

tion for about one hour and ten minutes. There were a number of persons. Apart from Mr. Shejwalkar, there are some other Members who want to speak on this. I have called one person from each party from the Opposition. Unfortunately I could not call one from the Swatantra Party. I called the Jan Sangh, the Communists, the SSP, PSP and even the Congress. I have tried to give representation to almost every political party. If every Member wants to get up and put questions, then for a Calling Attention Motion even two hours will not be sufficient. Therefore, it should not be that every Member gets up.

श्री राजनारायण : श्रीमन, वे एवरी मेम्बर नहीं है, जो चीफ मिनिस्टर है, उसको वे रिप्रेजेंट करते हैं ।

MR. DEPUTY CHAIRMAN: It is not that everybody who gets up should get a chance to speak. It is not proper and, therefore, I now call Mr. Muniswamy.

REPORTS OF THE PUBLIC ACCOUNTS COMMITTEE (1969-70)

SHRI N. R. MUNISWAMY (Tamil Nadu): Sir, I beg to lay on the Table a copy each of the following Reports of the Public Accounts Committee (1969-70):

(i) Eighty-seventh Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 43rd Report (1968-69) on Appropriation Accounts (Civil), 1966-67 and Audit Report (Civil), 1968, relating to the Department of Food.

(ii) Ninety-third Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 58th Report (1968-69) on para 39 of Audit Report (Civil), 1968, relating to Central State Farm, Suratgarh (Department of Agriculture).

SHRI BHUPESH GUPTA (West Bengal): I disagree with you. This is very unfair. You have allowed everybody to speak. . . .

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2.30.

The House then adjourned for lunch at thirty-seven minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair.

THE UNION DUTIES OF EXCISE (DISTRIBUTION) AMENDMENT BILL, 1970—contd.

SHRI BHUPESH GUPTA (West Bengal): Sir, I was pleading for more funds for the States from the Centre, and that includes also your State, Andhra Pradesh. Despite its Nizam and so on this State is in financial need and therefore it should also be given assistance. Now the matter is not receiving the attention of the Government as it should. In fact the Government is not paying attention to the problem of the various States in the country. I would just give one or two facts here.

The 5th Finance Commission has suggested certain transfers to the States. In the five-year period there would be a transfer of Rs. 4,266 crores according to the recommendation of the 5th Finance Commission, out of which Rs. 3,628 crores would be by way of share in Central taxes including Rs. 81 crores in lieu of tax on railway passengers and Rs. 638 crores as grants-in-aid. The annual average comes over the five-year period to Rs 723 crores. That is all that will be transferred every year under the recommendations of the Finance Commission to the States. This fund would seem totally inadequate compared to the requirements of the States. Then I should like also to point out that under the draft

[Shri Bhupesh Gupta]

Fourth Five Year Plan of the Rs. 6,066 crores outlay in the States, the States are asked to find Rs. 2,566 crores which again is a very big sum for the States to find in the present situation.

These are some basic figures I have given in order to point out the financial difficulties of the States.

What is the position of the States in regard to their internal revenue? Last year only 8 States out of 17 were in a position to propose certain additional taxation, and that also amounted to only Rs. 23 crores; that is to say, out of 17 States only 8 can propose new taxes and they could raise together through their own budgets a total of Rs. 23 crores, which is a very small sum. I think it is Birla's pocket money; Rs. 23 crores may be treated as the pocket-money of Birla or anyone in Nizam's harem, provided she is his favourite, would be able to produce Rs. 23 crores. Such is the position. Therefore, you cannot expect the States to raise the revenue from their internal resources. As against that the situation now is, according to the latest Budget papers in 1970-71 the Centre expects from the States repayment of loans and advances of the order of Rs. 600 crores, that is to say, the States are expected to pay back to the Centre Rs. 60 crores. This is another grim side of the picture. Would it be possible for the States to pay so much money when most of the States, practically all, are running deficits, when their finances are in such a critical position? According to the Budget speech and Budget papers and other papers it appears that the overdrafts by the State Governments together come to Rs. 173 crores, their overdrafts on the Reserve Bank and the State Bank comes to Rs. 173 crores. The States are not in a position to meet their even barest requirements from their internal resources. Therefore, I do not think that the States would be in a position to finance even their minimum budgetary requirements, leave alone their planned development. Here, as I said before, the total debts of the States

to the Centre are already of the order of Rs. 7,000 crores as against the Government of India's public debt of, according to the latest figure, Rs. 14,420 crores. This is the position. Now I should like to know how the Government is going to meet the situation. The Budget shows no plan. Government does not seem to have any plan, and all that we are told is that we should go by the recommendation of the Finance Commission which is absolutely inadequate. Therefore, it is essential, pending the drastic revision of the financial structure of the Indian Republic specially in relation to the States and the Centre, that the Centre should provide much more money by way of assistance not only through its own agencies but also directly, also through the nationalised banks, and so on. This matter is under discussion in the Planning Commission. I have, I think, given you enough figures to make out the point.

Now what is the position? The sales tax today comes to according to budget estimate for 1969-70 Rs. 619 crores, and the budget deficits for the last year of all the States were Rs. 266 crores, all the States in India together Rs. 266 crores. Similar budget deficits are likely to be there also in the coming year. Any how the sales tax has reached the saturation point and the States do not have other sources of taxation.

Now one or two points and I finish. You are failing to realise money. Income-tax collections are in arrear to the extent of Rs. 555.99 crores.

The States are not responsible for it. You are collecting the money and evasion and avoidance at the top is the highest. Therefore you should collect it. Here I have got a list of income-tax arrears from Dilip Kumar, Asha Parekh, Mala Sinha and others. A fantastic thing. These film stars—I do not know why they are avoiding so much tax and evading. think they are better artistes, some of them, on tax-evasion than on the screen. It appears so. This is the position. Get at that.

Mr. Vice-Chairman, I was shocked the other day when the Government divulged about the Birla's wealth tax and income-tax. Do you know how much it is? The latest figure shows that Mr. Birla pays a wealth tax on Rs. 366 crores or so—that means that his wealth will be of that order—of Rs. 1,75,000. Am I to believe that Mr. Birla pays an income-tax, according to the latest figure, the highest of Rs. 2 lakhs a year, that the Birlas did not pay any Birlas' income-tax is Rs. 2 lakhs a year, that the Birlas did not pay any Capital Gains tax at all in the five years except for one year? The Birlas have paid a gift tax—the highest is Rs. 6,600. Am I to understand that the Birlas' claim for making gifts is unending so that the tax is so small? That is the position. So, I say that you are failing. Therefore collect this tax from the top.

As far as the Budget is concerned, I am shocked that this Budget does not impose any new taxes on the corporate sector, the biggest source of tax revenue. On the contrary, it imposes a tax on sugar, on kerosene, on cheap cigarettes and something else. Now, I do not mind expensive cigarettes. Why should it be so? Now, this money will come from the States. Then something will be ploughed back by way of transfer. I say that this reactionary feature of taxing the people all the time must end, and we expected some relief given to the common man. According to this Budget, Rs. 1,700 crores will be collected as Union excise duties. Union excise duties have gone up by Rs. 300 crores over the last few years whereas the direct taxes which the rich pay are showing a decline. This is an utterly wrong situation which we are facing today.

Sir, you are looking at me. I do not wish to take much of your time. Finally, I make these proposals. Firstly, the Finance Commission is not good enough. The Government should *de novo* consider the entire question of financial and budgetary relations between the State and the

Centre and it will be necessary that the Government of India should come out with proposals for the amendment of the Constitution so that the Finance Commission's powers—if the Finance Commission remains—are widened in favour of the States, to give more funds to the States. More than that, the States should be given the authority and power to raise revenue from the various sources which are now exclusively available to the Central Government. The States would not like to live on the doles from the Central Government. The States when they are carrying on and expanding developmental activities should be given equal or commensurate accommodation in the matter of revenue-raising. Therefore, this whole question should be discussed *de novo* with a view to settling the relations on a proper, just and equitable basis so that the States are not just to stand with a beggar's bowl before the Centre all the time.

The third point is, immediately the Centre should make more grants-in-aid as well as *ad hoc* assistance available to the various States certainly not only for developmental activities but also for some of their budgetary requirements. As I have suggested, in the case of West Bengal, we immediately need Rs. 29 crores to meet the extreme difficulties that we are facing in the matter of budget. And the Reserve Bank of India and the State Bank of India should be asked to lend to the State, sanction loans, and there should not be any kind of curb or restraint on the overdraft by the State on the State Bank or the Reserve Bank, and this can be gone into between the State and the Centre. But there should be provision for that. The nationalised banks, fourteen of them, should be given clear and categorical instructions that they should make the maximum possible efforts to accommodate the demands of the States and give them the necessary financial assistance. Similarly, the financial institutions and the credit institutions of the Government of India—there are several of them—should extend financial

[Shri Bhupesh Gupta]

accommodation—loans—to the States on the basis of projects, not for ordinary budgetary purposes, but also on the basis of projects. That should be done.

Finally, I would suggest that the Prime Minister who is also in charge of the Finance portfolio should call a conference of the Chief Ministers of the States and the Finance Ministers of the States in order to discuss the question of Centre-State relations *vis-a-vis* the financial problems and the question of financial assistance to the States. The State allocation for land under the Fourth Plan must be substantially raised from the present Rs. 600 odd crores a year to almost double the amount. This is also very essential. And about income-tax and son, this question has particularly to be gone into.

Mr. Vice-Chairman, I make the foregoing suggestions taking into account the requirements of the States and I am not introducing any party considerations into this matter. whether the States are run by Congress (O) or Congress (R) or other parties, all require to be helped by the Centre. Let not the Centre sit here as the Jagat Seth of the Indian administration and the Indian States and be called to distribute funds as it likes regardless of the requirements of the States. I think the gap here can be covered by them, by borrowing from foreign sources and by printing the notes. I say, alternatively give us a share. Let us share the printing of notes together also. I can understand that. No, you will not give it. I know. Notes I want. You will borrow money from America, from everywhere and load the country with a burden. But these two major sources of revenue are not available to the States. You are not fit to teach the States how to manage their finances when you have mismanaged your finances to the extent of Rs. 14,000 crores of public debt and also Rs. 6,000 crores of foreign borrowings. And you have no right to advise them. Today your task is to have an open mind about the States and settle this matter.

And I have made the proposal for a conference of this kind and it should be held. I would appeal to the Chief Ministers and the Finance Ministers of the various States to take up the matter seriously from the point of view of their States and the national economy as a whole and compel the Central Government so that a conference of this kind is held and the matter is thrashed out in the changed political situation of today. It is all the more urgent, and in view of the economic progress that we have in mind—many of us—this is absolutely an imperative task which must be undertaken in all seriousness. We want to overcome the past legacies and break with the past in this matter.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You have made the Budget speech. Better not speak on the Budget.

SHRI A. G. KULKARNI (Maharashtra): Sir, regarding this Union Duties of Excise (Distribution) Amendment Bill, 1970 based on the Fifth Finance Commission's Report, I want to submit to the House that the Fifth Finance Commission has distributed Union Excise Duties and the Grants-in-aid, and have assigned different criteria for the distribution of the Excise Duties.

By and large, Sir, though the Fifth Finance Commission and the Bill brought by the Government are agreeable to this, the difficulty is with regard to the advanced States like Maharashtra because in this country the biggest effort is made by the advanced States to contribute to the national exchequer but while getting the return from the Centre it is the advanced States which are the sufferers.

Sir, the Maharashtra State has never lagged behind in the integration policies of the Government. But my difficulty is that the criterion suggested here has got certain lacuna. There are erring States. I do not want to enter into a dialogue on lawlessness and all those things. It is all said and done...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): There is a limit and purpose of this Bill.

SHRI A. G. KULKARNI: Yes, Sir. But I cannot fail to mention that unless each State behaves properly and contributes to the general production in industry and economy, whether in agriculture or industry, it cannot expect the Central Government to come to its assistance and to pay for its overdrafts. What is happening in this country?

Sir, certain erring States are over-drawing from the Reserve Bank of India and it is the Central Government which is going to their assistance. What I plead with you is that at some time there must be a stop to this procedure because the difficulty is that it is a drag on the advanced States because the funds which would have come to them are being again channelised to pay back the overdraft. Why I suggest this is this. They have evolved certain criteria. In an advanced State also every village and each town is not advanced. There are certain pockets where advancement of industry has taken place just like in my State. It is only the Bombay-Poona region which is supposed to be an advanced region. But the rest of the State is utterly backward. They might not be knowing our index of industrial production, index of electricity consumption in the backward areas of the Maharashtra State.

Sir, as you know, there is a great agitation going on in the Vidarbha region, in the Marathawada region, in the Konkan region . . . (*Interruption by Shri Chitta Basu*). Why are you jealous? You do not work in your State and then go on nodding your head.

SHRI BHUPESH GUPTA: I see. The backward areas there seem to have produced a substantial man like you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You address me, Mr. Kulkarni. You have got ten minutes.

SHRI A. G. KULKARNI: My difficulty is this. These people from West Bengal do not want to work themselves. They do not want to produce anything and contribute to the national exchequer, but they want everything back from the Centre. That has been happening right from Dr. B. C. Roy till date. Mr. Bhupesh Gupta, you have got all the public sector industries while we are starved of industries and you ask for more and threaten our Ministers. We would not allow you to threaten them.

SHRI BHUPESH GUPTA: On a point of personal explanation. In the matter of industrial production, certainly we are not doing badly. A substantial percentage of industrial production comes from West Bengal. He cannot deny that. And in the matter of contributing revenue to the Centre, let him say how much we pay from Calcutta alone.

SHRI A. G. KULKARNI: Yes, that is declining day by day because of your gheraos and lawlessness. What I want to submit to you in all seriousness . . .

SHRI PITAMBER DAS (Uttar Pradesh): The difficulty is another, Sir. The more Mr. Bhupesh Gupta tries to explain his personality the more complicated it becomes.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I am inclined to agree with you.

SHRI BHUPESH GUPTA: Sir, another personal explanation is called for.

SHRI A. G. KULKARNI: What I wanted to submit to you is that in the advanced States also there are backward areas. And the Government has also accepted that. (*Interruption by Shri Chitta Basu*). Why is he shouting?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You ignore him.

SHRI A. G. KULKARNI: What I want to say is that in the Chief Ministers' Conference also lately it

[Shri A. G. Kulkarni]

was decided that the criterion as enunciated in the Fifth Finance Commission report has to be changed to the extent that the backwardness in the index of production, or *per capita* income is not to be counted alone. Even in the advanced States the Government will recognise that there are backward areas, and that is why I wanted to know from the Minister what provision has been made for that purpose.

In this connection I may submit that the States are also erring, including my State. I assert that they are avoiding to tax the agricultural community, I mean the rich agricultural community. I do not want to quote figures, but the contribution to national production is 50 per cent. from agriculture and 50 per cent. from industry.

Even in matters of savings, you know it is the urban population which saves more than the rural population. There is now an absolute necessity of giving more grants in aid to the States. The States must be also asked to mobilise their own resources. Even in the Fourth Five Year Plan and in the Budget Speech the Prime Minister has announced more funds to be channelised in the public sector and to be diverted to the States. It is quite all right. But what I want to submit is that if the agricultural tax comes into the State field, there is nothing to be afraid of. And this system of over-drawing on the Reserve Bank of India and then being charged to the Central Government should stop. What I want to say is that the State Governments must come forward with certain proposals to mobilise their own resources through agriculture . . . (Shri A. P. Chatterjee was seen conversing with the Chair). He has come to ask you something, it seems. I thought he had gone there for something else. Because he is from West Bengal, that is why I was anxious. What does he want to do there?

SHRI BHUPESH GUPTA: Remember that your Sharda Mukherjee was married to a Bengali.

SHRI A. G. KULKARNI: What I want to say is that in case of agriculture, wet land nowadays gives increased agricultural income and there is a possibility of mopping up that money. It present in the Maharashtra State it is being mopped up as education cess, water cess, etc. That is being done. But the other States are not doing that. What I am saying is that Maharashtra is not erring at all in these matters. I do not know what is their overdraft. But it must be the minimum. But other States are afraid of taxing the agricultural income.

SHRI BHUPESH GUPTA: How much have you overdrawn as a co-operator?

SHRI A. G. KULKARNI: Not a single paisa. So I want some explanation on backwardness in an advanced State. This overdraft has to be seriously restricted, seriously reduced. The Government should not feel shy in hauling up the States which have more overdraft. And for that purpose the advanced States should not be made to contribute to those areas where they are drawing overdraft. Thank you.

श्री जगदम्बी प्रसाद यादव (बिहार) : माननीय उपसभाध्यक्ष महोदय, पंचम वित्त आयोग के ऊपर सरकार की ओर से इस संशोधन विधेयक को लाया गया है। इस पंचम वित्त आयोग के ऊपर सर्वप्रथम विचार करना चाहिये था जिसमें संसद के सदस्यों का पूरा पूरा विचार सरकार को मिल जाता और इस कार्य के संपादन करने में सुविधा रहती। वैसे इस बारे में बिहार प्रदेश को अंशदान में कुछ सुविधाएं प्राप्त हुई हैं लेकिन अगर हम विचार करें तो देश के ऐसे बहुत से हिस्से होते हैं जो बहुत ही पिछड़े गये हैं, यानी क्षेत्रीय असंतुलन को ठीक करने के वास्ते सरकार ने इस पंचम आयोग के ऊपर भी जो विचार रखा है उसमें यह छूटता सा नज़र आता है। बिहार का ही उदाहरण ले लिया जाय। अंशदान के प्रतिज्ञत को बढ़ाने से ही बिहार की समस्या का निदान नहीं होता। बिहार में आप देखेंगे

श्रीमन्, कि हर साल बाढ़ और सूखा दोनों एक साथ आता है। अगर गंगा नदी में बाढ़ आई तो छोटा नागपुर में सूखा हो गया। इस तरह से उसका जो क्षेत्रीय असंतुलन बढ़ता जाता है उसके ऊपर कुछ विचार नहीं रखा जाता है। पिछड़े पन का विचार करते हुए वहां पर वनवासी या हरिजनों की आबादी कितनी है, या लड़के कितने स्कूल में जाते हैं, कितनी लाख की तादाद पर मजदूर फैक्ट्रियों में जाते हैं, इन सारी चीजों पर भी जो विचार विमर्श किया गया है, वह भी लगता है बिहार के हिसाब से उपयुक्त नहीं है। बिहार के छोटा नागपुर में वनवासियों का बहुमत है, उसके सिवाय संथाल परगना और मुंगेर में वनवासियों का बहुत बड़ा हिस्सा रहता है, फिर भी उनकी जो स्थिति है, सिर्फ वनवासियों की नहीं हरिजनों की भी, और वहां का पिछड़ा वर्ग अधिकांश किसान होने के नाते, छोटा किसान होने के नाते, वहां का पिछड़ापन और किसी भी प्रदेश से अधिक है। वैसे भारतवर्ष जो दुनिया में पिछड़ा हुआ देश कहा जाता है, उसमें मैं समझता हूं कि बिहार हिन्दुस्तान के सभी राज्यों में पिछड़ा हुआ प्रदेश है। अगर आप यह हिसाब ले कि बीमारी के चलते कितने लोग पीड़ित हैं, अगर 100 लोग समूचे देश में पीड़ित होंगे तो 30 या 40 आदमी

3 P.M.

सिर्फ बिहार में पीड़ित होंगे। उसी तरह में अगर आप शिक्षा का हिसाब लें या फिर वहां पर प्रति व्यक्ति अनइम्प्लाय-मेंट ले, तो उसमें आप पायेंगे कि बिहार बहुत पिछड़ा गया है। इसी तरह से अगर आप खनिज द्रव्य की तरफ लक्ष्य करें तो ऐसा लगता है कि बिहार खनिज का भंडार है मगर इतना होते हुए भी वह प्रदेश पिछड़ा और भूखा है। बिहार में खनिज द्रव्य करीब 40 या 50 प्रतिशत सारे देश के मुकाबले में होते हैं और कुछ द्रव्य तो ऐसे हैं जो सिर्फ बिहार में ही मिलते हैं। ये द्रव्य हैं तांबा, अबरक और लोहा और इसके साथ साथ और भी बहुत से द्रव्य वहां पर मिलते हैं जिस का सदुपयोग देश के समूचे नागरिक करते हैं और उन्हें

करना भी चाहिये। लेकिन मैं यह निवेदन करना चाहता हूं कि इन द्रव्यों के बदले में जो उन्हें मिलना चाहिये था वह नहीं मिल पा रहा है।

इसी तरह से जब और बातों पर विचार करते हैं तो ऐसा लगता है कि वहां पर सड़कों की भी व्यवस्था ठीक नहीं है और केन्द्र को इस ओर ध्यान देना चाहिये। बिहार एक सीमावर्ती प्रदेश है और वहां पर सड़कों का होना नितान्त आवश्यक है। वहां पर एक ही नेशनल हाइवे है और बाइलैट्रल रोड की वहां पर बहुत ही आवश्यकता है। इस तरह से वहां पर सड़कों की कमी है, शिक्षा की कमी है और इस तरह से वह इलाका देश के और भागों से पिछड़ा गया है।

हरी क्रान्ति की जो बात सरकार की ओर से की जाती है वह हरी क्रान्ति सिर्फ कागजों पर ही प्रस्तुत की जाती है और उसको अमली रूप में काम में नहीं लाया जाता है।

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Mr. Yadav, we are dealing with the distribution of excise duties. It is not a debate on the Budget where you can speak about other things also.

श्री जगदम्बी प्रसाद यादव : मैं वही बात कह रहा हूं कि सरकार की ओर से जो डिस्ट्रीब्यूशन का आधार रखा गया है, किस प्रदेश को कितना हिस्सा मिलता है, उसी के संबंध में मैं यहां पर बात कह रहा हूं। वित्त आयोग डिस्ट्रीब्यूशन का जो आधार निश्चित किया है जिसमें 20 परसेंट तो बिहार को दिया है और 80 प्रतिशत केन्द्र को दिया है, वह उचित मालूम नहीं देता है और इसीलिए मैं सरकार का ध्यान इस ओर आकर्षित करना चाहता हूं। मेरा निवेदन यह है कि इस तरह का जो डिस्ट्रीब्यूशन किया जाता है उससे क्षेत्रीय असंतुलन बढ़ता ही जाता है और इस तरह के डिस्ट्रीब्यूशन से उस असंतुलन का निराकरण नहीं हो सकता है। इसीलिए मैंने सरकार का ध्यान इस असंतुलन की ओर दिलाया है और बिहार की जो आवश्यकता है उसकी ओर खींचा है। सरकार ने बिहार को

[श्री जगदम्बी प्रसाद यादव]

जो अनुदान दिया है, जिस हिसाब से दिया है उससे बिहार का पिछड़ापन दूर नहीं हो सकता है और इस चीज की ओर सरकार को ध्यान देना चाहिये तथा बिहार के हिस्से को बढ़ाया जाना चाहिये।

आज हर स्टेट कुछ न कुछ मांग अपने रिसोर्सेज को बढ़ाने के लिये केन्द्र से करते रहते हैं और जितने भी रिसोर्सेज हैं वे सब केन्द्र के हाथ में हैं। केन्द्र के हाथ में रिसोर्सेज रहने के कारण स्टेट और केन्द्र के संबंध डिफरेंट रहते हैं। इसीलिये मैं केन्द्रीय सरकार का ध्यान इस ओर दिलाना चाहता हूँ कि रिसोर्सेज ही डिफरेंस का कारण है। आज बिहार में बरौनी का तेल शोधक कारखाना है मगर रिसोर्सेज न होने के कारण बिहार वहाँ पर दूसरी इंडस्ट्रीज नहीं खोल सकता है। इसका नतीजा यह हो रहा है कि वहाँ पर गड़बड़ी होती है और बेकारी की समस्या बढ़ती ही चली जाती है। आज सारे देश में बेकारी की समस्या खड़ी है। लेकिन मैं यह निवेदन करना चाहता हूँ कि बिहार में करीब इस समय 8 और 10 हजार इंजीनियर बेकार पड़े हुए हैं। कभी कभी ऐसी भी बात सुनने में आती है कि कोई अपनी लड़की का विवाह किसी इंजीनियर से करने को तैयार नहीं होता है। लड़कों वाले कहते हैं कि अगर हम इंजीनियर के साथ अपनी लड़की की शादी करेंगे तो वह भी भूख से मर जायेगी क्योंकि इंजीनियर तो सब बेकार बैठे हैं और ऐसे बेकार लड़कों के साथ हम अपनी लड़की को क्यों बांधें। यह तो मैंने बिहार प्रदेश की बात बतलाई है और शायद यही बात और प्रदेशों में भी होगी। मैं तो इस समय बिहार की समस्या को कोट कर रहा हूँ, इसलिये मेरा सरकार से यह निवेदन है कि जो क्षेत्रीय असंतुलन है उसी के कारण केन्द्र और प्रदेशों के संबंध कटु होते हैं। और इन सब की जड़ में रिसोर्सेज का अभाव है और वही संबंध को कटु बनाता है।

वित्त आयोग ने एक्साइज ड्यूटी 20 प्रतिशत देने के लिये कहा है और इससे बिहार का निराकरण नहीं हो सकता है। मेरा आप से निवेदन है कि

बिहार के कार्यों के लिये आपको और ज्यादा हिस्सा बढ़ाना चाहिये। केन्द्र को प्रदेश के रिसोर्सेज बढ़ाने के उपायों की तरफ देखना चाहिये और जबतक वह इस तरह के उपाय नहीं देखती है तबतक प्रदेशों में जो असंतोष पैदा हो गया है वह दूर नहीं हो सकता है। इसीलिये मैं सरकार से यह आग्रह करना चाहता हूँ कि सरकार प्रदेशों की आवश्यकता की तरफ ध्यान दे और अगर वह उनकी ओर ध्यान देगी तब ही यह समस्या हल हो सकती है। इस तरह की नीति से आसाम, बिहार, उड़ीसा और दूसरे प्रान्तों की भी समस्या हल हो जायेगी और जो पिछड़ेपन की समस्या है वह भी हल हो जायेगी।

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Mr. Chitta Basu. Ten minutes each.

SHRI CHITTA BASU (West Bengal): Mr. Vice-Chairman, Sir, the debate on the Union Duties of Excise (Distribution) Amendment Bill would naturally raise, or bring to the fore, the fundamental question of the devolution of the financial resources between the States and the Centre. Not only has this question been raised in the course of this debate, but it is a fact well known to the Government of India and particularly to the Minister who is piloting this Bill.

Sir, the cardinal principle in the matter of devolution of the financial resources between the States and the Centre should be the question of the need of the particular State which the Government of that State is to fulfil. Now a simple answer may be given by the Minister that since the Fifth Finance Commission has deliberated upon this and has given a certain set of recommendations, there is no scope for further discussion on the matter of devolution. But I want to make out one point. The Fifth Finance Commission had to work under a set of constitutional provisions and under those constitutional provisions they had to make the recommendations.

But you would agree with me, Mr. Vice-Chairman, that there has been a vast change in the political situation of the country and there has been a vast change in the mood of the people. And a democratic Government cannot but respond to the democratic urges and aspirations of the people. After the Fifth Finance Commission, every important State has been taken by the Government of India in the direction of nationalisation of banks. After the recommendations of the Fifth Finance Commission, several State Governments are also taking certain steps in keeping with the new urges of the people. For example, the Uttar Pradesh Government has recently decided to do away with land revenue. The West Bengal Government has decided to do away with land revenue. Some other State Governments have already done that. Naturally these measures of the State Governments are likely to deplete the resources at their disposal. At the same time, the needs of the States are regularly on the increase. Now, if the Government of India really feels that steps are to be taken to fulfil more and more the needs of the people, the resources have to be expanded. But the resources of the States are limited. Those resources are inelastic. As has been correctly pointed out, the only elastic source for taxation by the State Government is sales tax. I think that has reached the peak. In almost all the States sales tax has been taken recourse to in a very large measure.

Therefore, there is no more scope for further taxation whereas the Central Government has got enough scope for raising its resources. Therefore, bearing this point in mind and realising and appreciating the difficulties of the States, the Government should redetermine, reformulate, the principle governing the devolution of resources between the States and the Centre. I wish the Government had taken into consideration this particular aspect. I find in this Bill an increase of only Rs. 45 crores is being visualised towards the States.

L/S/RSS-8

That means the particular aspect of the States' needs have not been properly taken into consideration. And for that the Government of India should find out some means by which this very important and vital question can be further deliberated upon and a new set of principles determined.

As far as the criterion for the devolution of resources is concerned, I think population has been taken to be the basis. Population alone should not be taken to be the basis for the devolution as has been pointed out by many Members. It is not only a question of population, but it is a question of the needs of the respective States. I agree with Mr. Kulkarni. He has made a very important point. An advanced State has its own problems to tackle. Unless the industrially advanced States are given certain concessions in the matter of devolution of resources, I think further progress of those States will not be ensured. But it does not mean that efforts should not be made for the eradication of regional imbalances. And merely the eradication of regional imbalances should also not be the sole consideration. Full consideration should be there for a further development of the developing States or partially developed States. Financial measures should not be a hindrance in their further progress. Therefore, what I urge upon the Government of India is that it should reformulate the basic and cardinal principle in the matter of the devolution of resources between the States and the Centre on the basis of the needs of the respective States. Population should not be the only determining factor because that would create difficulties in the more equitable distribution of resources between the States and the Centre thereby affecting and harming the federalism of our country. I request that the Government should take a serious note of this particular aspect.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): As we have exceeded the allotted time I would request honourable Members to con-

[Shri Akbar Ali Khan]

fine their remarks only to five minutes.

SHRI HAMID ALI SCHAMNAD (Kerala): Mr. Vice-Chairman, I submit that this Bill intends to give effect to the recommendations of the Fifth Finance Commission, and in this connection I would like to point out a few things. As my honourable friend has pointed out, when financial assistance is distributed to the States, it is the needs of the States which should be taken into consideration and not the population nor the area nor anything else. If a father has got five children, the financial aid is not given equally to all. If a particular son happens to be weak or disabled, special attention is given to him by his father or mother. So also, the Centre should consider which State is weak, and that particular weak State should be brought on a par with other States. So, when financial aid is given, the needs of the different States should be taken into consideration. In this connection I may point out that in my State of Kerala which is a backward State, the percentage of literacy is very high and the number of the educated population is also very high. But at the same time Kerala earns a lot of foreign exchange for the country. It produces tea, rubber, pepper, coffee and cashewnuts and exports large quantities of these products to foreign countries. By this Kerala earns foreign exchange for the whole of India. But the financial assistance being given to Kerala is not worth mentioning. In allotting financial aid sometimes political considerations come in. Sometimes if the Centre is frightened by a particular State, if that particular State is a force to reckon with, that particular State gets a larger quota. Definitely these and other considerations are coming in. This should not be there. The only consideration should be the weaknesses of the State, the poverty of the State, for distributing financial assistance.

I may also point out that the Kerala Government has drawn up a

master plan for fisheries development and the matter is pending with the Government of India. If that master plan is implemented, the food problem of Kerala would be solved once and for all. The problem of unemployment also could be solved to some extent and the wealth of India could be increased by implementing the master plan drawn up by the Kerala Government. In spite of repeated reminders the Government of India has not replied to that proposal so far. This sort of step-motherly treatment should be stopped and financial aid should be given according to the needs of the States. Thank you.

SHRI A. P. CHATTERJEE (West Bengal): Mr. Vice-Chairman, I am not going to take much time of the House because actually on the question of the Fifth Finance Commission, on the question of the devolution of resources, I have already tabled a Resolution and I hope I will get some time to speak at length on that subject how actually the financial allocation should be made between the Centre and the States. And I would only say a few words now. But before I speak on those few points, I would certainly begin by welcoming this Bill because it has gone ahead, at least to some extent, in implementing the recommendations of the Fifth Finance Commission—the additional duties of excise are being granted back to the States for being collected as well as for being appropriated by the States. I welcome this Bill so far as it goes.

I should also like to say that as far as Bengal is concerned, it is faced with a very big deficit in the budget. I am referring to the budget statement made by Mr. Ajoy Mukherjee, the Chief Minister. . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Mr. Chatterjee, you were not here; Mr. Bhupesh Gupta has already referred to it.

SHRI A. P. CHATTERJEE: Well, I will add a few words to what he said. West Bengal is faced with a

very big deficit, a deficit of more than Rs. 40 crores. We must also remember and I have also placed it before this House for being noted, that as far as the budget is concerned, the budget started with an opening balance of about Rs. 20 crores or a little more than that. And that balance of Rs. 20 crores has been handed over to us, along with greater liabilities, by the Government of Dharma Vira. It is true that as far as the Fifth Finance Commission is concerned, the Fifth Finance Commission has given us some grants no doubt. But even then as the Finance Minister of West Bengal has stated, because of the recent Pay Commission's award for the grant of dearness allowance at Central Government's rates to these employees, our expenditure on this account only will amount to Rs. 53 crores per year while the grant that has been given to us by the Fifth Finance Commission will not be more than Rs. 34 crores per year. Now, this is a drag. And it is also to be pointed out before the House as has been pointed out by the Chief Minister of the State of West Bengal in his budget speech that during the term of the Fourth Finance Commission or during the tenure of the award of the Fourth Finance Commission we have found that about six States had a surplus of Rs. 1,270 crores—of course, among them are Bihar and U.P. And even during the Fourth Five Year Plan out of what has been granted by the Fifth Finance Commission, they will be left with a balance of about Rs. 373.73 crores. Whereas these six or seven States are being left with this huge balance, as far as West Bengal is concerned, it has now presented a budget which has a deficit of Rs. 40 crores and I do not know how we can meet our Fourth Plan of Rs. 320 crores.

Already, Sir, we have foregone land revenue to a great extent and we are distributing land free. Therefore as far as agricultural land revenue is concerned, the flexibility has gone and we cannot expect much from that source. Therefore the

Centre has got to think a little more deeply how to allocate more funds to at least those States where the density of population is more, e.g. the State of West Bengal. The question of population will have to be considered along with the density of population. For example there may be a big country but there may be only 10 persons per square mile. But as far as West Bengal is concerned, we have lesser population than Uttar Pradesh or Bihar but our density of population—both in Bengal and Kerala—is much higher than elsewhere. And when such States are industrially advanced, the density of population gives rise to certain problems and those problems demand more attention. Therefore all these factors will have to be taken into consideration by the Finance Minister. Of course, I welcome this Bill so far as it goes. Thank you.

SHRI U. K. LAKSHMANA GOWDA (Mysore): Mr. Vice-Chairman, Sir, I won't take much of your time. This is a Bill which relates to the devolution of excise revenues between the Centre and the States. I do agree with my friend, Mr. Chitta Basu, that the present method of devolution of excise revenue and grants-in-aid is not adequate and satisfactory in view of the more developing needs of the different States. The criterion for this devolution is the population but for the development of a State that is not adequate. Actually the States are finding it difficult to raise their own finances and particularly in my State I say that there is agricultural income-tax and the sales tax has also reached its saturation point. So the State will have to depend more and more on the Central Government.

[MR. DEPUTY CHAIRMAN *in the Chair*]

Sir, by this method of allocating the resources on the basis of population the Fifth Finance Commission has actually reduced the percentage of Mysore from 5.4 to 4.5. This gives some indication with regard to the States. On this basis, Sir, so far as Mysore is concerned, the State will

[Shri U. K. Lakshmana Gowda]
be losing approximate about Rs. 15 to Rs. 20 crores during the period 1969-74. The magnitude of this loss to the State can be imagined when the excise revenues of the Centre are increasing.

Sir, referring to Mysore further, I would like to show how on this basis of allocation my State is suffering. If you look at the earlier figures, so far as Mysore is concerned, the First Finance Commission gave Rs. 5.53 crores, the Second Rs. 73.74 crores, the Third Rs. 81.23, the Fourth Rs. 215 crores and the Fifth Finance Commission has brought it down to Rs. 197.42 crores. If the devolution of excise revenues and grants-in-aid is made on the present basis, the States will hardly be able to cope with their development programmes. Therefore I would like to suggest that instead of having as the main criteria, as it has been taken into consideration by the Fifth Finance Commission, the *per capita* income and the integrated index of backwardness, the financial and budgetary deficit of each State should be taken into consideration. Mr. Kulkarni mentioned the backwardness in each State; Maharashtra or Mysore may be advanced States or developed States but definitely they have got certain areas which are backward and for the development of such areas more funds should be made available by the Centre. Of course, Mr. Bhupesh Gupta was asking for the printing press to be handed over to Bengal, which I am not going to do.

SHRI BHUPESH GUPTA: I said since it is not available to us, you should give us money. Jokingly I said, otherwise let us share the printing press.

SHRI U. K. LAKSHMANA GOWDA: I want more money to be given to Mysore because Mysore has got many development plans and many backward areas.

SHRI BHUPESH GUPTA: The difficulty with Mysore is that there is Mr. Nijalingappa and if we give the printing press to it, it will be very dangerous.

SHRI U. K. LAKSHMANA GOWDA: That might be the case with Mr. Jyoti Basu also. But here I am speaking about the difficulties of the people. The present method of devolution is wholly inadequate and unsatisfactory. I join with my friends in saying that what should be taken into consideration is the financial weakness and the budgetary deficit of each State as also its needs. Otherwise where are the States to raise their resources from? Of course the Centre has also its own difficulties; I do concede that point. But it should put in more and more efforts and raise more revenues and tax arrears should be collected and the public sector undertakings should be made to yield more and more; after all they have a wider sphere for raising resources than the States. Mr. Kulkarni was talking about the agricultural income-tax. Mysore also has got that tax. But with better and better implementation of the Land Reforms Act it will become more and more difficult to raise the agricultural income-tax, because the units are going to be small. Mr. Kulkarni referred to the Maharashtra State.

SHRI BHUPESH GUPTA: Maharashtra is a super State.

SHRI U. K. LAKSHMANA GOWDA: Maharashtra is a super State, but it has its backward regions also. I have no quarrel with them. All that I am saying is that there should be a better distribution and the States should get more and more from these excise revenues and grants-in-aid. Otherwise they will not be in a position to cope with their development programmes which are already there in the Fourth Five Year Plan. Thank you, Sir.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Sir, if the hon. Members have no objection, we can finish this Bill in just 10 minutes.

श्री राजनारायण (उत्तर प्रदेश) : नहीं नहीं, मुझे बोलना है इस पर। यह गलत बात है। नवाब साहब हमेशा ऐसी बात कहेंगे जिस से कि जनतंत्रीय प्रथा में बाधा पड़ती हो।

SHRI AKBAR ALI KHAN: You are speaking on the Haryana motion. आप दस मिनट रुक जाते तो यह पास हो जाता। कभी तो कोआपरेट किया करो, राजनारायण जी।

श्री राजनारायण : वह तो साढ़े तीन बजे से लिया जायेगा। उस पर तो हम बोलेंगे ही। इस पर हमको दूसरे दिन भी बोलना होगा।

श्री उपसभापति : 5 मिनट में क्या आप समाप्त कर देंगे ?

श्री राजनारायण : नहीं, इस में तमाम आर्थिक प्रणाली का सवाल आयेगा। इस में समय लगेगा।

SHORT DURATION DISCUSSION UNDER RULE 176 RE CONSTITUTIONAL IMPLICATIONS OF PROROGATION OF THE HARYANA LEGISLATIVE ASSEMBLY AFTER ADMISSION OF A NO CONFIDENCE MOTION

श्री उपसभापति : देखिये, मैं आप लोगों से एक अनुरोध करना चाहूंगा।

श्री राजनारायण (उत्तर प्रदेश) : कि बहुत से नाम आये हैं।

श्री उपसभापति : मेरे पास बहुत से नाम तो आये हैं और ढाई घंटे का समय इसके लिये है और अगर आप चाहते हो कि ज्यादा से ज्यादा सदस्य इस चर्चा में भाग ले सकें तो मैं सदस्यों से प्रार्थना करूंगा कि उनको 10 मिनट से ज्यादा नहीं लेना चाहिये। अगर उससे ज्यादा कोई लेगा तो उसका मतलब यह होगा कि वह दूसरे सदस्यों का टाइम ले रहे हैं, फिर दूसरों को बोलने का मौका नहीं मिलेगा।

श्री राजनारायण : हमारे लिये भी आप वही लागू करेंगे।

श्री उपसभापति : आप तीन चार मिनट और ले सकते हैं। आपको 15 मिनट तक दे सकता हूं।

श्री राजनारायण : श्रीमन्, मैं आपसे इतनी ही रिक्वेस्ट करूंगा कि मैं कोई बात रिपीट नहीं करूंगा।

श्री उपसभापति : कृपया 15 मिनट से ज्यादा नहीं जोजियेगा।

श्री राजनारायण : श्रीमन्, मैं मंत्रिपरिषद् के विरुद्ध अविश्वास का प्रस्ताव गृहीत हो जाने के पश्चात् हरियाणा विधान सभा का सत्रावसान कर दिये जाने के सांवैधानिक निहितार्थों पर चर्चा प्रारम्भ करता हूं।

श्रीमन्, राज्यपाल महोदय ने सत्र का अवसान कर दिया। किस स्थिति में किया, क्यों किया? इसको समझना हमारे लिये आवश्यक है। अगर हम केवल यों ही खड़े हो कर कह दें कि राज्यपाल ने जो सत्र का अवसान कर दिया यह बिल्कुल गलत और अनुचित था और अजनतंत्रीय था तो इससे सम्मानित सदस्यों को संतोष नहीं होगा इसलिये मैं पहले उन स्थितियों को सदन के सम्मानित सदस्यों की सेवा में प्रस्तुत करूंगा जो कि सत्रावसान के पूर्व की थीं।

यह देखा जाय, हरियाणा एक छोटा सा प्रदेश है, राज्य है, और आज हरियाणा को किस मुहोबत में रखा गया है, उसको मैं पहले बताऊंगा। जरा सुना जाय। 13 फरवरी से यह सदन आरम्भ होता है और 13 फरवरी को राज्यपाल का भाषण होता है। 14 और 15 को छुट्टी है और फिर 16 से लेकर 20 तक सदन चलता है। फिर 21 और 22 को छुट्टी है। फिर 23 को शुरू होता है और 27 को समाप्त हो जाता है, साइनेडार्ड हो जाता है, वहां के अध्यक्ष महोदय सदन को साइनेडार्ड एडजर्न करते हैं और उसके बाद राज्यपाल महोदय उसको प्रीरोग कर देते हैं, सत्रावसान कर देते हैं, यानी कुल 11 दिन