

SHRI A. P. CHATTERJEE: That is true, but this mainly refers to an observation made by me yesterday and before you gave him any permission I should have . . .

MR. CHAIRMAN: What I am going to tell him is this. I am going to tell him that I shall look into the matter. And later on if necessary, if you are involved in the matter I shall call you.

SHRI ABID ALI: I did not speak before him; I did not utter a word when he was speaking, in spite of that he said "Mr. Pande and Mr. Abid Ali who both are of the American lobby . . ."

श्री राजनारायण : तो क्या हुआ ।

II. श्री आबिद अली : घरे भाई,
तुन तो लो, हम भी सुनते हैं ।

Then he says: "It is a little uneasy for them whenever there is a censure of the American interests . . . Let them not listen always to their master's voice and ..." Then I started speaking having been called upon to speak and then he said: "... it is the voice of Washington." And again he remarks: "... and he is a person who always jumps up at the bidding of his masters . . . We know who are the CIA agents . . . Take wisdom from Washington." And lastly he says—and it is very serious—"I treat the words of a CIA agent with the utmost contempt."

Sir, only a minute I will take. It is unbecoming of a Member to make such a statement particularly concerning a Member of this hon. House and to make such aspersions continuously. These are not only untrue but also defamatory. Apart from that it is a question of privilege as well—I want this. Let the hon. Member accept this challenge and come before you and I request you to kindly . . .

(Inter ruptions)

SHRI A. D. MANI (Madhya Pradesh)
: Privilege Committee.

SHRI ABID ALI: If he has any grain of decency he should accept the challenge either to prove it or he should apologise.

MR. CHAIRMAN: All right, I shall look into the matter.

The House' stands adjourned till 2 P.M.

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

The House reassembled after lunch at
two of the clock, THE DEPUTY
CHAIRMAN in the Chair.

THE FINANCE BILL, 1968—contd.

THE DEPUTY CHAIRMAN: Dr Saiyid Nurul Hassan. I am afraid Members will have to restrict their speeches to the time-limit. Even if it is a maiden speech, it will have to be done within fifteen minutes.

PROF. SAIYID NURUL HASAN (Nominated): Madam Deputy Chairman, I am grateful to you for giving me this opportunity to address this august House for the first time. The Finance Bill has painted, I am afraid, a gloomy picture of our financial resources, a gloomy picture of the country as a whole. I would like to take the time of the House to draw your attention, Madam, to an important goal which the country had set before itself a long time ago. That goal is still accepted in theory, but in practice it is not given as much attention as should have been given, i.e., our Investment in science and education is far from adequate. We are proud of the fact that when during our national movement we thought in terms of planning our economy, the Planning Committee was appointed in 1938

decided that without science and education a planned economy could not grow and develop. In 1956 our late Prime Minister, Jawaharlal Nehru, explained the need for such a policy by saying: —

"The difficulty is that if we lay too much stress in present day safety, which ultimately means the purchase of big machines of various types from abroad in adequate quantity, we undermine the economic progress that we envisage."

He, therefore, stressed the importance of science and scientific research for the progress of the country. Later, the Government adopted the Scientific policy Resolution in 1958 in which it is stated: —

"Science has developed at an ever increasing pace since the beginning of the century, so that the gap between the advanced and backward countries has already been more and more. It is only by adopting the most vigorous measures and by putting forward our utmost efforts into the development of science that we can bridge the gap. It is the inherent obligation of a great country like India, with its tradition of scholarship and original thinking and its great cultural heritage, to participate fully in the march of science, which is probably mankind's greatest enterprise today."

The Education Commission has also stressed the same point: —

"The destiny of India is now being shaped in her class rooms. This, we are told, is no mere rhetoric. In a world based on science and technology, it is education that determines the level of prosperity, welfare and security of the people. On the quality and number of persons coming out of the schools and colleges will depend our success in the great enterprise of national reconstruction, whose principal objective is to raise the standard of living of our people."

There is no doubt that this commitment to science and education has led to remarkable progress during the last twenty years. Notwithstanding this progress, what remains to be done is very much more than what has been done and we will be resting on our laurels only at the risk of our future. Furthermore, as a result of the immediate difficulties, we seem to be sliding back from the commitment that we gave to science and education. The expenditure on education, I am afraid, has not been increasing as much as it should have, although the increase is remarkable. In 1950-51 1.2 per cent of the national income was spent on education. In 1965-66 it had risen to 2.9 per cent. This is a considerable increase, but it is by no means an adequate increase. If we compare the expenditure on scientific research, we will observe that against our expenditure of 0.35 per cent of the national income on scientific research, the Soviet Union is spending 2.8 per cent, the United Kingdom 2.9 per cent and the United States 2.7 per cent. Some time ago the Chairman of the Atomic Energy Commission, Dr. Vikram Sarabhai, stressed— I quote:

"If India wishes to take off with a sound base of science and technology applied not only to industry but to all other fields of production which have a vital bearing on the economy of the country, such as agriculture and animal husbandry, it would require within a period of perhaps ten years to come up to research and development expenditure as a per cent of gross national product from the level of about 0.2 per cent to a level of about 1 per cent."

This, Madam, is the situation that our investment in science and education is not adequate, and there does not seem to be a realisation in the country, specially in high quarters, that this position must be rectified.

SHRI M. P. BHARGAVA (Uttar Pradesh): That is the exact complaint.

PROF. SAIYID NURUL HASAN: Madam, we must achieve scientific and technical self-sufficiency. It is vital for our economic, industrial and agricultural progress as well as for Our defence. We cannot hope to build up our defence potential merely by importing defence equipment whose replacements and supply of spare parts can be cut off at the whim of the supplier. It is too serious a matter to be left to the will of other Powers who supply us with defence equipment. The real defence of the country lies in its technological, industrial and economic self-sufficiency. »nd we must pay far greater attention to this matter than we are doing at' the moment.

In the field of industry, many of our industrialists seem to be relying far too much on foreign collaborators and on importing technical know-how. There is not adequate utilisation of scientific research which is -being carried on in this country. The scientific manpower is not being absorbed. Even though we are only sending, about 2 per cent of our people in the age group 18—22 to colleges against a minimum of 8 to 9 per cent, we are having the problem of educated unemployment, especially the problem of brain drain whose existence, I regret to say, is being denied by some people in authority. There is also the problem of unemployment of engineers. This, Madam, is a serious situation. We have got to use our technical manpower and scholars and our engineers in the task of national reconstruction. We must also involve our young scientists in the formulation of scientific policy which should no longer remain confined to a few distinguished people at the top howsoever able they might be. We must create a proper base for the development of science in our schools. Unfortunately no effort has been made to promote a scientific outlook in our schools. They are still dominated by parochial and superstitious considerations. Unfortunately the overwhelming majority of our high schools do not have science laboratories, and

scientific experiments if at all conducted are merely shown to students rather than encouraging young students to solve the problems fo* themselves. Further.our science curriculum, as the curriculum i_n other subjects is obsolete, and there is not the same urge in high places to ensure that the modern concepts of science reach the school stages as early as possible.

There is very little interchange between science and industry, between the universities and practical life. We, Madam, the university people, I am ashamed to say, are equally responsible for this. We have made oar universities rather hide-bound. We demand that only such persons should enter the higher rungs of the academic profession as have already been in the profession for a long time; but without an interchange between science and industry, between universities and practical life, between National Laboratories and university Departments, it will not be possible for the country to progress. Particularly important in this respect, Madam, is that the National Laboratories should function as consultants to the public sector undertakings.

Borderline subjects must be developed. Those days are gone when medicine and science and technology and humanities were considered to be totally separate from one another. For this reason, single faculty colleges and universities should no longer be encouraged, and the curricula should be modified to enable people to study subjects on the basis of multiple disciplines.

All education, whether it is scientific or medical or technological, should be brought under the umbrella of the University Grants Commission so that there may be proper co-ordination. At the same time through you, Madam, I would appeal that a National Science Council be set up to co-ordinate ali research between National Laboratories, between private sector research

and between the universities. This Council should define national objectives, short-term as well as long-term, and submit annual reports to Parliament so that the discussion is not carried in terms of individuals but remains concentrated on the achievement of basic and fundamental objectives.

Before concluding I would like to draw the attention of the House to the most important task of education, namely, to spread enlightenment, to train minds to think, to get rid of narrow prejudices. In this respect I am sorry to say that our textbooks, our schools and our colleges have not been spreading the message of enlightenment but of separatism, of parochialism, of obscurantism, and of backwardness. It is necessary that lead should be taken to ensure that the task of national integration is furthered by promoting a scientific and an objective outlook and by combating narrow prejudices and bigotry.

Finally, Madam, I would draw your attention to this very important document, the Report of the Education Commission, which has been before the Parliament and before the Government for quite some time. But unfortunately time is slipping and action is not being taken with any sense of urgency to implement the more important and major recommendations of the Education Commission.

Thank you.

DR. ANUP SINGH (Punjab): Madam Deputy Chairman, I would like to utilise this opportunity for making some remarks about three or four subjects: firstly, the performance of the Income-tax Department; secondly, the prospects and future of agriculture; thirdly, the desirability and some of the hazards of foreign collaboration; and finally, a word or two about our commitment to planning and where we actually happen to be at the moment. As far as the Income-tax Department is concerned, only recently 70 Members of Parliament sent a memorandum to the

Deputy Prime Minister urging him and requesting him to appoint a high-power Commission to look into the functioning and performance of the Income-tax Department. I happen to be one of the signatories. I shall not take the time of the House in reading the full text of the letter, which will not be necessary, but with your permission, I would like to refer to two or three salient points which have been embodied in that document. Firstly, we stressed that from the Seventeenth Report of the Public Accounts Committee (1967-68) and also from the Report of the Working Group of the Administrative Reforms Commission it appears that the number of assessments pending at the end of the year 1961-62 was 7,12,407; at the end of 1962-63 it was 9,98,659; at the end of 1963-64, 12 lakhs; at the end of 1964-65, 17 lakhs; at the end of 1965-66, 21 lakhs and at the end of 1966-67 it was 23 lakhs, 46 thousand. This is the picture. It also appears that the position of the arrear outstanding demand presents an equally dismal picture. I will not quote figures but I just want to draw the attention of the hon. Finance Minister to the position where we are; it is also the same as in the case of assessment. And we have also tried to underline the point that in spite of recruitment to the Income-Tax Department, the work does not seem to be satisfactory and up till now, to our knowledge, no adequate probe has been made into the functioning of such a Department. There have been Commissions, there have been Committees but the ramifications of this particular Department are so wide and so complex, that any kind of probe requires an expert knowledge; up till now, Parliament at least has not been presented with a thorough and overall picture of the situation.

"In spite of stupendous tax evasion, there has not been a single case of prosecution or concealment of income ever since 1940, the year of the creation of the Directorate of

LDr. Anup Singh.] Inspection, although the pre-1940 period of the life of the Department was credited with such cases in fair numbers"

In other words, though there have been a number of cases which have been mentioned in the Press and in Parliament, there has not been a single case of prosecution since 1940 and that I think is really a very revealing feature.

Therefore, I would request the hon. Finance Minister to give this letter the attention that it deserves by ordering a thorough probe into the performance and functioning and the inadequacies of the Department of Income-tax. I would personally like to leave it to him how best to find out what is going on and how to improve the situation.

Secondly, about agriculture, Madam Deputy Chairman, I would like to mention here one of the things from my own personal experience not because I want to pat myself as a farmer—I have a very small farm—but this will give you an idea as to what can be done on proper selection of seeds and the proper application of fertilisers and irrigation. In 1965 I had 10 acres of land which gave, so far as I remember, 181 maunds of wheat. I mention maunds because the man on the spot knows only maunds and not quintals. From the same area, from the same quality of land, we got 320 maunds in 1967. And this year the yield is expected to reach about 450 maunds, with exactly the same area, the same man-power but with the proper selection of seeds and irrigation, etc., etc.,

SHRI K. DAMODARAN (Kerala): Expenses?

DR. ANUP SINGH: Expenses have gone up. But taking into consideration every aspect of the situation, the proper selection of seeds, irrigation and fertiliser at reasonable prices, our production can double. And I am persuaded to think from my limited experience and that of those around

me that if Government gives these farmers some facilities, not in theory but in practice, some credit, fertilisers at subsidised rates, electricity at reasonable rates and proper type of seeds, India can not only become self-sufficient but I am persuaded to think that we can even begin to export wheat. That is not indulging in any manner of romantic gesture; I think it is a possibility well within the reach of our farmers provided they are given facilities. I know that we call agriculture as the linch-pin of our economy. We have said that we are going to give it priority. I am glad that we are waking up to the realities of the situation. But I am afraid, up till now we have not really done for the farmers what we should have done for them and I think a beginning has to be made and we will be well on the way to success in this particular field.

Now, Madam Deputy Chairman, about foreign collaborations, I am not one of those who subscribe to the idea that any kind of collaboration is invariably detrimental to our interests. I think in this age of dependence we have to collaborate with other people, with other companies, with other Governments. The only requirement and pre-requisite to any kind of collaboration is that our own national interest must be safeguarded. From my little study of some of the collaborations, I feel that our interests have not been sufficiently safeguarded. There are people in the Opposition who have accused the Government of capitulating to the pressure of foreign governments and foreign investors. I do not share that kind of cynicism because I believe—not only believe but I know—that the leaders of our party—I am not speaking as a partisan—are men who have made tremendous sacrifices, they have come through the mill; they are not made of wax so that they can be easily manipulated to suit other peoples' and other countries' interests. But at the same time I think they should be vigilant and aware all the time of what is actually going on.

We have had a very thorough discussion about the working of the CIA. But I just want to quote one or two very small lines to indicate what exactly where we are and what the Americans think with respect to us. This is from a book called 'Politics and Economic Change in India' by Mr. George Rosen. He says—

"In spite of the higher quality of India's economists and officials, the United States must play a more active role than heretofore in influencing Indian plans and implementation policies on development."

I omit a great deal, but the last sentence is—

"This means that the United States must have in New Delhi personnel on both the economic and political levels capable of analysing Indian plans and policies and suggesting specific changes."

This is a very recent book.

Then, just one more quotation—I think this is fairly important—from the U.S. News and World Report issued recently:—

"What is needed, according to most Westerners in India, is economic 'liberation', an end to Government's hostility towards free enterprise, a relaxation of economic regulations and controls, new and more realistic land policies."

I am not saying that this is the declared policy of the Government of the United States of America. But there is enough evidence which has been accumulating to show that they are interested—whether they succeed or not. That is entirely up to us—in manipulating and shaping our policies to suit their own interest and that is why, I think, we have to be very vigilant.

Finally, Madam Deputy Chairman, about planning all that I would like to say is that the Indian National

Congress was committed to planning long before independence. There was the Resolution of Karachi. Then recently there was the Bhubaneswar Resolution. There is a general feeling—and I think there is a good deal of justification also—even discounting the difficulties that the Government had to encounter, that the implementation of those policies has been faulty and haphazard and that we have not always lived up to our commitment. I think it is very essential for the Minister of Finance and our other leaders to dispel these misgivings and to reassure the people that planning is a definite commitment, that no developing country can do without planning in spite of protests to the contrary from some Members of the Opposition. Thank you.

SHRI BALACHANDRA MENON (Kerala): Madam Deputy Chairman, it was said the other day that massive mobilisation of resources to bridge the gap would hurt the economy. Now the position is this. If we are not able to have the maximum mobilisation of resources at such a time when the agricultural production has improved, when there is a possibility of mopping up the resources from the agrarian sector and especially from the richer peasants we will never be able to go forward.

Madam, the Finance Minister mainly depended on further excise duty of Rs. 36.43 crores, customs duty of Rs. 19.30 and only Rs. 10 crores from direct taxes. The increase in postal and telegraph rates will give Rs. 2.4 crores. This is what he proposes. The concessions "are only to big business.

To the corporate sector he has made a great gesture by discontinuing the dividend tax on excess distribution of equity dividends and by reducing the surtax on company profits from 35 per cent, to 25 per cent. His other concessions included deductions from business profits of companies for providing agricultural inputs, extending the development rebate at the higher

[Shri Balachandra Menon.]

rate of 35 per cent, to the manufacturers of oilcakes and vegetable oils, processed concentrates for cattle and poultry feeds and processed fish and fish products for promoting exports.

Grant of an export market development allowance and exemption from tax on the whole income accruing to Indian companies through technical services sold abroad are the other concessions.

There are also some minor concessions on direct taxes. He has brought six more commodities (confectionary, chocolates, parts of wireless receiving sets, and also unmanufactured tobacco dust) under stepped up duty. He enhanced the basic duty on jute manufactures and stepped up the duty on "air-conditioners and refrigerators.

There is a sharp increase in the postal rates. This is what has been done. These are in brief the Budget proposals. Madam, if with a bumper crop we are not in a position to go in for further investment, I wonder when we are going to find a better time. The Rs. 50-crore increase proposed in the Plan expenditure is sure to be eaten away by inflation. The national income is bound to fall and not increase.

Madam, actually the dividend tax relief, which amounts to Rs. 2 crores roughly will benefit only a few big industries. The greatest single beneficiary will be the Burmah-Shell refinery which will get about Rs. 31.6 lakhs followed by Century Spinning and Weaving Mills and the TELCO and the TISCO.

Madam, while formulating the Budget for 1968-69 the Finance Minister has placed before himself and the country seven national issues which are:—

- (i) countering tax evasion;
- (ii) simplification of tax structure;

(iii) mobilisation of savings;

(iv) stabilisation of prices;

(v) promoting exports;

(vi) promoting higher agricultural productivity and stimulating industrial production; and

(vii) revival of economy.

Can any of the seven items be realised? That is what I would like to know. As for tax evasion I am sure that it is not possible to dig out the concealed incomes whatever threat we might give.

Yesterday there had been a good deal of speeches about the terrible hardship that the industrialist might be exposed to and that when he is asked to reveal his income he might be harassed. Every one knows that during all these years since 1940 there has been no prosecution. Tax evasion continues. The Swatantra Party's criticism is meant to shield the tax evader. I am sure, in spite of all the efforts that we might try to make, there is no way of getting at those people who have been always evading taxes. Already the tiger has licked the blood and what it wants now is that it must eat up the master himself. The Swatantra Party has got certain concessions for big business. Now they are going to demand much more concessions which will whet monopoly appetite still further.

श्री जगदम्बा प्रसाद यदव (बिहार):
आप जो चाहते हैं वह कहिये ।

SHRI BALACHANDRA MENON: I do not follow you.

SHRI J. P. YADAV: What are your proposals?

SHRI BALACHANDRA MENON: I have got every right to speak about your things and I have every right to criticise the help given to the private sector which has proved to be most inefficient and which is **alw**>

corrupt. When demands are placed before this House that greater concessions be given to private sector, I am entitled to say that that will be the greatest danger to our country. What has really happened in the textile industry? During the last 50 or 60 years of coming into existence of this industry we have seen how corrupt it has become and it is high time that this private sector in the textile industry was controlled to some extent by setting up a national sector in the textile industry. So also in the case of the sugar factories. Every industry in the private sector is corrupt. It is corrupt and inefficient. It is time that we find out the amount of corruption and inefficiency that is there. While we have been saying that in the public sector there is inefficiency, I would like to say that in the entire private sector there is not only inefficiency but there is corruption. And that is a greater danger to the country. Madam, the reduction of surtax even from 35 per cent to 25 per cent, especially when it is coupled with the abolition of excess dividend tax on public companies, might encourage them to spend their money in consumption. There is always that danger. Our industrialists have not been utilising this money in the interest of the industry itself. Whatever help is given is wasted by them in building big bungalows and not in ploughing back the profits that they have earned. The deficit of Rs. 200 crores will not in any way help to stabilise the economy. There is bound to be more inflation.

Now we have been depending too much on the possibilities of export. When already sterling is devalued, when the dollar is already being threatened with devaluation, when every attempt will be made even by those advanced capitalist countries to export as much as possible, is it possible for us to get into this world market and find out whether we will also have a share in it? It will not be possible. The traditional goods

which we have been exporting cannot stand the competition that we are having from the other South-east Asian countries. For example, take the tea industry. We have already gone to the second place. Our tea industry has not been rehabilitated. There has been absolutely no re-planting and for the last 50 or 60 years, this industry has not been able to make any advance. And the European employers who are mainly in the tea industry and the tea estates, have never cared to improve the tea plantations. It is necessary that in such cases we should take very strict action in the interest of our economy and take over such big plantations. This is an absolute necessity at this stage if we want to improve our tea exports. This is the case with some other export commodities too.

The rate of growth of industry can at best be only 5 per cent or less and, therefore, it cannot absorb the new money supply. Even in 1965-66 when we had deficit financing of almost the same order, there was an abnormal rise in the prices. The same thing will happen now. This Budget cannot revive agricultural or industrial production. It cannot fight inflation. This is the position. Therefore, the question that now arises is. As we are at the cross-roads now, have we got the courage to take a new line? But we are just proceeding as before. We should have a strong, independent economy which will stand on its own legs. But what is being done is not in this direction. The collaboration agreements as was pointed out, Madam, have only resulted in our surrendering more and more to the pressures of the imperialists. Therefore what we are required to do is to have a production oriented economy in which the faith will be on the worker. It should not be merely on the employer. Now, the person who can catch the employer when he is trying to black-market the goods or when he is trying to pass off the goods at higher prices is the very worker there and you must

[Shri Balachandra Menon.] have greater faith in him. But what have we done? There is almost a kind of wage freeze. The worker will not be in a position to make both ends meet when the prices go up. Every time when the prices increase, it is he who is affected. The real value of his wages goes down. So, I would say that we should insist on a minimum wage which will satisfy the requirements of the worker and his family. We must also try to bring down the prices. That alone can save the middle income group. That can be done only when we take a very strong stand against the monopolists and when we control the high profits. If that is done, it is quite possible that we can stabilise the prices.

The export-import trade should also be taken over by the State. There is no point in saying that we will have such a mixed economy that will allow both the things to go together. The time has come when the dominant sector will have to be the State sector, when the export-import trade will have to be taken over by the State, when the wholesale distribution of grains will have to be taken over by the State and when banks will have to be nationalised so that these private people are not in a position to make use of the people's money and then subvert our economy. I would suggest that the co-operative sector also will have to be strengthened.

Now with all the technicians and engineers who have no jobs now, it is quite possible for us to build up a powerful co-operative sector in which they themselves can be the workers as well as managers, in this way we can have a powerful cooperative sector. The technicians are there; those who are coming out from the industrial schools and polytechnics are also there; with their help we can certainly build up a co-operative sector which will be something different from the economy which the Swatantra Party would like to have in this country.

THE DEPUTY CHAIRMAN: Your time is up.

SHRI BALACHANDRA MENON: I would request even at this time that some bold steps should be taken and our resources should be made use of in such a way that will strengthen only the State sector, that will strengthen the co-operative sector, that will to an extent put a restraint on the monopolists, that will not allow the imperialists and the foreign capitalists to bleed the country as they have been doing all along during these past 100 years. They have been doing so and they will continue to do so, if the same state of affairs continues in the country.

SHRIMATI LALITHA (RAJAGOPALAN) (Madras): Madam Deputy Chairman, I rise to support this Finance Bill. In doing so, I would like to deal only with one part of it, i.e., the Income-tax Department. In my opinion, the flaws in the methods of income-tax assessment are the cause for the increase in the arrears of income-tax. There is also evasion of income-tax to counter which suitable methods will have to be devised and implemented. Lastly, there is a lot of black money which is still to be unearthed. If we go through the Report of the Public Accounts Committee, 1967-68, we find that 50 per cent of the income-tax arrear cases are still pending. We also find that there is no proper planning and coordination among the income-tax officers prior to the assessment and collection of arrears. When the Revenue and Expenditure Secretary was called to give evidence before the Public Accounts Committee, he said "The problem is not so much of collecting arrears—though it is important enough—as of being able to assess tax income which is escaping assessment." So, that clearly shows that they have not found any method to see that this escapement is avoided.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair].

My hon. friend, Mr. Anup Singh, has given figures about the arrears. The arrears have increased from Rs. 322.72 crores in 1964-65 to Rs. 381.88 crores in 1965-66. This clearly shows that the methods adopted by the Board of Direct Taxes in the past have not given any significant results in regard to collection of taxes. At the same time, the penalty has not been deterrent. Now I come to the Voluntary Disclosure Scheme. This Scheme was initiated by the Government with all good intentions but I would like to say that the results have not been significant. Of course there is no structural weakness in the Scheme because there is the Wealth Tax, the Gift Tax and Expenditure Tax. But at the same time there is still a lot of black money which is circulating and which the Government is not able to control in any way. In this connection, the Secretary, Revenue and Expenditure has stated:

"Despite all this, we recognise that the tax-evaders are using their ingenuity to put away sums in black money."

Again he says that in spite of the concessions given this Scheme has not proved successful. This is what he says:

"So I would not at all share the view that these Voluntary Disclosure Schemes have been very great success in absolute terms. It is true that some amounts have been disclosed and that a good sum of money was made available to assist the resources position of the State. But no one has any near precise estimate of how much is floating around us as black money. But judging by whatever impression one can form, I am inclined to think that the amounts that are disclosed are far less as compared to the amount which may be in circulation as black money."

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This clearly shows that the black money in circulation is more than what has been disclosed and I am sure the Finance Minister will look into this matter and adopt some rigid measures to see that this black money is unearthed.

Then they have of course in a way established an Intelligence Directorate with a Deputy Director and five Assistant Directors in four centres, Madras, Bombay, Calcutta and Delhi. The Secretary, Revenue and Expenditure, commenting on this, has stated to the Public Accounts Committee:

"We are at the threshold of the problem."

After such a long time it is said "we are at the threshold of the problem." I am sure the Finance Minister will take note of this comment made by the Revenue and Expenditure Secretary.

Then the Public Accounts Committee has also made a very good suggestion about the Voluntary Disclosure Scheme. They have stated:

"While adopting adequate administrative safeguards to arrest tax evasion it would be well worth while to adopt measures which will make evasion unrewarding and unattractive."

I think this is a very good suggestion and I am sure the Finance Minister will think on these lines and evolve some method to see that tax-evasion is made unrewarding and unattractive.

Now, Sir, I learn from the Public Accounts Committee that two experts from the USA came here to study the internal structure of this Department and some officers from here went to the USA for training. They have come back also. I do not know how far their studies abroad have been utilised here. But I find from the Committee's report:

"Although, the number of cases of concealed income detected dur-

- [Shrimati Lalitha (Rajagopalan).] during 1965-66 increased to 24,165 from 13,666 in 1964-65, no prosecutions were launched."

. When there are no prosecutions, I just cannot understand why we send our experts from here to study these things^m America.

(Time bell rings.)

Now, Sir, the Committee says in the Report:

"The Committee desired to be furnished with a note giving details Of the cases of the 14 companies in the case of which a demand of Rs. 4,10,033 was written off. The note furnished by the Ministry gave details of only one case in respect of Which complete information was available with the Ministry."

— The details of only one case were given. What had happened to the re-remaining 13 cases?

Now about the refund cases it has been stated in the Report as follows:

"Out of total refund of Rs. 285.26 lakhs in 73,444 cases during 1965-66, interest of Rs. 261.50 was paid in 21 cases only."

This shows that 73,423 cases are still pending for refunds. If the Government is not going to expedite those cases, the Government has to pay interest. I cannot understand why we should do that.

Lastly, Sir, I would just like to point out one or two things before I resume my seat. There is a lot of wasteful and uneconomic expenditure incurred by the Government. I am sure the Finance Minister will see to it. that this kind of expenditure is reduced. Recently a Soviet team came over to India to study the public sector undertakings. They studied some of the major projects in the various States and they came to the conclusion that inexperienced man-

agement and lack of discipline among labour and also overstaffing were the main reasons for the poor performance of these public sector undertakings. In this connection they have I stated as follows. . This is what is stated here:

"Overstaffing in many of these undertakings has also been alleged. The team says, in many instances, labour employed for short-term work had to be continued and this was a big drag on the public undertakings. Either they should be found alternative jobs or made to undergo such training programmes as would facilitate their fitment with the undertaking on a long-term basis."

So I feel that this is a big drain on our economy. I am sure the Finance Minister Will look into this matter and see that this wasteful expenditure is reduced to the minimum. At the same time the Administrative Reforms Commission has suggested that the Planning Commission staff can be cut by half, that means 50 per cent. cut. I think the Planning Commission should not function as a secretariat but it should function as a very high-powered body and it should consist of only experts and I ' agree with the Administrative Reforms Commission that 50 per cent, cut should be there in the staff.

Lastly, I would just like to say "that tax arrears and tax-evasion are ' on the increase and how can we under such a state of economy afford to ignore this? I hope the Finance Minister will take suitable measures for reorientation of the Income-tax Department and he will also see to it.that the black money is unearthed and severe punishment is meted out to the people who really evade income tax and who are really a drain on our economy. Some steps should be taken to save all these crores of rupees which are of vital importance for the development of our country.

Thank you.