profits in computing the taxable income of a domestic company. These six industries are stripped of the priority status on the consideration that companies engaged in these industries have already attained an adequate level of profitability and do not, therefore, stand any longer in need of the special incentive of a concessional rate of tax on their profits. I think this is a very well justified thing.

Now, coming back to the general question of the retrospective effect to the withdrawal of exemption of wealth-tax, I am talking of the criticism of some of those people who feel as if I am doing some sort of injustice by giving retrospective effect. In essence it is not retrospective effect. As a matter of fact, in assessments made over the past several years, since 1962, jewellery has not been allowed an exemption from wealth-tax. It was only because of certain decisions of the Supreme

[Shri Y. B. Chavan]

Court that this situation has arisen. We have certainly tried to put the position back where it was. There is nothing new. And some people have made a grievance that possibly it will increase the work of the Income-Tax Department, the Taxation Department, that it will have to re-open many cases. Even if we do not make it retrospective, we will be required to re-open many cases. So it is much better to re-open the cases so that we may not be required to refund the amounts which are already collected. So there is no justifiable grievance in this matter as far as retrospective effect is concerned.

Now coming back to the other question of black money, I quite agree that it is a very serious matter, and I have already mentioned my views and the Government's attitude in this matter. It is a very serious problem. But I was rather surprised to hear the argument about black money by Mr. Mohla. He has given a very simplistic kind of solution for doing away with black money. He said—and it is quite in keeping with his political philosophy and economic ideology, I am not surprised about it—black money is created through controls, so remove the controls and you find an automatic solution to the problem of black money, more taxes, more black money once you remove the taxes and controls, the black money is out. (*Interruption*) We have taken certain steps. Whatever steps we have taken are not enough. But we are quite conscious of this problem and we have taken many steps. As I said, a Bill is being introduced in the current Session for Parliament to take power to acquire property at the price quoted in the sale deed as also to strengthen the valuation machinery. Certain steps are also being taken to put down *benami* transactions. An amendment to the Foreign Exchange Regulations Act is also under consideration. I hope to bring the Bill in the next Session. The report of the

Committee on Overinvoicing and Underinvoicing has also made its recommendations.

SHRI BHUPESH GUPTA: What about my things?

SHRI Y. B. CHAVAN: For overinvoicing and underinvoicing there was a committee appointed and they have made certain recommendations which we would like to incorporate in a new

MR. DEPUTY CHAIRMAN: Mr. Bhupesh Gupta has asked about his own case, whether it is about overinvoicing or underinvoicing.

SHRI BHUPESH GUPTA: My case is neither underinvoicing nor overinvoicing, but voicing something about the Birlas.

SHRI Y. B. CHAVAN: You have already put forth your points and views on it. You mentioned the matter in the morning also.

SHRI BHUPESH GUPTA: In detail.

SHRI Y. B. CHAVAN: It is a fact you have given the details. The Prime Minister has given the assurance and I do not think you need any more assurance.

SHRI BHUPESH GUPTA: I asked about the Custodian of the Commercial Bank.

SHRI Y. B. CHAVAN: That is part of it. I do not want to go into the details of the matter just now. As I have said in my Budget Speech, the Government has accepted in principle that in the ultimate analysis the basis of taxation will have to be the income, whether it is derived from agricultural source or from non-agricultural source.

Here I must make one point on which Shri Goray spoke yesterday. He said that

we have deliberately not touched rich peasants. I have explained the reasons. We agree in principle that as far as income is concerned, there should be no distinction between agricultural income and non-agricultural income. But to bring agricultural income under taxation, there are certain Constitutional difficulties and instead of trying to see very clear reasons and clear logic, he tried to characterise our Party as a Party of rich peasants. I think some other hon. Members gave him very effective answer. The hon. Member who spoke last, I think, belongs to PSP . . .

SHRI U. K. LAKSHMANA GOWDA: I gave the facts, both to you and Mr. Goray.

SHRI Y. B. CHAVAN: You better talk with your leader. The only tax I could levy on agriculturists is a tax on tractor. Really speaking, tractor is a thing which can be made use of by the medium agriculturists. They can afford to pay tax on it. Even then . . .

SHRI U. K. LAKSHMANA GOWDA: There is one point. It is a question of owning it. We must know that even a smaller agriculturist rents out tractors . . .

SHRI Y. B. CHAVAN: I know that. You are supporting my argument, not opposing it. Within a few months of the use of the tractor, by renting it, you make a profit out of the tractor. This is the reason why I say he can afford to pay.

You come from a rural area and I also come from rural area. Our experiences are common.

On the question of tax evasion, a Committee is being set up because this is one of the reasons for having black money. We want to tackle it effectively.

As far as arrears of income-tax are concerned, this is a very important point

to which I am applying my mind very carefully. I know it is a very complex and very chronic and old problem. Large amounts of arrears are, really speaking, those which are the subject-matter of judicial proceedings either in the Tribunals, High Courts or Supreme Court. With regard to these cases, it is very difficult for me to say that our effort will make an impact on them. But in those cases which are not subject-matters of judicial proceedings, we have decided to make a very decisive impact on them. I have had series of discussions with the officers to take steps and to streamline administrative machinery for collection of taxes. I have with me a long list of steps we have taken about this matter. I can mention a few :—

(1) Requirement of a tax clearance certificate before a document for sale of property in excess of Rs. 50,000 can be registered.

(2) Introduction of a self-contained recovery code in the Income-Tax Act.

(3) Reduction of time limit for completion of income-tax assessment from 4 years to 2 years.

(4) Change in the procedure of assessment from 1st April 1971. Under the new procedures, regular assessments can be made in summary manner.

(5) It is also proposed to streamline the administrative machinery further. The Finance Bill contemplates appointment of five Tax Recovery Commissioners who apart from supervising the tax recovery work, will hear appeals from the orders of Tax Recovery Officers, which have hitherto been going to the district authorities.

(6) Government have appointed a high power committee, of experts, namely the Wanchao Committee, to examine,

[Shri Y. B. Chavan]

apart from other matters, the problem of arrears of tax and to recommend concrete and effective measures for reducing them.

I think, besides that, we will also from time to time review the performance of the tax collection machinery and see how we can further make an impact on the arrears of tax. If we make an impact on the arrears, I think it will help us to meet the general economic difficulties that we are facing this year.

Some hon. Members have mentioned about the incidence of wealth tax in the lower slabs.

Well, Sir, when we have reduced the exemption limit, it has certainly affected people in the lower slabs. I do not think that it has not. But I do not think that it is as harsh as some hon. Members have made it out.

Sir, under the Bill, it is proposed to charge Wealth Tax on the whole of the net wealth without any exempt slab, as hitherto, in all cases where the net wealth exceeds the exemption limit of Rs. 1 lakh in the case of an individual or Rs. 2 lakhs in the case of a Hindu Undivided Family. This means that in the case of an individual, there will be an increase of Rs. 1,000/-, that is, 1% of Rs. 1 lakh in the Wealth Tax payable, whatever be the quantum of the net wealth. At lower levels of net wealth, the Wealth Tax payable being already comparatively lower than at higher levels, the amount of the increase of Rs. 1,000 works out to a much larger proportion of the existing tax liability than at higher levels of net wealth. This does not mean that the progressiveness of the rate schedule is impaired. This is because the rate of Wealth Tax on successive slab of net wealth steadily increases from 1% in the initial slab up to Rs. 5 lakhs to 2% and 3% in the next two slabs of Rs. 5 lakhs each and to a maximum rate of 8% on the

net wealth over Rs. 15 lakhs. Hence, the apparent regressiveness in the increase in the incidence of Wealth Tax due to the proposed change does not detract from the progressiveness of the rate schedule.

Apart from this, Sir, it has also to be kept in view that the net wealth is computed after excluding wealth which is specifically exempted from tax, namely, investments in specified financial assets of 15 lakhs, etc. Therefore, I am not prepared to accept the point that it is so very severe as that.

Sir, Mr. Mohi has made an argument about the levy of Income tax on registered firms. I think possibly I have to argue with him privately and I do not want to take the time of the House. What is the exact advantage of having a registered firm and an unregistered firm, he knows it. He knows the advantages of registration and what the advantages of a registered firm is. So, there is nothing inequitable in having the present structure of tax as far as the unregistered firms and registered firms are concerned. I do not want to go into the details of it, Sir.

Mr. Manubhai Shah has made certain suggestions about the exemptions for the small-scale industries as such. Sir, I would say that the small-scale industries are organised as companies.

SHRI MANUBHAI SHAH: They are partnership firms or proprietorship firms.

SHRI Y. B. CHAVAN: I know it. As far as the corporate sector is concerned, it is given advantages. But, as far as the non-corporate sector is concerned...

SHRI MANUBHAI SHAH: 50% of the firms are proprietorship firms.

SHRI Y. B. CHAVAN: Well, that is certainly one thing which one can go

into. I just wanted to explain that even in the case of small-sector units where there are companies, they are exempted. That is the point. About the point you have made one will have to find out the implications.

SHRI MANUBHAI SHAH : Certainly.

SHRI Y. B. CHAVAN : But I will have it looked into because our general approach is that, we want to create a new class of small entrepreneurs and we will certainly create conditions and potentialities of employment. Therefore this is matter which requires consideration and I will certainly have it looked into.

SHRI AKBAR ALI KHAN (Andhra Pradesh) : Even the technocrats can be the entrepreneurs also.

SHRI Y. B. CHAVAN : I hope the technocrats will become the entrepreneurs. Unfortunately they have become merely the jobseekers. That is the difficulty. Of course there is a new desire among them which I appreciate, because Sir, I had recently an occasion to go and see some new class of small engineering groups.

AN HON. MEMBER : You must encourage them.

SHRI Y. B. CHAVAN : I know a new class of people is coming up and it will be our responsibility to encourage them. I quite see that point. I am not going to take any rigid position.

So, Sir, as far as the Finance Bill is concerned, I think the major aspects of it I have tried to deal with. Individual amendments are there and whenever they come up, I will speak a sentence or two.

SHRI BHUPESH GUPTA : What about the suggestion I made about the Bank?

SHRI Y. B. CHAVAN : I said I have taken note of it.

SHRI BHUPESH GUPTA : Mr Chavan, you have truly taken note of it. But what happens after all these disclosures today?

SHRI Y. B. CHAVAN : I have said that I have taken note of it. It means you need not expect me to give a definite answer just now. I will look into it. When a Member of your stature has said something and when I say that I have taken note of it, it means a lot of things.

MR. DEPUTY CHAIRMAN : The question is—

“That the Bill to give effect to the financial proposals of the Central Government for the financial year 1971-72 and to provide for the levy of foreign travel tax, as passed by the Lok Sabha, be taken in to consideration.”

The motion was adopted.

MR. DEPUTY CHAIRMAN : We shall now take up clause by clause consideration of the Bill.

Clause 2 (Definitions)

SHRI M. K. MOHTA : Sir, I move—

1. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill 1971, as passed by the Lok Sabha, namely—

“That on page 3, line 7, for the word ‘mining’ the words ‘the operation of cold storage plant or plants or in mining’ be substituted.”

The question was proposed.

SHRI M. K. MOHTA : My amendment No. 1 is regarding the definition of

[Shri M. K. Mohta]

"industrial company". There is an anomaly in the Income tax Act. In view of the present definition of "industrial company", a company engaged in the operation of cold storage plant is not treated as 'industrial company', whereas for the purposes of section 80 (j) a new industrial undertaking and an undertaking which has installed a cold storage plant is treated as industrial undertaking. One part of the Income tax Act says that cold storage is an industrial undertaking and another part of the same Act does not say so. So in order to remove this anomaly my amendment says that it should definitely be treated that cold storage is also an industrial undertaking.

SHRI Y. B. CHAVAN. Sir, the revenue implications are very considerable. I cannot accept the amendment.

MR. DEPUTY CHAIRMAN : The question is :

1 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, name ly :—

"That on page 3, line 7. for the word 'mining' the words 'the operation of cold storage plant or plants or in mining' be substituted."

The motion was negatived

MR. DEPUTY CHAIRMAN The question is.

"That clause 2 stand part of the Bill."

The motion was adopted

Clause 2 was added to the Bill.

Clauses 3 to 5 were added to the Bill

Clause 6 (Amendment of section 13)

SHRI M. K. MOHTA Sir, I move :

3 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely :

"That at page 6, for clause 6, the following clause be substituted, namely .—

"6. In section 13 of the Income-tax Act, for clause (h) of sub-section (2) the following clause shall be substituted, namely -

(h) if any funds of the trust or institution are invested after 28th day of February, 1970, in any concern in which any person referred to in sub-section (3) has a substantial interest."

The question was proposed.

SHRI M. K. MOHTA Sir, this amendment is regarding the investment of funds of charitable trusts.

The Finance Bill, 1970, provided certain restrictions on the investment of funds of religious and charitable trusts in concerns in which the author of the trust or founder of the institution, etc. may have substantial interest. Section 13(2)(h) of the Income-tax Act, introduced for this purpose provided that such prohibition would apply even to existing investments of the trust. The trusts, therefore, required to change their investments by 31st December, 1970. Failure to comply with the requirement will expose the trusts to heavy tax burden

It was represented that the restriction should apply only to fresh investments. In any case, the same should not apply to investments which have been received by the trusts originally or subsequently in kind. These have been brought to the notice of the hon Finance Minister. Hence my amendment

SHRI Y. B. CHAVAN : My first argument is that it is outside the scope of the provision of clause 6. My second point is that, if it comes into being, it will detract from the effectiveness of the existing provision and enable wealthy persons to utilize the trusts already created by them in the past or which may be created in future to retain control over a business in which they have substantial interest, and that, really speaking, defeats the very purpose for which the provision was made last year. Therefore, I cannot accept it.

MR. DEPUTY CHAIRMAN : The question is :

3. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

That at page 6, for clause 6, the following clause be substituted, namely :—

6. In section 13 of the Income-tax Act, for clause (h) of sub-section (2) the following clause shall be substituted, namely :—

(h) if any funds of the trust or institution are invested after 28th day of February, 1970, in any concern in which any person referred to in sub-section (3) has a substantial interest'."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 (Amendment of Section 10)

SHRI M. K. MOHTA : Sir, I move :

6. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 6, for clause 7, the following clause be substituted, namely :

7. In section 16 of the Income-tax Act,—

(A) To clause (ii) the following Explanation shall be added with effect from 1st April, 1972, namely :—

"Explanation: It shall not apply to the Ministers and Deputy Ministers of the Government of India.

(B) In clause (iv), with effect from the 1st day of April, 1972 :—

(a) In sub-clause (b), for the entry "Rs. 60", the entry "Rs. 75" shall be substituted;

(b) in sub-clause (c) for the entry. "Rs. 35" the entry "Rs. 50" shall be substituted.

That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

That at page 6, after line 11, the following be inserted, namely:—

"(a) in sub-clause (a) for the entry "Rs. 200", the entry "Rs. 250" shall be substituted"

SHRI JAGDISH PRASAD MATHUR:
Sir, I move:

8. "That the Rajya Sabha recommends to the Lok Sabha that the following amend-

Shri Jagdish Prasad Mathur :

ments be made in the Finance (No. 2) Bill 1971, as passed by the Lok Sabha, namely:—

That at page 6,—

(i) in line 12, for the word and figures “Rs. 75” the word and figures “Rs. 100” be substituted,

(ii) in line 14 for the word and figures “Rs. 50” the word and figures “Rs. 75” be substituted.”

The questions were proposed.

SHRI M. K. MOHTA: Sir, my amendment is in respect of allowable deductions from salaried employees in respect of entertainment allowance. The intention of the Act is regarding the salaried employees of business concerns, and not employees like Ministers and Deputy Ministers of the Government which do not need any deductions in respect of any entertainment allowance.

In order to clarify the position, the amendment has been tabled.

श्री जगदीश प्रसाद माथुर : श्रीमन्, वर्तमान करों की जो बढ़ोतरी हुई है। मंहगाई बढ़ी है, उसके कारण मे स्वयं सरकार ने इसमें बढ़ाने का निर्णय किया है और सरकार के अनुसार 50 के बजाय 75 किये गये हैं और 35 के बजाय 50 किये गये हैं। मेरा यह जानना है कि जो सरकार ने बढ़ाने का निर्णय लिया है वह वर्तमान स्थिति को देखते हुये और बाकी सारी चीजों की मंहगाई को देखते हुये कम है। इसलिये मैंने यह संशोधन दिया है कि 75 के बजाय 100 कर दिया जाय और 50 के बजाय 75 कर दिया जाय। ऐसा करने से वास्तव में लोगों को कुछ रिलीफ मिलेगा, लेकिन यह जो

थोड़ा सरकार ने बढ़ाया है, उसमें लोगों को रिलीफ नहीं मिलने वाला है।

SHRI Y. B. CHAVAN: Sir, I cannot accept the amendments because amendment No. 6, really speaking, is outside the scope of Bill Salaries and allowances of Ministers and others are controlled by a separate Act. If at all it has to be considered, one can really think of this at the time of considering that Bill and not here. If I accept the amendments Nos. 6 and 7, the loss of revenue would be colossal. If I accept these amendments, the loss will be to the tune of Rs. 5 crores and I do not think you expect me to accept such amendments which will ultimately make us lose Rs. 5 crores.

*The amendments (Nos. 6 and 7) were, by leave, withdrawn

MR. DEPUTY CHAIRMAN. The question is:

8. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

“That at page 6,—

(i) line 12, for the word and figures “Rs. 75” the word and figures “Rs. 100” be substituted;

(ii) in line 14, for the word and figures “Rs. 50” the word and figures “Rs. 75” be substituted.”

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

“That clause 7 stand part of the Bill.”

The motion was adopted.

* For texts of amendments vide cols. 244—46 *supra*.

Clause 7 was added to the Bill

Clauses 8 to 24 were added to the Bill

Clause 25 Substitution of new section for section 115

SHRI M. K. MOHTA Sir, I move

21 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

That at page 13 for line 31 to 35, the following be substituted, namely —

(a) at the rate of 35 per cent on so much of amount of such long term capital gains as relate to capital assets held by the company for 24 months or more but less than 60 months, immediately preceding the date of transfer,

(b) at the rate of 30 per cent on so much of the amount of such long term capital gains as relate to capital assets held by the company for sixty months or more but less than one hundred and twenty months immediately preceding the date of transfer, and

(c) at rate of 35 per cent on the balance of such long term capital gains, if any, and "

The question was proposed

SHRI M. K. MOHTA The amendment is regarding the tax on long term capital gains. The brief point of the amendment is that the long term capital gains are subjected to concessional tax treatment—that has been considered by the Government also—because the gains develop over a number of years but they are brought to tax in a single year in which

they are realised. The hardship that would be caused by taxing the entire gains in a single year in a graduated rate schedule is sought to be mitigated by exempting a part of the gains from tax and taxing the balance beyond the ordinary income. In a period of inflation and rising tax rates, long term capital gains deserve more equitable tax and I have not made a very drastic change in the scheme of things but only reduced the tax rates at three stages, at the rate of 35 per cent for those which are made between 24 and 60 months, at the rate of 30 per cent for gains which are made between 60 months and more, and at the rate of 25 per cent for the balance.

SHRI Y. B. CHAVAN Sir, I cannot accept this amendment. I will give you reasons for it. This is contrary to the proposal in the Bill for subjecting the long term capital gains to higher incidence of tax in a year. That is the main principle. It will also result in doing away with the distinction between the long term capital gains and relief to lands and buildings and relief to other assets. These are the basic things for which the provision is made. If I accept these, it will mean giving up that principle. I cannot accept it.

MR. DEPUTY CHAIRMAN The question is

21. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

"That at page 13, for lines 31 to 35, the following be substituted, namely —

(a) at the rate of 35 per cent on so much of the amount of such long term capital gains as relate to capital assets held by the company for 24 months or more but less than 60 months, immediately preceding the date of transfer,

(b) at the rate of 30 per cent on so much of the amount of such long

[Mr. Deputy Chairman]

term capital gains as relate to capital assets held by the company for sixty months or more but less than one hundred and twenty months immediately preceding the date of transfer;

(c) at the rate of 35 per cent on the balance of such long term capital gains, if any; and”

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

“That clause 25 stands part of the Bill.

The motion was adopted.

Clause 25 was added to the Bill.

Clauses 26 to 28 were added to the Bill.

MR. DEPUTY CHAIRMAN: New Clause 28A is not a part of this Bill and, therefore, amendment (No. 22) cannot be allowed.

Clause 29 was added to the Bill.

Clause 30 (amendment of sixth Schedule).

SHRI M. K. MOHTA : Sir, clause 30 deals with taxation on priority industries. I would like to read out the list of priority industries, namely : Aluminium motor trucks and buses, cement and refractories, soda ash, petro-chemicals, automobile ancillaries and the list of priority industries was introduced in the Income-tax Act in 1964. Some of the items were added to the list in 1966. The industries in the priority list are heavy industries having long gestation period. The newly established industries would not have even reached the profit making stage to benefit from the given incentive before

they have been deleted from the list. This is far from fair. Sir, if one goes through the list of priority industries, particularly petro-chemicals, our country has to go a long way in the field of automobiles. More and more motor buses would be required for public transport and, therefore, it is very much in the interest of the economy as a whole to give an incentive, and deleting them from the list of priority industry would not be in the national economy. Hence my objection to this clause.

SHRI Y. B. CHAVAN : This particular aspect has been dealt with in my general reply. Secondly, it has large revenue implications. This amendment seeks to completely eliminate the entire clause which is against the very principle. Therefore, I cannot accept it.

MR. DEPUTY CHAIRMAN : The question is :

“That clause 30 stands part of the Bill.”

The motion was adopted.

Clause 30 was added to the Bill.

5 P. M.

Clause 31 was added to the Bill.

Clause 32 (amendment of section 5)

SHRI M. K. MOHTA : Sir, I move :

27. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

“That at page 17, lines 28-29, the words and figures ‘and shall be deemed to have

been inserted, with effect from the 1st day of April, 1963' be deleted'''

29 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

'That at page 17 for lines 33 to 37, the following be substituted, namely —

Provided that if the furniture, utensils or other articles are either made wholly or partly of, or contain (whether by way of embedding, covering or otherwise), gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, nothing in this clause shall operate to exclude from the net wealth of the assessee, the value or the aggregate value of such furniture, utensils or other articles as exceeds the sum of rupees ten thousand '''

30 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

That at page 18, lines 7 to 10 be deleted '''

The questions were proposed.

SHRI M. K. MOHTA Sir, my amendment No 27 is in respect of Wealth-tax. Certain provisions of the wealth-tax have been made with retrospective effect from the first day of April 1963. My submission in this regard is that some of the provisions of the Wealth-tax were considered *ultra vires* by the hon. High Court or the Supreme Court as the case may be. The Government should have more respect for the judgments of the courts and such judgments should not be negated by amending the law retrospectively as has

been done now. I will have no objection to making the law more stringent from today onwards but making it retrospective is not very desirable because it amounts to showing insufficient respect for the courts of law. The second point is that it will increase so much the workload of the Department that it will not get any commensurate revenue for the Government.

Amendment No 29 is regarding articles of furniture and utensils which are now made taxable for Wealth-tax purposes as soon as they contain gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals. The phraseology here is such that even ordinary articles would come under the purview of this. For instance, sarees and ladies' dress materials which contain *zari* will also become taxable under this clause. I do not know how fair it will be fair to tax the sarees and dress materials of ladies. Therefore, I would earnestly appeal to the hon. Finance Minister to exempt at least Rs. 10,000 worth of such articles from the purview of the Wealth-tax because otherwise it will add so much to the work of the Department that it will be impossible to cope with it. If you read it, it says gold, silver, platinum or any other precious metal. I do not know whether 'precious metal' has been defined anywhere at all. Today steel is very precious, copper is very precious every metal is precious today. I do not know, what is the difference between one precious metal and another. And hence my amendment.

Amendment No 30 is regarding the withdrawal of Wealth-tax exemption in respect of initial equity shares of new industrial companies. In this regard I would like to submit that new industrial equities do not yield any return for quite a long period of time, for five to seven years, particularly in certain industries which have a long gestation period. There

[Shri M. K. Mohta]

the investors have this handicap that they cannot get any return for a long period of time. Precisely for this reason the Government had allowed exemption from Wealth-tax in respect of these but now that exemption is being withdrawn and I think it will not be in the best interests of the economy. Another point in this respect is that the wording as it is in the Finance Bill is not very clear. And I would appeal to the hon. Finance Minister to clarify what exactly is the implication of the words 'initial issue of capital made before 1st day of June, 1971'.

What will be the position if the shares have been applied for before that date, but allotted after this date? This is a clarification which the hon. Minister should be pleased to make.

SHRI Y. B. CHAVAN : I do not understand his argument particularly about furniture which contains silver, gold or any other precious metal. When people are in need of food, I thought that he would be satisfied with furniture. Now, he wants jewellery, gold, platinum, etc. in the furniture. I really do not understand how the hon. Member can make a pleading for such a case here.

SHRI M. K. MOHTA : Everything is precious.

SHRI Y. B. CHAVAN : Of course, everything. As far as amendment No. 30 is concerned, it is in respect of equity issues made after 31st May, 1971. The decision to terminate this exemption was taken in the context of the improvement in the market for new issues in recent years and, therefore, there is every justification for it. I cannot accept his first amendment, amendment No. 27, because I have given my reasons.

MR. DEPUTY CHAIRMAN : The question is :

27. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill 1971, as passed by the Lok Sabha, namely:—

"That at page 17, lines 28-29, the words and figures 'and shall be deemed to have been inserted, with effect from the 1st day of April, 1963' be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

29. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

"That at page 17, for lines 33 to 37, the following be substituted, namely:—

Provided that if the furniture, utensils or other articles are either made wholly or partly of, or contain (whether by way of embedding, covering or otherwise), gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, nothing in this clause shall operate to exclude from the net wealth of the assessee, the value or the aggregate value of such furniture, utensils or other articles as exceeds the sum of rupees ten thousand."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

30 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2)

Bill, 1971, as passed by the Lok Sabha, namely :—

That at page 18, lines 7 to 10 be deleted”

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

“That clause 32 stands part of the Bill.”

That motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 to 35 were added to the Bill.

Clause 36—Amendment of Schedule.

SHRI M. K. MOHTA : Sir, I move :

31. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

‘That at page 19, for lines 30 to 32, the following be substituted, namely :—

- | | |
|---|--|
| (a) Where the net wealth does not exceed Rs. 5,00,000 | 1 per cent, of the amount by which the net wealth exceeds Rs. 1,00,000.’ ” |
|---|--|

The question was proposed.

SHRI M. K. MOHTA : Amendment No. 31 is regarding exemption from wealth-tax. If the net wealth does not exceed Rs. 1 lakh, viz., what was the position uptill now before the Finance Bill came. My submission is that this will not bring in so much revenue to the exchequer as is expected. It will only result in harassment and both-eration to marginal assesseees, those having a wealth of Rs. 1½ lakhs, Rs. 1¾ lakhs, Rs. 2 lakhs like that. Therefore, in order to protect at least the marginal assesseees, the exemption of Rs. 1 lakh may be retained as before.

SHRI Y. B. CHAVAN : I have explained this point in my general reply. I cannot accept the amendment.

SHRI M. K. MOHTA : I beg leave to withdraw my amendment.

* Amendment (No. 31) was, by leave, withdrawn.

MR. DEPUTY CHAIRMAN : The question is :

“That clause 36 stands part of the Bill.”

The motion was adopted.

Clause 36 was added to the Bill.

Clauses 37 to 39 were added to the Bill.

Clause 40—Amendment of Act 1 of 1944.

DR. K. MATHEW KURIAN : Sir, I move :

35. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

‘That at page 22, lines 10 to 33 be deleted.’ ”

37. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

‘That at page 22, line 35, for the words “Nine hundred and twenty rupees” the words “six hundred rupees be substituted.”

* For text of amendment, vide col. 257 *Supra*.

[Dr K. Mathew Kurian]

41. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 23.'—

(i) lines 13 and 14 be deleted, and

(ii) lines 41 and 42 be deleted."

44. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971 as passed by the Lok Sabha, namely :—

'That at page 24, :—

(i) line 1 be deleted;

(ii) lines 27 to 31 be deleted."

46. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 26, lines 37 to 50 be deleted' "

51. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 27, lines 47 to 53 be deleted.' "

58 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :

'That at page 30, lines 25 to 42 be deleted.' "

MR. DEPUTY CHAIRMAN : Mr. Mohta, are you moving any amendment ?

SHRI M. K. MOHTA : Sir, I am not moving any to clause 40.

SHRI JAGDISH PRASAD MATHUR: Sir, I move :

39. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 22, lines 34 to 36 be deleted.' "

45. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 24, lines 42 to 44 be deleted.' "

47. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 27 :—

(i) lines 1 to 3 be deleted;

(ii) lines 7 to 9 be deleted.' "

49. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 27, lines 37 to 44 be deleted' "

52. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

'That at page 28, lines 12 to 42 be deleted' "

55 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971 as passed by the Lok Sabha, namely —

'That at pages 29 and 30 lines 7 to 63 and 1 to 63 respectively be deleted.' "

56 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

'That at page 31, lines 1 to 5, be deleted' "

The questions were proposed.

DR K MATHEW KURIAN Sir, all the amendments which I have moved here relate to the tax burden with reference to indirect taxes. As I have said earlier in the debate on this Bill the Government's policy so far has been to increase the burden on the poor people and also on the middle classes, by putting more and more of indirect taxes. The proportion of indirect taxes to direct taxes is increasing every year, and the Government continues the same policy. These amendments which I have moved

are only to reduce the burden on the ordinary, poor people and also the middle class people. If the amendments are not accepted, for one reason or another, it will add to the already heavy burdens on the people. Therefore these amendments have this purpose in view

श्री जगदीश प्रसाद माथुर : उपसभा-पति महोदय, यह जो कर प्रस्तावों का प्रावधान लेकर हमारे माननीय मंत्री जी आये है, उसमें जो सबसे बड़ा विवादास्पद कर प्रस्ताव है, वह पेट्रोल का कर प्रस्ताव है। मंत्री जी ने अभी कहा कि जिन चीजों पर कर नहीं लगाया था, उनके भी दाम बढ़ गये हैं और बँस बढ़ गये, इस पर उन्होंने आश्चर्य प्रकट किया। मैं उनसे निवेदन करना चाहता हूँ कि सब्जी मन्डी से थोड़ी थोड़ी वाली गाड़ी में सब्जी साउथ एवेन्यू आती है। पहिले वहाँ का दुकानदार जिस भाव पर सब्जी बेचता था इस पेट्रोल पर कर लगने से उसने भी दाम बढ़ा दिये हैं। इस तरह से पेट्रोल पर कर लगाने से सब्जी और दूध के दाम बढ़ गए हैं। माननीय मंत्री जी कह सकते हैं कि हमने सब्जी और दूध पर तो दाम नहीं बढ़ाये हैं, लेकिन दाम बढ़ गये हैं। इसका कारण यह है कि आपने पेट्रोल पर कर लगा दिया है और उसकी वजह से इन चीजों के दाम बढ़ गए हैं।

आखिर डीजल की जो बसे है, वे सभी स्थानों पर नहीं चलती हैं। जहाँ पर कच्ची सड़क है वहाँ पर पेट्रोल की बसे चलती है और उन पर लोग इधर से उधर जाते हैं और इस तरह से उनका भाड़ा भी बढ़ गया है। हम पहले साउथ एवेन्यू से यहाँ तक आने के लिए 1.10 पैसे दिया करते थे,

[श्री जगदीश प्रसाद माथुर]

लेकिन जबसे पेट्रोल पर कर लगा दिया गया है तब से स्कूटर वाले 1.30 पैसा देना पड़ता है। इस तरह से हमको अब 20 पैसा ज्यादा देना पड़ता है, जबकि आपने हमारा जो भत्ता है वह इसके मुताबिक नहीं बढ़ाया है। इसीलिए इस टैक्स का विरोध करना आवश्यक है।

इसी सदन में पिछली बार माननीय मंत्री जी ने कहा था कि एक साबुन कम्पनी यानी लाइफबाय ने कहा था कि वह अपने साबुन के दाम नहीं बढ़ायेगा। लेकिन मैं यह कहना चाहता हूँ कि बाकी जितने भी साबुन हैं, उनके दाम बढ़ गये हैं।

श्री य० ब० चव्हाण : लान्ड्रा के साबुन पर टैक्स नहीं लगाया गया है।

श्री जगदीश प्रसाद माथुर : यहां पर लान्ड्री के साबुन का सवाल नहीं है, बल्कि बाकी जो नहाने के काम में साबुन आते हैं उनके दाम सब बढ़ गए हैं और नहाने का जो साबुन है, वह गरीब से गरीब आदमी भी इस्तेमाल करता है।

जहां तक रेडीमेड गारमेंट का सवाल है, और उसमें छूट देने की बात कही गई है उससे रेडीमेड गारमेंट बनाने वालों को बहुत कम लाभ होने वाला है। इस रेडीमेड गारमेंट में दो प्रकार के लोग आते हैं। एक तो वह हैं जो बड़ी इम्पोर्टेड मशीनों से कपड़े तैयार करते हैं और जो 40 और 50 लाख तक रेडीमेड गारमेंट बनाते हैं और दूसरे वे हैं जो इंडि-जिनश मशीनों के जरिये यह माल तैयार करते हैं, उन्हें पांच लाख तक रेडीमेड गारमेंट के लिए छूट दी गई है। इस तरह की छूट दी गई है उसका बहुत कम प्रभाव पड़ेगा। इसलिए

मैं यह निवेदन करना चाहता हूँ कि यह जो टैक्स प्रपोजल्स हैं, उनकी वजह से सारे देश की महंगाई बढ़ गई है। अगर कोई यह कहता है कि किसी अन्य कारण से यह महंगाई बढ़ी है तो वह गलत बात है। इसलिए यह जो कर प्रस्ताव है, मैं उनका कठोर शब्दों में विरोध करता हूँ और इसलिये मैंने ये संशोधन दिये हैं।

SHRI Y. B. CHAVAN : I understand his criticism. But unfortunately, I had to reconcile myself to raising more resources for the country. Therefore, one has to take resort to this indirect taxation. I know this indirect taxation certainly creates a feeling of harassment. It does indirectly affect the prices. He gave me the example of vegetables. If it is to be transported it is transported in trucks and buses which do not use petrol.

श्री जगदीश प्रसाद माथुर : श्री व्हीलर में आता हूँ।

SHRI Y. B. CHAVAN : At the same time in this year, I must say, I have not taken a decision that once a tax is always a tax. I have shown responsiveness to the genuine grievances to the criticism, and I have responded to the tune of nearly Rs. 15 crores. Therefore, you cannot say that I have not responded.

श्री जगदीश प्रसाद माथुर : 15 करोड़ रुपया तो ऊंट के मुंह में जीरा है।

श्री य० ब० चव्हाण : करें क्या, ज्यादा पैसा देश के लिए लगाना है। It cannot be said against me that I have not responded to the criticism. Therefore, I cannot accept this amendment.

MR. DEPUTY CHAIRMAN : The question is :

35. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 22, lines 10 to 33 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

37. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 22, line 35, for the words 'Nine hundred and twenty rupees' the words 'six hundred rupees' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

39. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 22, lines 34 to 36 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

41. "The the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

"That at page 23, —

- (i) lines 13 and 14 be deleted; and
- (ii) lines 41 and 42 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

44. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

"That at page 24,—

- (i) line 1 be deleted ;
- (ii) lines 27 to 31 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

45. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

"That at page 24, lines 42 to 44 be deleted."

The motion was negatived.

MR DEPUTY CHAIRMAN The question is :

46. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 26, lines 37 to 50 be deleted."

The motion was negatived.

MR DEPUTY CHAIRMAN The question is

47 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

"That at page 27,—

(i) lines 1 to 3 be deleted ,

(ii) lines 7 to 9 be deleted ""

The motion was negatived

MR DEPUTY CHAIRMAN The question is :

49. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 27, lines 37 to 44 be deleted ""

The motion was negatived.

MR. DEPUTY CHAIRMAN The question is

51. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 27, lines 47 to 53 be deleted ""

The motion was negatived

MR DEPUTY CHAIRMAN The question is

52 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

"That at page 28, lines 12 to 42 be deleted "

The motion was negatived

MR DEPUTY CHAIRMAN. The question is

55 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No 2) Bill, 1971, as passed by the Lok Sabha, namely —

"That at pages 29 and 30 lines 7 to 63 and 1 to 63, respectively, be deleted ""

The motion was negatived

MR. DEPUTY CHAIRMAN The question is

56 "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the

Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

‘That at page 31, lines 1 to 5 be deleted.’ ”

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is —

58. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

“That at page 30, lines 25 to 42 be deleted.’ ”

The motion was negatived

MR. DEPUTY CHAIRMAN : The question is —

“That clause 40 stand part of the Bill.”

The motion was adopted

Clause 40 was added to the Bill.

Clause 41—Amendment of Act 1 of 1944

SHRI JAGDISH PRASAD MATHUR
Sir, I move

61 “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

“That at page 31, lines 11 to 26 be deleted.’ ”

(The amendment also stood in the names of Sarvshri Sundar Singh Bhandari, Niranjan Varma, Man Singh Varma)

DR. K. MATHEW KURIAN : Sir, I move :

62 “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

“That at page 31, lines 18 to 23 be deleted.’ ”

The amendment also stood in the name of Shri K P Subramania Menon

SHRI M K MOHTA : Sir, I move :

63 “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

“That at page 31, lines 18 to 26 be deleted ””

The questions were proposed

श्री मान सिंह वर्मा : श्रीमन्, बहुत ही संक्षेप में मुझे अपनी बात कहनी है। काटन मिल इंडस्ट्री इस समय बड़े ही संकट में से गुजर रही है, रुई के मूल्य और वेतन में बढ़ोतरी के कारण ऐसा हो रहा है। उत्पादन मूल्य 40—50 प्रतिशत बढ़ा है और मूल्य बढ़ने के कारण उत्पादन भी गिर रहा है और माल निकल नहीं रहा है। इसका परिणाम यह हो रहा है कि उत्पादन

[श्री मान सिंह वर्मा]

घट रहा है। 1971 के प्रथम चार महीनों में 6.5 प्रतिशत की घटोतरी उत्पादन में हुई है। इसके कारण से जब उत्पादन कम हो जायगा तो लोगों को कपड़ा कम मिलेगा। उधर कीमतें बढ़ रही हैं। उसका नतीजा यह हो रहा है कि उपभोक्ता को परेशानी हो रही है। वैसे तो माननीय मंत्री जी ने यह कहा है कि मोटे कपड़े पर हमने किसी प्रकार का टैक्स नहीं लगाया है, लेकिन जिस प्रकार का कपड़ा वे मोटे में शामिल नहीं करते, उस कपड़े को साधारण व्यक्ति पहिनता है और मध्यम श्रेणी के लोग, विशेष कर राज्य कर्मचारी लोग उसका बड़ा प्रयोग करते हैं, उनका भी उसकी कीमत बढ़ने के कारण बड़ा नुकसान उठाना पड़ेगा।

दूसरे, श्रीमन्, हमारे मित्र माधुर जी ने गारमेंट्स के बारे में कहा था। गारमेंट्स पर 10 परसेंट एडवॉनारम एक्साइज ड्यूटी आपने बढ़ा दी है। उसका नतीजा यह हो रहा है कि उसकी कीमतें बहुत ज्यादा बढ़ गई हैं। माननीय मंत्री जी स्वयं इस बात को स्वीकार करेंगे कि यह इंडस्ट्री हमारे देश में बिल्कुल नई है, अभी थोड़े दिन से शुरू हुई है और इस प्रकार की सेवा लोगों को मिल रही है कि बना-बनाया कपड़ा उनको मिल जाता है। श्रीमन्, आप भी महसूस करेंगे कि दजियों के भाव इतने बढ़ गए हैं, सिलाई इतनी बढ़ गई है कि जिस कोट की सिलाई 4-5 साल पहले 25—30 रुपए थी वह अब 60—70 हो गई है। ऐसी स्थिति में गारमेंट्स के ऊपर जो आपने ड्यूटी लगाई है, उसके कारण से उसके दाम बहुत बढ़ गए हैं, वैसे आपने शायद रिलेक्सेशन दिया है और मैं यह चाहता हूँ कि यह ड्यूटी आपको बढ़ानी नहीं चाहिए। इसी कारण से मैंने यह एम्बेडमेंट दिया है।

DR. K. MATHEW KURIAN : Sir, I move this amendment with particular reference to medium and coarse cloth. The hon. Finance Minister is aware that during the last so many years, the production of super-fine and fine cloth and also other higher varieties has been increasing. The producers have been giving particular emphasis to production of these types of cloth for which there is a high profit margin. On the contrary, the ordinary people who purchase coarse cloth are finding it difficult to purchase them particularly because of the increase in prices and the reduced purchasing power. Therefore, in this economic background, I think it is necessary that we should give relief to the ordinary people who purchase coarse and medium varieties of cloth. I have, therefore, suggested that this part of the clause may be deleted completely.

MR. DEPUTY CHAIRMAN : Mr. Mohta. Your amendment is similar.

SHRI M. K. MOHTA : Yes, Sir. I do not want any duty to be levied on coarse cloth. In lieu thereof, if the Finance Minister would like to levy more duty on super-fine cloth, I do not mind.

SHRI Y. B. CHAVAN : Sir, I do not accept these amendments.

MR. DEPUTY CHAIRMAN : The question is :

61. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 31, lines 11 to 26 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

62. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 31, lines 18 to 23 be deleted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

63. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 31, lines 18 to 26 be deleted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

"That clause 41 stand part of the Bill."

The motion was adopted.

Clause 41 was added to the Bill.

Clauses 42 to 55 were added to the Bill.

The First Schedule

SHRI JAGDISH PRASAD MATHUR.
Sir, I move :

65. "That the Rajya Sabha recommends to the Lok Sabha that the follow-

ing amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

"That at page 36,

(i) in line 13, for the word and figure 'Rs. 5000' the word and figure 'Rs. 7500' be substituted ;

(ii) in line 15, for the word and figure 'Rs 5000' the word and figure 'Rs 7500' be substituted."

SHRI M. K. MOHTA : Sir, I move :

66. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

'That at page 44, lines 16 to 32 be deleted.' "

67. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 45, lines 1 to 4 be deleted.' "

68. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 45, lines 22 to 42 be deleted.' "

69. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely —

'That at page 46, lines 6 to 9 be deleted.' "

The questions were proposed.

श्री जगदीश प्रसाद माथुर : उपसभा-पति महोदय, इन्कम टैक्स में जो हमने सीमा रखी है। मेरा यह सशोधन है कि इस सीमा को बढ़ाकर साठे सात हजार २० कर दिया जाय। इस सम्बन्ध में सरकार भी विचार कर रही है कि इस सीमा को बढ़ाया जाय। सरकार ने एक जो समिति नियुक्त की थी, उसने भी इस प्रकार का प्रतिवेदन दिया है कि इन्कम टैक्स की नीचे की जो लिमिट है उसको बढ़ाना चाहिए और उसे साठे सात हजार कर दिया जाना चाहिए। उपसभापति महोदय, नीचे के तबके पर जो इन्कम टैक्स लगता है, उससे सरकार को पैसा कम मिलता है, लेकिन उन लोगों की सख्या बहुत ज्यादा होने के कारण सरकार के इन्कम-टैक्स डिपार्टमेंट को बहुत बड़ा खर्चा उनको असेस करने में लगता है। इसके अतिरिक्त जो इन्कम टैक्स की चोरी करते हैं, जिनके पास बड़ा पैसा है, जो बड़े तबके के लोग हैं, वे इसके कारण बच जाते हैं। छोटी मछली पकड़ने जा कर सरकार छोटे-छोटे लोगों के लिए ज्यादा कोशिश करती है, तमाम उनको नोटिसेज सर्व करती है, तमाम लोगों को उसे देखना पड़ता है और उसके कारण ऐसा मालूम पड़ता है कि उसके जाल में छोटी मछली जरूर फस जाती है, लेकिन ऐसा होने पर जो बड़ी मछलियाँ हैं, जो इन्कम-टैक्स का ज्यादा पैसा चोरी करती हैं, वे निकल जाती हैं। अगर सरकार उन पर ज्यादा ध्यान दे तो सरकार को ज्यादा पैसा मिल सकता है और मंत्री महोदय स्वयं कहते हैं कि बड़े लोग कर वचना करते हैं, टैक्स की चोरी करते हैं और पूरा टैक्स अदा नहीं करते, इसलिए मैं चाहूंगा कि आपका इन्कम टैक्स डिपार्टमेंट अपना ज्यादा ध्यान ज्यादा इन्कम वालों की ओर दे और उनकी ओर ज्यादा लगे। जो छोटी इन्कम वाले हैं, वे तो महंगाई के कारण और जो नये टैक्सेज लगे हैं, उसके

कारण यह लिमिट उनके लिए पर्याप्त नहीं है और आज उनकी स्थिति बहुत खराब है। इसलिए मेरा सुझाव है कि आप 5,000 के बजाय 7,500 की लिमिट रखें। इसके कारण उन लोगों की स्थिति ठीक होगी और आपको ज्यादा पैसा भी मिलेगा।

श्री मान सिंह वर्मा : माननीय मंत्री जी शायद इस सशोधन को तो मान ही लेंगे।

SHRI M. K. MOHTA : Sir, my amendment is in respect of surcharge on income-tax for all kinds of assesseees. The theory that the Government seems to subscribe to is if money is allowed in the hand of the public, it goes into consumption whereas if the same money is taken away by way of taxes by the Government, then it is productive and is in the interests of the nation. Unfortunately, the facts are otherwise. If any savings are there in the hands of the public, they will mostly be productive whereas the Government has demonstrated over a period of years that the money it has taken away from the public is mostly squandered away in non-developmental and non-Plan expenditure. Therefore, I would urge upon the Finance Minister to leave some investible savings in the hands of the public. And particularly in the case of registered firms where the partners of the firm are subjected to income-tax as individuals, there is absolutely no justification, no equity, in taxing the registered firm also. Many economists, including Shri Bhootalingam, have argued against it very strongly, about the inequitable nature of this tax on a registered firm in addition to the tax on the partners. Therefore, I would urge upon the Finance Minister to look into this problem of tax on registered firms.

SHRI Y. B. CHAVAN : I have already explained about registered firms probably

in my speech. As regards the point of the honourable Member who first moved the amendment, I see his point, but I can only plead with him that it is only last time that the exemption limit was raised from Rs. 4000 to Rs. 5000. Even this year in fact it is raised up to Rs. 6000 in the sense that if a person, whose income is Rs. 6,000 per annum saves about Rs. 400, he gets exemption from Income Tax. Now, whether it should be raised up to Rs. 7,500 or not, certainly one can have two opinions about it and one can say that there is some strength in it. But at the present moment I am not in a position to accept the amendment.

SHRI KRISHAN KANT (Haryana) :
You can do it next year.

SHRI ARJUN ARORA : Yes, next year. You can say it.

SHRI Y. B. CHAVAN : Please do not talk of any commitments. No commitments are made in advance about taxation proposals. As far as surcharge is concerned, well, unfortunately, even for once I do not have the privilege of agreeing with Mr. Mohta. I am sorry about it. I cannot accept the amendment.

MR. DEPUTY CHAIRMAN : The question is :

65. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 36,—

(i) in line 13, for the word and figure 'Rs. 5,000' the word and figure 'Rs. 7,500' be substituted.

(ii) in line 15, for the word and figure 'Rs. 5,000' the word and figure 'Rs. 7,500' be substituted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

66. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

'That at page 44, lines 16 to 32 be deleted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

67. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

'That at page 45, lines 1 to 4 be deleted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

68. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1971, as passed by the Lok Sabha, namely:—

'That at page 45, lines 22 to 42 be deleted.' "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

69. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance

(No. 2) Bill, 1971, as passed by the Lok Sabha, namely :—

‘That at page 46, lines 6 to 9 be deleted.’ ”

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

“That the first Schedule stand part of the Bill.”

The motion was adopted.

The First Schedule was added to the Bill.

The Second Schedule was added to the Bill.

Clause 1, the Enacting Formula and the Title, were added to the Bill.

SHRI Y. B. CHAVAN : I move :

“That the Bill be returned”.

The motion was adopted.

THE AGRICULTURAL REFINANCE CORPORATION (AMENDMENT) BILL, 1971

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE/वित्त मंत्रालय
में उपसंत्री (SHRIMATI SUSILA
ROHATGI) : I move :

“That the Bill further to amend the Agricultural Refinance Corporation Act, 1963, as passed by the Lok Sabha, be taken into consideration.”

The question was proposed.

श्री देवदत्त कुमार कीकामाई पटेल (गुजरात) : श्रीमन्, आमतौर पर यह राय बनी हुई है कि कृषि पुनर्वित्त निगम का फायदा खास करके जोतदारों, जमींदारों और बड़े-बड़े किसानों को होता है और छोटे किसान अथवा मार्जिनल फार्मर्स जो हैं, उनको इस निगम से कोई फायदा नहीं होता है। मैं समझता हूँ कि केवल यह निगम ही नहीं बल्कि वित्त मंत्रालय, सिंचाई और विद्युत मंत्रालय, कृषि मंत्रालय, राज्य सरकारों और कोऑपरेटिव्स तथा अन्य एजेंसियों को चाहिए कि वे सब मिल कर के इस बारे में सोचे कि कृषि पुनर्वित्त निगम का ज्यादा से ज्यादा फायदा इस देश के छोटे किसानों एवं मार्जिनल फार्मर्स को हो। यह हमारा जो देश है यह कृषि प्रधान देश है और हमारी जो जमीनें हैं, उनका अधिकांश इस देश के छोटे-छोटे किसानों और मार्जिनल फार्मर्स के पास है और अगर उनको मदद नहीं पहुंचती है और वित्त की मदद भी नहीं पहुंचती है तो इस देश का अन्न उत्पादन जो है, उस पर भी उसका असर होगा, इसलिये इन सभी मंत्रालयों को और निगम को मिल कर के इस समस्या के ऊपर विचार करना चाहिये।

लोक सभा में इस मुद्दे के ऊपर चर्चा हुई और उस चर्चा का जवाब देते हुये मंत्री महोदय ने जवाब दिया था कि यह जो काम है वह निगम का नहीं है, यह काम राज्य सरकारों का है, कोऑपरेटिव्स का है और जो दूसरी एजेंसियां हैं उनका काम है। मैं समझता हूँ कि यह समस्या से छुटकारा पाने का एक रास्ता है, पलायनवाद है। चाहिये यह कि कृषि-विकास के साथ जिन-जिन मंत्रालयों का सम्बन्ध है वह सब मिल कर के इसका कोई हल ढूँढ निकाले ताकि देश के अधिकांश जो किसान हैं, जो छोटे किसान हैं, उनको फायदा हो।