

THE DEPUTY CHAIRMAN : Now we pass (ni Io the next item.

SHRI BHUPESH GUPTA : No, no, we are suggesting that a full-fledged member should be on the Commission to contribute his expert opinion or expert knowledge to the Commission. We know this, Madam, that anybody can go and give evidence. This much we all know that anybody can be called to give his evidence or can be asked to give his opinion. We need him here in order that the judicial mind over this specific matter can be properly brought to bear on the issue here. This is the demand we make. Of course we have a lot of other things to say, corruption, manipulation, favouritism. And the Americans are very much on the scene.

SHRI ABID ALI : I have a submission to make. Now that suggestion has been made, and if the honourable Minister accepts it, perhaps he may have to appoint someone from amongst the public sector officials. And then these friends will say that Government has taken their own man. That way also it will be difficult; they should remember.

THE DEPUTY CHAIRMAN : I think we have had enough discussion now. It seems that there is unanimity about the suggestion made to the Minister and the Minister has accepted that the suggestion will be considered seriously and I think we shall leave it at that. Now, Mr. Banka Bchary Das.

SHRI BHUPESH GUPTA : For the present we leave it at that.

THE DEPUTY CHAIRMAN : That will do, Mr. Gupta.

SHRI BHUPESH GUPTA : All right, Madam. I accept and say for the present we leave it at that.

SHRI ABID ALI : No, no. Don't leave it at that. Go on digging the *prw* and bury yourself.

THE BUDGET (GENERAL), 1968-69—:continued SHRI BANKA BEHARY DAS :

Madam, I was referring to the wholesale price index and saying that it is clearly seen that except in the case of foodgrains there is no tendency for a fall in the prices of other commodities, either raw materials of industry or industrial products. There is deficit financing to the extent of Rs. 290 crores and I do not know if it will not go up still further towards the latter part of the year. So this will have a very adverse effect on the price level in the country.

Next I come to the question of taxation. I have already submitted that Finance Ministers, whenever they want resources they try to have more taxes and the incidence of those taxes is on the common man and at the same time they pamper the capitalists and the vested sections of society. In this Budget also we find the same thing. Out of the total additional taxation to the tune of Rs. 62-75 crores, about Rs. 10 crores are from direct taxes and the rest is to be through indirect taxation. Here also you will find that in the name of revival of the capital market, the tax burden on the richer sections of society is being lessened. You know what has happened to the dividend tax. The annuity deposit scheme which is a favourite scheme of the Finance Minister has also been given the go by. On the other hand you will find what has happened to the indirect taxes. I agree that certain luxury goods have been taxed. I have nothing to say against that and I welcome it. But certain other categories of commodities have also been taxed which go to raise the consumer price index. Here I would particularly refer to the postal rates. The Finance Minister in the other House said that the increase in the postal rate is not going to affect the common man. I am astounded to hear

that from him, because I know even if this rise in the post card which is virtually the only means by which the poorer sections of our population can communicate among themselves, would virtually mean an increase by 50 per cent. Also newspapers, especially the small newspapers have been taxed heavily. I am not holding any brief for the bigger newspapers, but the small newspapers have been particularly hard hit. You know there was an enquiry committee with regard to the small newspapers and that committee advocated that even this two paise for the despatch of a newspaper was too heavy a burden and that committee recommended that it should be lowered to one paise for the small newspapers. But the Finance Minister has gone to the extent of raising the postal rates for newspapers also. The net result will be that the bigger newspapers which have all these advertisements both from the private sector and from the public sector, will flourish and they will be able to bear the burden to a certain extent. But the smaller newspapers, the small dailies and weeklies, which depend on other sources, they will find it hard to bear this burden. Also the poorer sections of our people will feel the burden. The net result of the rise in the postal rates will be that this additional burden will impinge very much on the small newspapers and on the poorer sections of our society. I would submit that even if the Finance Minister wants to raise the postal rates, the small newspapers should be exempted from this higher taxation.

In his attempt to increase indirect taxes the Finance Minister has not forgotten even the children, because we find that chocolates have been taxed. I do not say that the children of poor folk eat chocolates. But this only shows how the Finance Minister is keen to

utilise this surgery to tax even the children in our society.

SHRI K. S. CHAVDA (Gujarat) : But the children are not paying the taxes.

SHRI BANKA BEHARY DAS: But it is an indirect tax on the children. The moment you impose a tax on the father the children are going to suffer.

श्री विमलकुमार मन्नालालजी चौरङ्गिया
(मध्य प्रदेश) : भाई, बच्चों के पैसे बंधे हुए हैं, उन्हीं पैसों में से तो देना पड़ेगा उन्हें।

SHRI BANKA BEHARY DAS: My honourable friend there can at this rate say, let us raise the fee of school children because the parents pay the fees not the children. Certainly this is not a proper argument to be put forward by a Congress Member.

SHRI BRAHMANANDA PANDA (Orissa) : A father earns not only for himself but for the whole family.

SHRI BANKA BEHARY DAS: Not only from the point of view of the consumers but also from the point of view of small scale industries, these taxes are unwelcome. Take the case of the embroidery which is now coming up in the country. It is not a big industry. This tax of 20 per cent on embroidery will not only raise the price of these goods but the net result will be that this small scale industry which is still in the growing state—at a later stage you may tax it—will be adversely affected by this imposition. Once you tax embroidery you will bring it out of the definition of textile goods and the result of that will be that there will not only be this 20 per cent tax on embroidery but also the State Governments will impose their sales taxes of 5 per cent or 7 per cent. So there will be a tax of as much as 27 or 30 per cent on these articles. What will be the final effect? Not only will

[Shri Banka B-luuy Das]

the prices of embroidery articles go up 'nil a new industry that is now coming up in the country will be adversely affected. So I say that if you want to raise more money out of embroidery, you put a tax on the machines, on the spindles and so on. Or you can say that embroidery will be included in the definition of textile goods. If you do that at least the State Governments will not try to impose their sale-taxes on embroidery. So either of these two things you can do.

More than Rs. 55 crores are to be collected from indirect sources. So the gap between the direct taxation and the indirect taxation will be widened. I want to know from the Finance Minister if he is still prepared to consider these aspects of the matter. Already so much criticism has been voiced. Here I am not prepared to accept the recommendations of the Bhoothalingam Committee, in his anxiety to help the richer section of society he not only wants to exempt the lower slabs of income but he has gone to the extent of advocating that there should be a general *ad valorem* excise duty of 20 per cent on various goods. This is a very dangerous proposition. If the Finance Minister accepts and tries to implement this proposition in this inflationary stage of our economy, when the price level of all commodities is going up, then this *ad valorem* duty will raise the prices still further and this will have a very serious implication on the general price level in the country. So when he replies I would like the Finance Minister to categorically say that he is not prepared to accept the recommendations of the Bhoothalingam Committee. There is enough scope for collecting money from the present system of taxation because in India though we have reached the saturation point, the base for taxation is very

wide and once there is growth in the economy the return from these taxes will be very high. That wide basis has been created within the last twenty years or even before that.

We often find that whenever Government wants more money it increases indirect taxes like excise duty and customs duties. Of course, they want customs duties for improving external trade. But for the sake of the common man they should lower excise duties. I am not going to give many instances. But take the case of sugar or take the case of cotton textiles. Or take any other essential commodity that the common man needs. You will find that there is always a tendency on the part of the Government to raise the excise duty on these goods.

So whenever the Government is in need of money they only depend upon excise duty which is an indirect tax and which goes to add to the cost of living of the common man. So I would advise the Finance Minister that instead of depending upon the capitalist sections of the society for economic development he should depend upon the common man. Take the case of agriculture. He has provided some incentive to those industries which are producing agricultural inputs but will that help agricultural growth in the country? Without having land reform, without bringing more land under irrigation, without providing proprietary rights to the tiller, if the Minister wants to increase food production in the country through giving some incentives to the industrialists who are producing agricultural inputs, the agriculture of this country would go to dogs. This is a bad tendency on the part of the Finance Minister to see the growth of the economy through the eyes of the capitalists of this country who are already holding the entire nation to ransom.

And here the question of evasion arises. Today morning during Question Hour the Minister had to say that because of various factors the arrears of income-tax had been written off and if you go through the long list you will find that most of the persons are untraced. That clearly shows that after expanding the Income-tax Department the Government is not only evasion but the evasion is in collusion with the persons concerned. Otherwise how can this happen? I can understand your saying that some thief has gone away though it is the duty of the Government to see that thieves also do not go away from the country without paying the tax. When you say so many persons are untraced it means that the assessment has been made on persons without any existence and it was only book calculations. Here, I would say that evasion in India is quite considerable. I want to remind the Finance Minister about Kaldor's recommendations and even the recent report that has come in that the arrears of income-tax is to the extent, of Rs. 300 crores. Perhaps it is much more than that and the Government is not very serious to see that all the loopholes are, plugged in the Income-tax Department. There is always collusion between the higher officials and the traders in the country. If you are very firm in the matter of collection of taxes, you will not need to get this sum of Rs. 65 crores by imposing so many indirect taxes. Sometimes here in this House also the Finance Minister is congratulated. Here he was congratulated by Mr. Chinai. I know the interests which Mr. Chinai represents and they are very much happy with these two successive Budgets but we find still they go on hammering upon the Government and pressurising them saying that they are not satisfied that the capital market will revive by this abolition of dividend tax or by the slashing down of the surtax.

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They want something more and they are putting all sorts of pressure and every year the Government is surrendering bit by bit to the pressure of these capitalists. We know how the expenditure tax was abolished; we know how the wealth tax is being administered and we know how evasion is taking place. I want to ask the honourable Minister a question. If the tax burden on the capitalists either direct or the corporate tax is so very high, can he tell us how the monopolies are growing in this country, how the 75 houses about which the Monopolies Inquiry Commission has reported are so rich in this country and are virtually having monopoly both commodity-wise and also region-wise? The only reason is that the evasion is so great that virtually an empire has been built which is being governed not by the Union Finance Minister, Mr. Morarji Desai, but by these capitalists who have all the black money in their safety vaults. So the most important thing for the Finance Minister here is not to raise the taxes for the purpose of getting more resources for investment but to administer properly all the taxation measures that are already existing in the country and also to ensure that there is absolutely no evasion and no black money is available to the capitalists. He should also see that the black money which is with the few persons of the society is also expropriated. That way he can have more money and he will not have to go in for either more taxation or for deficit financing as he has done in this Budget to the extent of Rs. 290 crores.

Madam, I want to say also that in this Budget there is no clear indication of the agricultural policy of the Government. I agree that agriculture to a certain extent comes under the scope of the State Governments but knowing fully well that more than 50 per cent

[Shri Banka BehaiyDas] ofllii' national income is derived from the agricultural sector and if you t ^» k^ into account the commodity production also then more than 7B per cent comes from the agricultural sector., may I know what policy this Budget shows by which agriculture will be revived? We can have highyielding seeds; we can give some benefits to the industrialists who are producing agricultural inputs like fertilisers or tractors but what provision are you going to make through this Budget for providing the State Governments with money so that they can bring more land under irrigation? If you compare Pakistan and India, Pakistan is in a better state of economy not because of any other policy but because of the inherent fact that from the British times larger areas of Pakistan have been under irrigation and because of that they are not dependent on any other country for their food.. They are not dependent on other countries for their raw materials also, we know that Pakistan has invaded into the jute market not only so far as raw material is concerned but also so far as jute products are concerned. Of course in raw material they have always been in a commanding position. I am not-going to quote any figures here but the secret of success of Pakistan is not because of the A vub regime, not because of the fact that they believe in free enterprise which the capitalists of this country always point out, not because of any other reason, not because that the taxation is low and the industrialists have a holiday there, but because of the fact that more than 50 per cent of land in West Pakistan is under irrigation. So if our Government can see that 50 per cent of the land of India is brought under irrigation, whether it is lift or well or gravitation or whatever it may be, I am sure our economy will become bright both in the matter of agricultural

growth and in the matter of industrial growth. No amount of fertiliser or tractors is going to help this country unless more land, is brought under irrigation. We have the experience in Orissa that while the people are developing to a certain extent they are biased against Taiehung and other varieties of high yielding seeds because wherever you plant those seeds if you have not got a perennial irrigation system and if you put in some fertiliser also, ultimately the result is that you do not get any grain out of it because the whole thing gets burnt" due to fertilisers. So the only agricultural policy should be to bring more area, under irrigation and I must say that the Budget does not provide any clear indication to help the State Governments to see that agriculture is given priority and irrigation is also given a proper place in agricultural policy.

Here I also want to refer to the position of industry. An analysis that has been brought out by the Gokhale Institute recently points out the unutilised capacities of our industries. This is a new analysis because up till now the Government has not been able to produce anything of this sort even when we asked for it. You will find that the Gokhale Institute went and analysed 230 products in this country and they have reported that unutilised capacity is to the extent of 71 per cent and out of this unutilised capacity 29 per cent is due to lack of demand and 50 per cent is due to shortage of raw materials and components. But our Government wants to have more industries, They are going in for Bokaro. They say it is a national commitment and that is why they are going in for it. When we discuss with them they say that Bokaro can be delayed for four or five years. We do not say that Bokaro should not be there but they themselves admit, include -

ing tie ir officials, that it could be deferred for four or five years and we could utilise the present unutilised capacity in the existing iron and steel industries in the country. You find that even the Tatas have been cautious and have shelved their expansion programme because Bokaro and others are coming up. So the industrial policy of the Government ought to be to see that the unutilised capacity of these industries either in the private sector or in the public sector is utilised to the maximum extent.

And then only they can divert their resources to the other sectors. Instead of doing that, because of a national commitment—India knows what that national commitment is—they want to go in for Bokaro just now. As a result of it many of the industries in the public sector are going to be starved for the coming four or five years.

SHRI A. G. KULKARNI (Maharashtra) : Unless the Bokaro steel plant comes up, how will the small industries and other unutilised capacity be utilised?

SHRI BANKA BEHARY DAS : I will again say that the present unutilised capacity in some of the industries in this country can be utilised and diversification can be made. There is scope for diversification. Before undertaking Bokaro, if you can diversify your production in the existing industries you can utilise the capacity and Bokaro can come up after four or five years. I do not say that Bokaro should not be there. After all iron and steel also is an industrial base of the country.

SHRI A. G. KULKARNI : I mean to say that Bokaro is going to give you work for your engineering industries. Diversification I can understand, but there is lack of market in this country

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for diversification. Bokaro, on the contrary, will help the industries greatly.

SHRI BANKA BEHARY DAS : I would say that diversification can be done. Take the case of the Heavy Engineering project and the HMT. Whenever they have thought of diversification—to a certain extent they have changed their products and now they are changing them they have succeeded in utilising the existing unutilised capacity. It is going to be utilised by the diversification of their products. The other thing can be delayed for some years. That is why I say that the present Budget does not clearly indicate in their industrial policy that all this unutilised capacity is going to be utilised within the next one or two years. That would also, to a certain extent, help in the profitability of the public sector industries. One of the reasons for the loss in public sector industries is not only inefficiency and bad management but also non-utilisation of their installed capacity. Because of it, the return is less, production is less and the marketing is also less. Whatever they earn has to be distributed on the capital they have already invested. So, the loss is there. That is why I am saying that you should look into this aspect, of diversification more and more than creating new industries, if you lack funds. If you have more funds you can have all the industries you like. There is no harm. But can you have the Rourkela steel plant working with only 50 to 60 per cent of its capacity? The real 100 per cent is unutilised. That means on account of that the Rourkela steel plant causes you a loss. For that I would say that the Budget should clearly indicate how you are going to develop all those industries where you are suffering because you are not utilising them to the fullest extent.

Here I will say that deficit financing is being resorted to and more taxes are

[Shri Banka Behari Das] being raised. For what purpose? Is it for developmental purposes? If you see the Budget you will find that the Plan outlay is virtually the same as that of last year. There is a slight increase, but it is, to a certain extent, counterbalanced by the rise in the price level. So, virtually I would say that the Plan outlay is static. You are going to fill up the vacuum by creating more money and by having more of additional resources. You are going to create additional resources through deficit financing and also taxation and these are going to be utilised for non-productive purposes. That means, again you are creating a problem in the economy. The distortion that is already existing in the economy is going to be aggravated because of the wrong policy that the Budget clearly indicates. Here also I would say that in this poor country, when the resources are very scarce and we are more concerned with the right priorities, wrong priorities are being given. The most important aspect of it is economy. Are we having economy in the expenditure of the Government, either at the Centre or in the States? Now, we were discussing Barauni, but who does not know that in laying the pipeline, the defect was to such an extent that we have had to incur extra expenditure to the tune of Rs. 1 crore, because of bad workmanship. Only a pipeline put us to a loss of Rs. 1 crore. If you have wastage everywhere, if you spend money like this, can you go to the common man and tell him that to develop this country you want more resources and that he should be prepared to accept more taxation by Government? That is why you will find in this country that the saturation point has been reached in regard to taxation and there is great resistance to any increase in taxation. I am sure if the Government has sorts to economy in all their depart-

ments and completely slashes its administrative expenditure, which has already had an adverse effect upon the economy and especially on the taxation measures, it will find enough money to go in for the Fourth Five Year Plan. Instead of resorting to that, the Government resorts to the method of having a Plan holiday. There are so many problems, but they are going to be solved not through a planned economy but through an unplanned economy, which is virtually a Plan holiday. That is why I say that the Minister should not only see that all these loopholes are plugged and evasions stopped, but economy measures in the administration should be utilised to a greater extent for having more resources. Only equality and austerity can be the hall mark of the Budget of a poor country like India.

I come to external aid. Here also for the last twenty years, a country which believes in swadeshi, a country which believes in self-reliance, went in for too much of external aid. I do not say that we should not go in for external aid. But our planning and to a greater extent every successive Plan depended more on external aid than on internal resources. The consequence of this was that we did not bother too much about the proper administering of the resources that we raised internally. He spent it in an extravagant way and we wanted to recoup it through external aid. The position has been very disastrous. I am not going into the aspect of neglecting our technical know-how. We have found through PL 180 that

we were forced to bring some cotton to our country and some other goods because of certain conditions attached to it. The debt position of this country has been very devastating. Here I would say that from the Budget up to 31st March, 1969, you will find that the debt of India is Rs. 13,150 crores. Out of this the loans raised in India are

for Rs. 0,931 crores and from outside Rs. 0,225 crores. The total liability, which includes PL 480, the savings banks deposits and other things, runs in the extent of Rs. 17,289 crores. After spending Rs. 20,000 crores during the three Plan periods, we are in a position in which we have a total liability of Rs. 17,289 crores. In the present Budget you will find that we are going to spend for debt services as follows. On account of interest it is Rs. 1,750 crores and repayment of principal will be Rs. 138 crores. It means that in the present Budget, we have provided money to the extent of Rs. 989 crores for payment of interest and principal. This is twice the money that we are going to have through direct taxation. If I break up the figures, you will find that the per capita Government of India debt is more than Rs. 263 and the per capita Government of India liability will be more than Rs. 345. If you compare the per capita

income of this country, according to the provisional estimate that has been given by the Government for the year 1900-07 it comes to Rs. 313 on the basis of the price level of 1901-01, and according to the current prices Rs. 481. Madam, you find that when the liability per head in India is Rs. 345, the per capita income is Rs. 481, and according to the prices of 1960-61 it is Rs. 313. That means the per capita debt in India is much more than the per capita income of an individual of this country. This is the position because of too much dependence on external aid and external loan. Can the economy of this country bear the burden of such heavy external debt? Again I am not saying that we should not go in for loans or external aid, but after all the external aid and loan should have some relation to the capacity of the country to pay it back.

But because of the way we have gone in for expenditure and unproductive expenditure, the per capita debt is much more than the per capita income of this country.

Madam, I then come to the question of the public sector undertakings. There is a lot of criticism in this House from both sides and from different angles. When our friends from one particular political party decry the public sector industries, they go in for selling those public sector industries to private persons. But when I decry the public sector industries, I have only the purpose of improving them, and unless the character of the public sector industries in this country is changed, we are not going to get the return that is expected out of them, and it will have a very adverse effect on the price level of the country, the ease of the running public sector industries where we have invested to the extent of Rs. 2,100 crores, and we are having a return of less than 1 per cent. Is it not a serious concern for our country? When we have invested this much money in running industries, Rs. 2,100 crores, and have to a certain extent incurred loans both inside the country and outside and we have a return which is less than 1 per cent, 0.57 per cent, about half per cent, then what will be the condition of the economy of this country? Here in this connection I want to bring in the question of banks also. Madam, you will find that all agriculture and small-scale industries which contribute to the extent of 75 per cent to the national income have been neglected by all those banks. I include the State Bank of India also in this because in this respect there is no difference in India between the public sector industry and the private sector industry, excepting that the proprietor in the public sector is the President of India.

[Shri Baiika Behary Das] and the proprietor in the private sector is either the Tatas or Birlas. Excepting that difference of proprietorship, the way the public sector in this country have behaved up till now, they have brought all those criticisms not only from capitalists but also from the socialists in this country. I am just giving an example about the banks because the social control of banks is being so much talked of. The advances granted by scheduled commercial banks in this country you will find to the agricultural sector in the year ending March 1966—after so much talk of bank nationalisation all those banks have never cared even to a certain extent divert their energies and resources to the agriculture and small-scale industries—you will find for the year ending March 1966 out of the advances that have been given to all the sectors in the economy the agricultural sector has got 0.2 per cent, not even 1 per cent. I am quoting from the Government statistics. In 1960 the percentage was 0.6 and in 1966 after six years of clamouring for nationalisation of banks instead of 0.6 going up to 1 per cent, it has come down to 0.2 per cent. That means that what was given in 1960 according to percentage is now one-third. Even then the Minister says that through social control of banks, through the Credit Council, they are going to change the character of the commercial banks. Similarly, if you take the small-scale industries you will find that in 1960 the percentage of advances to the small-scale industries was 2.4 and after six years in 1966 it has come to 3.9, less than double. That means, if you add agriculture and small-scale industry together, you will find that not even 5 per cent of the depositors' money that is deposited in the commercial banks is being utilised for either agriculture or small-scale industries. Agriculture and small-scale industries

both combined give scope of employment to the extent of 80 per cent in the society. Eighty per cent of the persons are employed there and 75 per cent of the national income comes from these two sectors, but the scheduled commercial banks advance them not even 5 per cent in this country. I think the Finance Minister ought to explain to us how he is going to solve this question without having nationalisation of banks. In this country agriculture can never get the required credit nor the small-scale sector unless the banking institutions of this country are nationalised. This piecemeal social control is not going to help in this country. Here also I will say that I agree with some of my friends that the State Bank of India is also equally a criminal, because there is absolutely no difference in the outlook, in the approach, in the management of a public sector industry and a private sector industry. That is why we find sometimes the public sector industries have complained before us that whenever they go to get loans from the bank's, the State Bank of India is not very happy with them because the entire attitude of the commercial banks has been governed by this idea of free enterprise.

In the end I come to the question of unemployment because after all planning and budget should be to a certain extent directed to see that there is full employment in society. I agree that it is a distant goal for us in India because we have not enough of resources, and we have the problem of population. But can the Minister tell us in this budget whether he has provided or he has given any indication of how to face the challenge of unemployment which is the main function of a budget, not only to see the growth in the economy but to see that the new manpower potential that has been created in the

society is absorbed also ? Today we discussed about fee engineers. We discuss it everyday. We know also how the backlog of unemployment is growing in this country. What positive steps has the budget (taken to see that the unemployment problem is solved? I agree that it cannot be completely solved) here and BOW, not even within four or five years, but what is the clear indication ? When we see that the Plan holiday has been accepted and when we see that even during this Plan holiday annual outlay on developments is not increasing how can they create more of employment in the society? How can they create more of employment to absorb the newly educated technical and non-technical men that are being produced everyday in the schools and colleges in this country ? And it will have a serious impact on the society. It is not only a question of giving them employment but those angry young men that are created in the schools and colleges and technical institutions will be a problem for our democracy in this country. It is a threat. So unless the budget and planning are made not only growth-oriented but employment oriented—because growth can be achieved also through capitalist methods, growth can be achieved through automation ; the Finance Minister knows that in the L.I.C, in the State Bank of India and some of the public sector industries they are going in for automation at a very high speed ; it will bring in some efficiency I agree; after all machines sometimes behave in a better way than the human beings.

A human being has more problems. He has the problem of the stomach, he has the problem of the family. Machines can give some efficiency. But here the greatest problem is that the planning and the budget should be employment-oriented. That is the greatest problem because it is not an

economic problem, it is a political problem too. It is a threat to the very question of the existence of this country and the democracy of this country. So, unless the Plan and the present Budget also give enough of investment in sectors where you can have more of employment, this Budget is not going to take us very far.'

I will say in the end that this Budget is a *status quo* Budget, it is a Budget which only pampers the vested interests in the society who have grown in the economy. A budget which depends upon the rain god for agricultural growth can never solve the problems of this country, problems which are complicated because of the underdeveloped nature of the country.

श्री आर.पी. खंताल (बिहार) :

माननीया डिप्टी चैयरमैन, माननीय मोरारजी भाई ने जो यह बजट रखा है उसके लिये मैं उनको बधाई देता हूँ। जब कि दो वर्षों से फूड के मामले में डाट चल रहा था ऐसी हालत में इस तरह का बजट पेश करना और उसमें किसी तरह के नये रकम के कटौत का नहीं लगाना, यह उनकी बुद्धिमत्ता का द्योतक है। यह जो 290 करोड़ रु० की डेफिसिट फाइनेंसिंग करने के लिये इसमें रखा है उसमें से 140 करोड़ रु० तो फूड को खरीदने के लिये हैं और 50 करोड़ रुपये स्टेट्स को ज्यादा दिये गये हैं। इस तरह से जो यह ज्यादा दिया गया है उसकी वजह से डेफिसिट फाइनेंसिंग होना जरूरी था क्योंकि जो घनाज रखने की योजना बनाई है उसका रखना भी जरूरी था। तो इसलिए यह डेफिसिट फाइनेंसिंग किया गया है, इसके लिये हमें कोई एतराज नहीं है। लेकिन जो जरूरी काम हैं, जैसे कि गंडक प्राजेक्ट हमारे सामने है जिससे कि फूड की पैदावार ज्यादा हो सकती है, उसके लिए भी डेफिसिट फाइनेंसिंग करना जरूरी हो जाता है। जब इसके लिए फाइनेंस

[श्री आर० पी० खेतान]

की मांग की जाती है तब आपका कहना होता है कि हमारे पास पैसा नहीं है लेकिन अगर खेती की इस योजना पर रुपए खर्च किए जायें तो एक दो वर्ष के भीतर ही इसका फल आना शुरू हो जाता है और चूँकि फूड देग के लिए सबसे ज्यादा जरूरी है, इसलिए मैं आपके द्वारा मंत्री जी से प्रार्थना करूँगा कि गंडक प्रोजेक्ट के ऊपर जल्दी से जल्दी कार्यवाही हो, इसके लिए और रुपया दे कर जल्दी से जल्दी इस काम को पूरा करायें।

अब, आपने बजट में रेवेन्यू एकाउंट में 85 करोड़ रुपए का सरप्लस दिखाया है, उस बारे में मैं आपका ध्यान इस बात के लिए आकर्षित करना चाहता हूँ कि 500 करोड़ रुपए की जो राशि करों की बाकी है जो कि उस हाउस में बताया गया था उसमें से 100 करोड़ रुपए की अदायगी हो गई है तो क्या वह 100 करोड़ रुपया ले कर के यह बनाया गया है या उसके अलावा यह 100 करोड़ रुपया आने वाला है। इसका इसमें खुलासा नहीं होता है।

दूसरे यह कि जो चार पांच तरह की टैक्सेज में नई सहायित्व दी है वह अच्छा हुआ है, जैसे कि 500 रुपए से ऊपर के डिविडेंड के ऊपर किया है। इससे लोगों के शेरों में रुपया लगाने में सहायता मिलेगी। पहले ऐसा था कि 500 रुपए से ज्यादा डिविडेंड आ जाता था तो उनको बाद नहीं मिलता था लेकिन अब 500 रुपए से ज्यादा आने पर भी बाद दे दिया जायगा, तो जो छोटे छोटे शयरहोल्डर्स हैं उनको रुपया लगाने में सुविधा होगी।

यह जो इंकमटैक्स लिमिट में एक्जेंपशन की बात है तो उसके लिए भूषलिंगम साहब ने साढ़े सात हजार रुपये का रिक्मेंड किया है लेकिन अभी बजट में उसके लिए कुछ भी नहीं किया गया है। आप जानते हैं कि साढ़े सात

हजार रुपए की छूट जो पहले पंद्रह सौ रुपए की छूट थी उसका फाइव टाइम्स होता है लेकिन सभी चीजों के दाम इतने ज्यादा बढ़ गए हैं कि उसके अनुसार इसका भी फाइव टाइम्स होना जरूरी है। अगर यह छूट इस समय साढ़े सात हजार नहीं कर सकें तो भी मैं मंत्री जी से आपके द्वारा प्रार्थना करूँगा कि कम से कम छः हजार तो कर ही दिया जाय। छः हजार तक की छूट करेंगे तो कम से कम इससे आठ या दस लाख केंसेज कम हो जायेंगे जिससे कि इंकमटैक्स आफिसरों को बड़े केंसेज देखने में सुविधा होगी और जो इससे कमी होगी उतना रुपया दूसरे केंसेज को अच्छी तरह से देखने के कारण आ जायगा। तो मैं आपके द्वारा मंत्री जी से प्रार्थना करूँगा कि इस पर ध्यान दें।

यह जो हाउस प्रापर्टी की इंकम के ऊपर एनुअल चार्ज के बारे में जो यह किया गया है कि यह बाद नहीं मिलेगा, यानी जो आदमी अपनी हाउस प्रापर्टी के ऊपर टैक्स का पेमेंट करने के लिये या किसी और कार्य के लिये भी रुपया उधार लेता है, उसको अभी तक जिस तरह से आपस में एडजस्टमेंट का लाभ दिया जाता था वह नहीं होगा, तो अगर उसी तरह से अभी भी एडजस्टमेंट कर दिया जाय तो ज्यादा अच्छा रहेगा नहीं तो जिनको सिर्फ भाड़े की इंकम है उनके ऊपर बोझा ज्यादा हो जायगा।

स्टील फर्नीचर के एक्साइज के बारे में भी मुझे यह कहना है कि ये स्टील फर्नीचर जो छोटे छोटे कारखाने वाले, स्माल स्केल इंडस्ट्री वाले, बनाते हैं उनके ऊपर भी जो 20 परसेंट एडवोलेरम लगाया गया है उसके कारण उनके काम में बाधा आएगी और दूसरे यह कि जो छोटे छोटे फर्नीचर खरीदने वाले हैं उनके ऊपर भी ज्यादा बोझा पड़ेगा। इस समय रिसेशन के जमाने में इससे और दिक्कत होगी। बंगाल में तो इसके बहुत से कारखाने हैं और उनके ऊपर इसका असर पड़ेगा। तो आप इस पर भी ध्यान दें।

वैल्यू टैक्स के बारे में पेनाल्टी 200 परसेंट तक की लगाई गई है, तो जो लोग कंसील करें उनके ऊपर लगाना में कोई बुरा नहीं समझता लेकिन प्राइम की कमी-बेसी, वैल्यूएशन, के कारण जिनके ऊपर लगाया जाता है वह ठीक नहीं, इससे उनको हैरानी होगी और हो सकता है कि कुछ अफसर लोग इसमें फायदा उठाने की चेष्टा करें। तो इसको देखते हुए इस पर विचार करना चाहिये। मेरी ऐसी धारणा है कि सब से पहले ज़िम समय मकान खरीदने या मकान बनायें उस समय ही यह इन्फ्लायरी हो जाय तो कंसील नहीं करने पायेंगे लेकिन उसके बाद उसके वैल्यूएशन में जो डिफरेंस होता है उसके ऊपर इस तरह की पेनाल्टी लगाना, मेरी समझ में न्याय नहीं होगा। कई तरह के डिफरेंसेज वैल्यूएशन के बारे में हो सकते हैं, एक हाई कोर्ट क्या फैसला लेता है, दूसरा क्या लेता है और तीसरा क्या लेता है, तो मकान की वैल्यूएशन कई तरह की हो सकती है और उसी तरह से ज्वेलरी की वैल्यूएशन कई प्रकार की हो सकती है। तो इसको देखते हुए अगर कोई आदमी विलफुली छिपाने की चेष्टा करे तो उसके ऊपर टैक्स लगा दें, इसमें मुझे कोई उद्य नहीं है, लेकिन बाली वैल्यूएशन की वजह से उनके ऊपर सौ से दो सौ परसेंट तक जो टैक्स लगाया जाएगा यह ठीक नहीं है।

आपने इन्कमटैक्स का असेसमेंट दो वर्ष के भीतर करने का टाइटम दिया है। तो उसी तरह से अप्रैलेट इन्कमटैक्स कमिशनर के पास भी जो केसेज जायें उनके लिए भी समय निर्धारित होना चाहिये जिससे कि उन केसों की भी जल्दी से जल्दी सुनवाई हो सके और यह कानून में आ जाना चाहिए। आज हमारे देश में इम्पोर्ट तो ज्यादा हो रहा है लेकिन एक्सपोर्ट कम हो रहा है। इससे हर साल 800 करोड़ रुपए के करीब का हमारा बैलेन्स रह जाता है। उस 800 करोड़ रुपए के बैलेन्स को घटाना हमारा पहला कर्तव्य हो जाता है। उसके लिए

हमको इम्पोर्ट घटाना और एक्सपोर्ट बढ़ाना चाहिए। एक्सपोर्ट बढ़ाने के लिए जो जो चीजें एक्सपोर्ट की जाती हैं उनके बारे में यह देखना चाहिये कि किन चीजों का हमारे पास सर्पलस है और उन सब चीजों का हम ज्यादा से ज्यादा एक्सपोर्ट कर सकें। उन चीजों के बारे में हमें इमॅटिव देने की भी जरूरत हो तो देना चाहिए। हमारे जूट गुड्स सबसे बड़ी फारेन एक्सचेन्ज की कमाई करके देते हैं लेकिन सेविंग में जो 200 रुपए टन की अभी भी इयूटी है उसके कारण हम लोग पाकिस्तान के साथ कंपीटीशन पूरा नहीं कर सकते। इसके ऊपर मंत्री जी ने जो इयूटी घटाई है फसली में, उसके लिए मैं धन्यवाद देता हूँ लेकिन उसको घटाने से भी हम लोग कंपीटीशन में अभी भी नहीं आ सकते हैं। इसलिए मैकिंग में इयूटी और घटा दी जाए तो मैं आशा करता हूँ कि हमारा एक्सपोर्ट बढ़ जाएगा।

हमारे यहां बहुत सी चीजें ऐसी बनती हैं जिनको हम इम्पोर्ट भी करते हैं। अगर उन चीजों का इम्पोर्ट हम बन्द कर दें तो हमारे यहां की इंडस्ट्री को भी फायदा होगा और हमारा इम्पोर्ट भी 'कट' होगा। ऐसे ही कई चीजों के बारे में मिनिस्ट्री वगैरह में जो सूचना निकलती है, खास कर गवर्नमेंट आफिसर्स के द्वारा, उनमें यह पूरी जानकारी नहीं देते हैं कि यह चीजें यहां बनती हैं या नहीं और नतीजा यह होता है कि उन चीजों के इम्पोर्ट के लिए भी अप्लाई कर देते हैं, और उन चीजों के बारे में यहां टेन्डर मांगने हैं। यहां की बनी हुई चीजों का लोग टेन्डर भी करते हैं लेकिन गवर्नमेंट डिपार्टमेंट उसको इग्नोर करते हैं। इसके ऊपर विशेष ध्यान देने की जरूरत है जिससे यहां की बनी चीजें ज्यादा से ज्यादा खरीदी जायें और बाहर से चीजें मंगाने में कमी हो। (Time bell rings.)

हमारे उद्देश्य साधने की बहुत प्रतीति हो गई है। इस पर भी फारेन से हमने सास्ट

[श्री आर० पी० खंतान]

ईयर सोयाबीन का तेल मंगाया है। यह ग्राउन्डनट और काटन सीड बगैरह की देश के अन्दर बहुत ज्यादा क्राप हुई है, उसको देखते हुए हम लोग उन चीजों को थोड़ा एक्सपोर्ट भी करवा लें तो ज्यादा अच्छा होगा। यहां बिनीले को गायों को खिलाया जाता है तो उसमें तेल समेत चला जाता है, लेकिन अगर बिनीले को ब्रदा करके, तेल निकाल कर, गायों को देने की योजना बनाई जाय तो मैं समझता हूं उससे हमें लाखों टन तेल मिल सकता है जिससे आगे चल कर भविष्य में हम तेल बाहर से मंगाने पर निर्भर नहीं रहना पड़ेगा।

प्रोडक्शन बढ़ाने के लिए क्रेडिट फाइनेन्स कैपिटल गुड्स बनाने वाले को दी जाए तो वे इस महायत्ना से काटन मिलों, जूट मिलों को माडर्नाइज करने के लिए डेफेंड पेमेंट पर मशीनें दे सकते हैं। उनका कास्ट आफ प्रोडक्शन नीचा हो सकेगा तथा माल भी अधिक बन सकेगा। इसके लिए डेफिसिट फाइनेंस किया जाए तो अच्छा है।

जिन चीजों में रिसेशन हो गया, जिनका प्रोडक्शन हमारे यहां ज्यादा हो गया है, उनका कन्ज्यूम कराने की या एक्सपोर्ट कराने की व्यवस्था करनी चाहिये। कंजम्पशन के लिए हम यह कर सकते हैं कि लोगों को हायर परचेज मिस्टम के आधार पर माल दिया जा सकता है जिससे कि उनके हाथ में परचेजिंग पावर रहने की वजह से वह लोग खरीद सकेंगे। उन चीजों का बफर स्टॉक भी किया जा सकता है।

हमने अपने बजट में देखा कि जो बाहर से घससा या मशीनरी मंगायी जाती है, या मशीन बगैरह जो दूसरों से मंगा कर दी जाती है उसमें सेन्ट्रल गवर्नमेंट से रिजर्व बैंक के द्वारा गारंटी दी जाती है और उसके ऊपर कोई चार्ज नहीं दिया जाता है। यदि हम रुपये के बारे में कुछ गारंटी दें, उसके ऊपर कुछ चार्ज अगर लगायें, तो मेरी समझ में कुछ बेजा नहीं होगा।

भाज हमारे यहां पर चाय बागान जो है वह फारेनर्स के हाथ में हैं, उनके जो चाय यहां से वहां जाती है वह बहुत सस्ते दाम में वह लोग भेज देते हैं जिससे उन लोगों के पास समूचा मुनाफा चला जाता है। तो कोई ऐसी योजना बनानी चाहिये जिससे कि चाय यहीं पर पैकिंग होकर सारे मुल्कों में जाय। इसमें मैं समझता हूं डबल इनकम हो जायेगी। तो मैं आपके द्वारा मंत्री जी का ध्यान दिलाना चाहता हूं कि इसके लिये कोई कारपोरेशन बनायें और जो पैकिंग करके माल जाय उसके लिये उनकी मदद करे।

THE DEPUTY CHAIRMAN :

Mr. Kuaitau, your time is up now. You must, finish.

श्री आर० पी० खंतान : मैं आखिर में आपके द्वारा अपने मंत्री जी से यह प्रार्थना करूंगा कि हमने जो कहा है उसके ऊपर वह ध्यान देंगे और मैं एक बार फिर उनको धन्यवाद देता हूं कि ऐसे समय में भी इतना अच्छा बजट उन्होंने रखा।

SHRI G. RAMACHANDRAN (Nominated) :
Madam Deputy Chairman,
as usual you have called me at the siesta hour of the Rajya Sabha when even such a disciplined Trojan as the Finance Minister looks sleepy and tired.

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI R. DESAI) : If speeches are such what else can I do?

SHRI G. RAMACHANDRAN : In fact, I thought he was sleeping. I thought also that if anybody deserves to sleep a little and take a little rest it is this «great man of our country. He has produced a Budget, and before I speak a word on the Budget and offer my points, it appears to me that every Budget is like a mighty elephant. Some of my friends from the Left tried to break the tusks of the

elephant. Someone else tried to lame the elephant and all tried to get hold of this big Budget at some point or other. I too in my own way would like to get hold of this Budget at one or two points. But before I do so I want to say that our Finance Minister, this time, faces an unprecedented situation in India. He faces tremendous difficulties, and he had to make a Budget in the making of which no Finance Minister could have had much happiness or contentment. Taking everything into consideration, he has produced a Budget which perhaps is the best that any Finance Minister today can produce in this country and yet it is open to all of us to throw stones at the Budget, find fault with the Budget here and there and so on. I too propose to do that in my own humble way at one or two points.

Somebody here asked a question, "Is this a socialist Budget?" I think nobody will be more honest than the Finance Minister himself in answering, that this is not a socialist Budget. There cannot be just now in this country a full-blooded socialist Budget which any Finance Minister can produce. So I pay my tribute to him for having produced this Budget in a situation of unprecedented difficulties.

I must say word of congratulation to my friend, Shri Banka Bebar Das. He managed to get all the time from all the others in the Opposition and blazed away.

THE DEPUTY CHAIRMAN : That was the time allotted to his party.

SHRI G. RAMACHANDRAN : I stand corrected. I am glad he got all that time. He made a very good speech. He studied the subject well, and how I wish that Opposition attacks on the Budget would be at the constructive level at which he put it today !

Madam, last time when the annual Budget came up and I spoke on it, I remember Shri Morarji expressed his annoyance with me. I am quite sure he has forgotten that because he never keeps annoyances in his mind. But he then reprimanded me by saying that everybody indulged in strong talks, and Ramachandran also indulged in strong talk, and he almost said, without saying it, that I was using expressions not consistent with non-violence ! I do not wish to annoy him this time because it will be a crime to annoy him now in the midst of this Budget and the innumerable difficulties are facing this nation, because he is not only the Finance Minister, he is also the Deputy Prime Minister of India, bearing a very heavy burden. So I will not, as I did last time, annoy him. I will try not to annoy him consistent with plain-speaking on subjects in which I am deeply interested.

One point I raised last time, I must raise again, and that is the state of the colossal illiteracy of the masses of India. Dr. Zakir Husain, speaking some time back somewhere, said that more than 300 millions of the people of India are either illiterate or nearly illiterate. I brought this to the notice of the Finance Minister last time and said that I did not know of any massive, commensurate programme of adult education in this country. And I said that without that adult education programme, all planning will be blocked and every effort at the upliftment of the people will be blocked. You cannot build a democracy on more than 300 millions of people who are illiterate or nearly illiterate. He was kind enough to refer to this point when he replied to the Budget debate. Can Mr. Ramachandran point out a single instance, he asked, where when people are trying to do adult education work,

Mr. G. Rannflhandrim] Government did not come to their assistance. He had the last word at that time, as he will have the last word this time also on the subject. I want to tell him that I have studied this subject since I spoke here last time, as to what is going on in the field of adult education in this country and I have found to my dismay that there is not one thing which can be called an adequate, massive, co-ordinated programme of adult education going on in this country to-day. There are separate small agencies here and there. I have met almost all of them and talked to them. Their biggest complaint is that they have no enough funds with which to work. They have the men, they have the will, but they do not have the funds with which to expand their work. And then, the Finance Minister added that it is for non-officials and non-official bodies to take up the programme of adult education. I would like to tell him that in my own humble way I am at this work and in and around Gandhigram where I live; we have 25 adult education centres. But this is less than a grain of sand in this ocean of illiteracy and lack of adult education. I wanted to ask then and I could not, and I want to ask the Finance Minister now, "Is this a matter to be left to non-official agencies?" Personally, I believe, Madam, the entire programme of adult education must be taken up as a Central subject by the Government of India because without this, democracy would be a mockery in this country. Take family planning. My friend, Dr. * Ihandrasekhar, is here. Look at the fanatic zeal with which he drives the programme of family planning. Does he say, "I will leave it to some individual agencies here and there and only to men and women of India who feel strongly about it, to do this kind of work?" It has become one of the

most powerful drives in the country directly under the Government agencies, helped by Government funds, techniques and so on. I want to put it back to my revered friend, the Finance Minister, that he must take cognizance of this fact that nothing is going to succeed in a country where nearly half the people are illiterate or nearly illiterate. I pleaded with Mr. T. T. Krishnamachari, when he was the Finance Minister, to look at this question. But he left BOOH after. I wonder

whether even if he had remained, he would have looked at it. He was also bothered, like other Finance Ministers, with many other problems. But I want to plead again that this is a matter which cannot be put off by one single day in this country if we want to make our democracy real and make this democracy advance towards socialism. Socialism looks a complete mockery against the black background of this illiteracy of the masses of the people in India. We must be able to put crores of rupees into this work. It should be taken up by the Central Government as a duty incumbent on it. If you leave it to the States, I do not know how many decades we shall cover before literacy really comes to the people of India in such a measure as is required in a democracy leading on to socialism. I am very sore about this, and I cannot understand how the Government can neglect a thing of this supreme importance. I plead with Shri Morarji Desai that he must look into this, call together, if necessary, the agencies conducting adult education work, go to the Education Ministers concerned and so on and so forth, and put it to them "All my economic development plans will break on this rock of illiteracy."⁷

Another point which I took up then and which I take up now, because *the* matter still remains unsolved, is that of rural industrialisation. Mass illiteracy

is the starvation of the mind of the people but the manner in which we are going on with rural industrialisation leads to the starvation of the body among the millions in the rural areas. I mentioned this last time and Shri Morarji Desai also referred to it in his reply. Since then, I want to assure him, that I have gone about studying what is going on in the field of rural industrialisation in this country in two States. I have found that what is going on is a caricature of rural industrialisation. The main objectives of rural industrialisation, if I may say so, are maximum use of local materials, training of local talent and utilisation of local talent and the production of commodities consumable in that area. I have found, by a study of this programme in two States of South India, that very often in these rural industries, the raw materials come from far away places, the people who work in the units are not rural people at all they are from the nearest towns and cities and what is produced is consumed often only by people far away from the rural areas. This is not rural industrialisation. This is merely putting any industry in the rural area, which is different from what I conceive to be the programme of rural industrialisation. Unless we correct this, we shall neither touch the problem of rural unemployment, nor of prosperity in the rural areas. What is going on is that the middle class people from the nearest towns and cities take advantage of these programmes and whatever profits accrue, instead of going into the rural areas, go back to the towns and the cities. This is true of innumerable other things in India today, Madam. We call them national programmes. We call them things of fundamental importance to the rural people. But when actual plans begin to work, they get concentrated in and around towns and cities and the rural

areas for which the programme was intended are left starving.

We have now had the Asoka Mehta Committee, reviewing the work of the Khadi and Village Industries Commission. It has reported it is a unanimous report except for one dissenting note by a member who was more absent than present in the Committee. I had the honour of being a member of this Committee and I think we have produced a fairly good report. I would plead with the Government of India, through the Finance Minister, to stand guard, to stand sentinel over the recommendations of the Asoka Mehta Committee and see that what that Committee has asked for—this minimum it has asked for is implemented in the next one, two or three years of our economic development. Here is a golden opportunity for the Government. Now this is about rural industrialisation.

Then I come to my final point because I know I have only just a few more minutes left. Madam, I am certain in my mind, as friends on the right, left and in the middle will be equally certain, that you cannot go on with economic development in an atmosphere of political instability. Political instability is spreading from one part of India to the other. Look at Assam, look at Bengal, look at Bihar, look at U.P., look at Haryana, Madhya Pradesh or Punjab. Probably you will find a more stable picture south of the Vindhyas and it is not fully appreciated that more stability is conspicuous in the South than in the North. I am not making a distinction but simply pointing to a fact.

SHRI K.S. CHAVDA : What about Gujarat and Maharashtra?

SHRI G. RAMACHANDRAN : All honour to Gujarat and Maharashtra. Now, Madam, I was saying you cannot have economic development in an

[Shri G. RaroacWlrau] , atmosphere of political instability.

Now wkut ate we to do? 'There are Berious situations everywhere, Yov saw, Mation, what happened on the floor of this House this morning, Can democracy survive tMs kind oi thing thai took place ori the floor of the House tMs morning? Can democracy and this kind of thiag go together? If I his is what is Happening on Un floor of Parliament, you can imagine what ts happening outside in the widei areas of the country. What ie happening is a serious breakdown oj democratic altitudes to Bre and oi all the disciplines which alone can make democracy. But then you will ask: What can wedo? [do not want to be the fool who rushes ni where angels fear to (read. Biit luckily, as I look around, there arc a few angels left in t his country Io tread anywhere! 80 I might lake I lie courage to do a little treading.

Madam, I ara convinced this may nol be accoptable to both sides of the House -that Ihe decani of one party Governmeat bi every State in India and at I lie Centre is an impossible one here after in this cauntry. We must reconcile ourselves Io Government ol ialcni and al the same time to Govern-aiient of such parties as uceepi demo cracy and arc wedded to the methods ol'democracy. To put it in very plain uage, instead of one party Co-verment, the stronger party must lake in representative* «tfother parties provided ihe other parlies inviled accept two conditions in the political life ol'our euuntrv, < hie is thai they will not resort Io violence Io settle political issues. Today, the very people who outside Parliament and everywhere in Ihe countrj create every incitement io violence and indiscipline, come here and challenge when somebody else counters that violence and thai indiscipline at those places. That is one of the funniest things

happening today. That is why I have in mind for democratic unity, "Every party which is not wedded io violence and every party which is not wedded io communalism". In oier words, whatever be the name of ihe parties, there has io he a lappi'oacheinent, a union of democratic forces, if demo cracy is to survive in this country. Tliat is why I repeat that the dream of one-party Government in every State in India, and af Ihe (Vul re is hereafter an impossihle dream and it must he given up gracefully and vol untarily. We must work in collabora tion and in co-operation. No other way is open to us to stabilise demo cracy. When forces opposed to demo cracy raise their heads and march, how can democratic parties be divided among themselves? So I plead very strongly that we must establisb poli tical stability in this country because without political stability economic, development is impossihle ami political stability historically in this country today depends ou co-operation of all the democratic parlies in the Centre and in the States. Let us not wait fill w • r, re cuuplhd i» do so too late. If we do nol. do this, there is peril for us. The Prime Minister said rec enily "My Government is stronger to day tlian it has ever I n before." I have great admiration for and am proud of our brilliant and valiant woman Prime Minister. Put I want, her Io read the writing on the wall. Things arc crumbling and getting shattered around us. Then Io sil back and say "The country is stronger than ever before" is good from the point of j view of courage and self-reliance but neit good from the point of view of political wisdom or reaQsm. So I plead thai we must build up political stability through a. rapprochement among ihe our really democratic parlies and then build up economic development on that solid basis. Thank von, Madam.

SIU! (MATI SUAKTNTAM I'A-EANJPYE (Nominated) : Madam, the crop situation in the country after two disastrous years is now bright. I am glad about it as everybody is. And yet the Government wants to import grain from outside to the tune of about million tons. I want to know *why* it is being imported, because I feel we will be producing enough and the prices of grain will be going down. The reason which they give for these food imports is that they want to have a buffer stock, as provision against bad years in the future. While this situation was continuing, I was maintaining in my supplementaries that the Government should have gone in for the construction of silos for the storage of grain. Even today, though the Government wants to import 11 million tons of rice grains, their storage capacity is only for 2 million tons, I want to know what is going to happen to that one million tons of foodgrains that it wants to import. We have read in the papers and we have heard all over that rodents and climatic conditions get at our grain and there is a lot of wastage. Had these silos that I have just mentioned been erected, all this waste could have been saved and you and I could have got better rations.

Again, Madam, last time also, talking on the Budget, I mentioned this but I find the Government has been adamant and still is adamant against permitting joint stock companies for going in for agriculture. I do not know why this is so. Had that been done in these two dreadful years that we passed through, I feel sure they would have done a better job and they would have produced more food than the Government were able to do under the present circumstances. I know that joint stock companies will be companies running for profit. But what is wrong in that? That profit can be taxed and our picture

of taxes would perhaps be a better one. I am like everybody else who professes removal of inequalities in wealth and I do not think that such a measure would exactly go against the principle of mine, because there is legislation, then; are Acts that *r,m* control any malpractice and eradicate them. If they are sternly and strictly implemented, I do not think there will be any harm. Certainly I do want the inequalities to be removed. But we should use our resources to their full capacity. As I just now said, offenders could be brought to book. If that is allowed, even now I think our foodgrain situation will improve and we will not have to import any more grain from abroad. Now, regarding industries, a number of persons, as my friend Mr. Das, pointed out (that they are not working to their full capacity, that they are working under capacity and still we find licences are issued and permits given to concerns to start working in the same fields where others are not working to full capacity, I think that is a very sad state of affairs because the expenditure incurred on the new concerns is a loss to the community and to the country and I do not think that should be allowed. There is again a development rebate which entices many people to go in for new machinery which again is not going to be worked to full capacity. That is again wrong. Regarding the machinery, things are proceeding at such a rapid rate that after a few years the machinery goes obsolete. There again it is a loss that we have to bear. I feel that a great deal can be done to produce substitute goods for the import that we are getting. We have the brains, we have the ability, but we have not proper guidance and the necessary planning that is required and the necessary organisation that should go into this. (July yesterday I was at a place and I was told about the working of a factory for producing

[Shrimati Khakuntal' Par nji} "I synthetic rubber wlich was opened in Bareilly because the employers thought thai there was enough alcohol in the country which is Uic l>isie product required for such a factory and therefore they started thai factory. Unfortunately thie alcohol thai was required could not be procured in sufficient quantities and tin- alcohol had to lie imported. Well, even then that could Lave been a workable proposition il' some law had been enacted fo compel those *who* went in for producing rubber products which needed synthetic rubber, to buy the synthetic rubber j roductd in this country and not import il from outside. That is I he way we go on. We do not do long-range planning. We do not look all around aril plan for our mdustnes That is whal is happening in om- public sector in j articular. Aboul other fac tories also, we often hear in thisHouse and questions are asked and falling Attention .Motions are brought about lthe factories going sick textile factories and ol hers, dur machinery is out meded and antiquated and I think quite'a targe part ofi! is to he scrapped l>ut there I would point out (hat vested, interests come into play and a lot of attention is given fo them and things .no un. The d'o ven i n icn I buys those faci dries and runs them ai a. loss and the people are l he losers in I he tpng run. My friends ou this Bide of the House raise a row if sicli factories are nol, taken over by the Government and they say thai it leads to unemployment and they waul the factories io he taken ever and employment provided lor ihe workers there. Mere I would point olil (hat the unemployment problem which is growing fast in our country is really a direct consequence of the population explosion that is taking place. Plans are formulated, as my friend Trof. Ramachandran said, for family planning programme huge programmes are put forth, targets are announced, but the one

mm e which will make everyone accept this programme of planned parenthood is nol thought of seriously. I have talked about (his move several times and I think thai unless that move is applied—tlie move is of instituting disincentives io r< calcit rant people who will not, limit their families—I do not think we will make a headway or will ever achieve this decline in the birth rate that we are out to achieve. Thai is the point that I mils! stress again.

SHIM G. RAMACHANDRAN : What is the measure you advise?

SHRIMATI SHAKUNTALA PA-
IMN.11'YK : I will tell you. That is stopping the giving of help or aid or amenity Io tfie people who will not accept fcb'S programme. All promotions or increments in pay andeverything ol' that sort should lie stopped and uni' that is done I do not see how we can bring results hecause I feel that every aid-giving organisations and the Government more so in particular has tic righr Io sec thai lthe aid and the benefits and amenities given do not induce the beneficiaries to go in for more improvidence and get poorer. If they do not apply this method or disincentive or stopping lthe amenities, they are hound to lead to this improvidence and more poverty, Another factor that Mr. Das men tioned was about automation. That' problem again bears on (he same problem that, I have mentioned. Because automation is going to throw many hands out of work. I know there is a I cry against automation in ihe L.I.C. j because many hands were thrown I out of work and similarly also in the banks but (hat must come if we are to progress. Therefore. I would request j my labour friends particularly to impress ou the minds ot their workers that it is in their own benefit to reduce their numbers, to reduce the size of

their families and not to go in for large families.

I had the good fortune to be in Australia for three years and I have seen with my own eyes how things work. In Australia there is a great shortage of manpower and I have seen how the employers tremble in their shoes in case their workers not co-operated. The workers have obtained very good living conditions for themselves. The gap between the highest and the lowest income is very small and the conditions in which the worker lived very often made me envious. So, I would tell my friends, labour friends particularly, that the principle of demand and supply applies in this case also and when there is a shorter supply of manpower they get better conditions.

Shri Ramachandran was talking about adult education. That is a bit problem to-day but I have been very much worried about the education of the youth of this country and the student indiscipline that we see everywhere from the north to the south, from the east to the west and this has been worrying me for a number of years. It seems to grow worse every day. For that evil I would say that we are all to blame. The first offenders are the parents and the guardians. We do not bother to see what our children do, whether they attend their schools or if they follow their lessons or if they follow the instructions given to them in 4 P.M. the schools. Madam, we abdicate our responsibility completely. We pay the fees and we think that it is good enough and everything should be all right afterwards. Then we suddenly wake up when the child fails in his or her examination. And then we take recourse to all kinds of methods to see that the child is promoted. So, as I have said, the first offenders are us, the parent?. The second offenders are, I should say

the teachers—they are not properly doing their job either ; p. rtly it is so because their classes are so huge that I it is impossible to pay individual attention to anybody. Secondly, .
(Time bell rings)

Good heavens ! Madam, I have not had even half of my say.

THE DEPUTY CHAIRMAN : Fifteen minutes are over.

SHRIMATI SHAKUNTALA PARANJPYE : How many?

THE DEPUTY CHAIRMAN: Fifteen minutes are over.

SHRIMATI SHAKUNTALA PARA-NJPYE : Fifteen minutes ! Something wrong.

SHRI (Jt. RAMACHANDRAN : A woman never knows fche l ime when she [. paaks.

SHRIMATI SHAKUNTALA PARANJPYE : I may tell you this ; I never exceed my time limit.

Well, I shall have it through now. Therefore, Madam, I feel that this situation is really leading to the downfall of our country, because the students of today are going to be the citizens of tomorrow. If we cannot put our faith and put our trust and hope in our young generation, I do not know what is going to happen. I have told you what is happening as regards the teachers and the parents. Now I have a few suggestions to offer, what should be done under the present circumstances. When students go on rampage or indulge in anti-public activities. I feel I can make these two suggestions. One is that such a student should be made to lose one year of his or her career in the school or college education. I think that would wake him up, wake the parents up, and I think a lot of good would come out of it. The second suggestion is that—this applies only to college and university students—when such a student goes on strike or goes

[Shrimati Shaktavtala Paranjpye] on rampage or starts destroying public property, I think such students should be taken in hand and given one year's camp military education—I mean camp military education, not the N.C.C. That will put discipline into them, and that will certainly turn them out into better citizens than they are.

Madam, I am sorry you are so unkind to me, and now I will come to the tax proposals. I will just take one or two minutes to speak on them, and I will leave the rest. And here I must say that the tax proposals regarding postal rates are certainly very hard on the common man. Many people have said that and I must add my voice to that complaint. I know that in the answer that the Deputy Prime Minister gave in the Lok Sabha he said that 70 per cent. of our people are illiterate and therefore these increased postal rates will not effect them. But, Madam, I would like to point out that it is this very community, this very part of our population that it is going to hit hard. I know these people cannot read or write. But then they get someone else to write their post cards. They get someone else to read it out to them, may be they pay a few Paise to someone else to do this service. And on top of it, the increased price of the post card, Madam, I think it is very very hard 'indeed on them. I hope the Deputy Prime Minister will bestow second thoughts on this and at least withdraw this increase in the post card rate.

Madam, Thank you.

SHRI G. R. PATIL (Maharashtra): Madam Deputy Chairman, I very sincerely thank you for giving me the opportunity to participate in the Budget discussion. It is said, "Uneasy lies the head that wears the crown" and here it is so with our Deputy Prime Minister and Finance Minister because I

of the background in which these Budget proposals have been placed before us.

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

I know that the two earlier years immediately preceding the current financial year have been years of drought and economic recession. The economy of this country in those years had gone to such a low level that it was very difficult for any hon. Finance Minister to come forward with Budget proposals which would revive the economy of this country to attain a satisfactory level. And in this context I must say that the hon. Deputy Prime Minister and Finance Minister has done a very good job. Though difficult, he has done it very nicely, and therefore I very wholeheartedly congratulate him for presenting this very nice Budget. I do know that there cannot be any Finance Minister who has not been criticised for the Budget proposals that he has laid before this House. So our hon. Finance Minister also has been criticised by some hon. Members for one reason or another reason. But one thing I can say; as far as our hon. Deputy Prime Minister and Finance Minister is concerned, he is a man of honesty, sincerity, integrity and character, and to whatever he has done for the cause of this country, for the eradication of poverty and illiteracy of this country, I can say that there is no parallel in the present-day history. Therefore I submit, Mr. Vice-Chairman, Sir, that in the Budget proposals as they stand today, one thing is outstanding; the main object of the present Budget is on the one hand to pull out the industry from its present state of recession and on the other hand, to stimulate agricultural production. As it is, it has been estimated that this year agricultural production will be

to the tune of 95 million tonnes, which is 27 per cent, more than that of last year, and this bumper crop in this year will definitely revive not only the agricultural sector but also the industrial sector. At least during the last 80 many years, Mr. Vice-Chairman, the maximum that this country had produced, as far as food production is concerned, has been 89 million tonnes in 1964-65. And after so many years, since then, due to the new agricultural strategy, due to the efforts made by agricultural scientists and progressive farmers, and also due to the copious rainfall that the monsoon gave this year, we hope to have a bumper crop of 95 million tonnes of food production. And allowing for animal feed, seed requirements and wastage it is estimated that 83 million tonnes will be available for the country's food requirements. And that is 8 per cent, more than the average of the preceding two years. However, it is quite true that the *per capita* availability of food grains even during this year will be less than what we were in a position to get, say, in the year 1961-62 or the year 1963-64. While it is true viewed in that manner, it should be taken into consideration that the faster growth of population has also taken away whatever we have produced and is taking away whatever we produce. In this connection, Sir, I would like to say, as far as agricultural production is concerned, to keep going more and more agricultural production, that two important factors have to be taken into consideration. I know that the State Governments as well as particularly the Government of India, during the last three Plan periods, have changed their entire approach to agriculture. In the Second Five-Year Plan the stress was on industrial growth, and in that particular-Plan period agriculture was neglected. But in the Third Five-Year Plan we find that 20 per cent, of the total M/BD—67RSS—8(a)

outlay was spent only for agricultural production. In the year 1966-67 it rose to 22 per cent, and in the year 1967-68 the provision was increased to 23 per cent, of the total expenditure and it was on agriculture only. From this point of view one thing appears very glaring. Even today out of our national income more than half is from agriculture. But the expenditure that is incurred on agriculture is very little when we take into consideration that half of our national income is from the agricultural sector. It will be seen that in this Budget the expenditure for agriculture is only 23 per cent, of the Budget estimate. I would therefore urge upon the hon. Deputy Prime Minister and Finance Minister to see that more money is made available for better production in the agricultural sector, especially in the direction of development of minor and major irrigation projects.

It is quite true that while making provision for all these things another important factor has to be taken into consideration. If at all agricultural production is to come up more and more during the coming years also, just as there are important factors like better seeds, fertilisers, insecticides—and for these the Government has already taken many bold steps and made provisions—there is the important factor of prices of these agricultural commodities. Proper prices must be assured to the farmers and in this context I may point out that unless we get rid of this P.L. 480 imports of food grains from America and other countries, the incentive on the part of our farmers cannot be maintained. Even as it is, this 1 year also we propose to procure some 7 million tonnes of foodgrains and to have a buffer stock of 3 million tonnes. For that the country has already entered into an agreement with the

[Shri G. R. Patil]

Government of the U.S.A., to purchase 3-5 million tonnes of foodgrains. But I would earnestly request the Deputy Prime Minister and Finance Minister to see that no more foodgrains are imported into this country. A policy of heavy food imports could be justified to some extent if the bumper crops were solely the result of a good monsoon. But what the country is witnessing today is a breakthrough in agriculture based on the use of fertiliser and high-yielding varieties in selected areas which have an assured supply of water. It is vital that the farmer is assured of prices which give him the incentive he needs to step up investment. If the prices fall to levels which he feels are unremunerative the country will have missed the first real opportunity to promote the modernisation of agriculture. The new strategy will peter out in the absence of incentive prices and with it will go the possibility of self-sufficiency in food. It is clear in retrospect that in the first decade of planning the price structure was tilted in favour of industry and against agriculture and that this factor was responsible more than anything else for slowing down the pace of agricultural growth. The consequences are there for everyone to see. Imports under PL 480 year after year account largely for the Government's failure to realise the dangerous implications of its price policy. Imports must be drastically curtailed if the same story is not to be repeated at this crucial stage. Therefore, I would humbly submit to the hon. Deputy Prime Minister that the import of foodgrains should be curtailed. Though it has been decided to import 7-5 million tonnes, I submit that it should not be more than 3-5 million tonnes. This is necessary if we are to keep up the tempo of agricultural production. We have decided that there should be

self sufficiency and India should be self-supporting in the matter of food by the year 1971-72. For that there should be at least a production of 120 million tonnes by the year 1970-71. To keep up the present tempo and to achieve that target it is necessary to take into consideration the price factor. Even now it is seen that in Punjab and Madhya Pradesh the farmers are prepared to sell their wheat even below the procurement price decided upon by the Agricultural Prices Commission. It has been accepted by the Government that remunerative prices should be given to the agriculturists. This has been mentioned in the Economic Survey itself where they say :

"It is recognised that it is important to assure the farmer that a reasonable level of agricultural prices will be maintained during the course of the season. What is a reasonable level for agricultural prices is not easy to determine."

This shows that as long as agricultural prices are not based on the actual cost of cultivation it is not possible, whatever *ad hoc* prices may be decided upon the basis of the report of the Agricultural Prices Commission, to decide upon a proper price. Therefore, I would urge upon the hon. Deputy Prime Minister and Finance Minister to set up a machinery which can take into consideration the cost of cultivation. It should also be seen that till such a machinery is set up and we arrive at the cost of cultivation it is not possible for anyone to fix a proper price for agricultural produces just as they do in the case of the industrial sector.

Another important factor as far as agriculture is concerned is the short-term and long-term finances needed by the agriculturists. Here we find that a sum of Rs. 600 crores has been set as the target in the Fourth Five Year Plan for development of agriculture. You

know that there are some 34 crore acres under cultivation in the country and this sum of Rs. 600 crores would mean that the short-term aid available will come to only about Rs. 12 to Rs. 14 per acre. If this is the state of affairs in our country and if the farmers are not able to get more and more finance for his activities, how can they produce more from agriculture? So also in the case of long-term credit. There is a provision of Rs. 400 crores made in the Fourth Plan. Taking into consideration the need, particularly for long-term credit, of the agriculturists it will be seen that the long-term credit, long-term credit has not been made on any adequate scale at all. We know the land mortgage banks cater to the needs of the farmers as far as long-term credit is concerned. Though a tempo has been created the farmers are not able to get as much loan from these banks as they require because the funds with these banks are not sufficient. Therefore, I would request the hon. Deputy Prime Minister and Finance Minister to see that the Life Insurance Corporation invests on the purchase of debentures of the Central Land Mortgage Banks. We find that only 6.7 per cent, of their total investments are made in the co-operative sectors. This should be increased and more and more sums should be invested in the purchase of debentures from these banks. This will enable these banks to meet the long-term financial needs of agriculturists and unless the farmers get this assistance it will not be possible for them to make proper investments for increasing production.

The hon. Deputy Prime Minister promised and he has kept his word in the matter of reducing the rates of interest and for that I congratulate him; and I welcome that step also. But as far as the question of long-term finance is concerned previously the State

Governments used to subsidise the rates of interest. Now there is no such subsidy and so they have to pay 9.5 per cent, interest for loans of land mortgage banks and this creates difficulty. While the industrial sector gets loans at cheaper rates of interest the farmer is not getting the same sort of facility.

Another most important factor is the fate of the crop. The agriculturist toils hard and he gets all the necessary equipments, obtains the proper quality seeds and fertilisers and all the rest of it. And then untimely rains come and all his crops are washed away or the crop is damaged. There should be some kind of crop insurance. How much longer are we to wait for such an arrangement? As long as crop insurance is not introduced I am sure the agriculturist will not be able to get the protection or help that he needs. Therefore I humbly request the Deputy Prime Minister to see that a crop insurance system is introduced in our country.

Next I come to some fundamental things. *(Time bell ring)* I will take only another five minutes.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Two more minutes are left.

SHRI G. R. PATIL: I will say a few words only on certain agro-industrial units that are coming up in Maharashtra. I may say that the cane growers there have formed a processing establishment on a co-operative basis. It is common knowledge that the co-operative sugar factories are functioning very well and out of the total production of this country as much as 33 per cent, is produced by those co-operative factories. But now a new policy has been adopted and I am told that henceforth if any new co-operative sugar factory comes into existence the Government will not come forward with any

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assistance whatsoever with funds either from the Industrial Finance Corporation or from the Life Insurance Corporation. I find that because of this a good opportunity is being wasted. Confidence has been created among our farmers that if they get together and collect their share capital, with that and the Government's share, they can have a processing sugar factory. I do not know why the Government is not now coming forward with help in such an effort. On the contrary let us see how the public sector, which has been very severely attacked in this House and in which over Rs. 1800 crores have so far been invested is faring. It will be interesting to learn that out of the investment of Rs. 1800 crores, what we are getting as return today is nothing more than a mere half a per cent, or so. In this respect I may point out to you that recently the Reserve Bank of India conducted a survey. And according to that Reserve Bank study of 1,333 companies in the private sector the return on the capital employed averages 10 per cent. In the units comparable to public sector enterprises the return ranges from 10 to 15 per cent. It is galling to see the private sector units still running from one specialised credit body to another. This shows that if at all the general taxpayer has had the worst of both worlds. He does not have the benefit of a socialist system where taxes are low because the State-owned units generate resources for social welfare and industrial development, nor does he have the benefit of a free-economy where, even if taxes are high, there are opportunities for large personal and corporate incomes, savings and investment. If the State-owned units earn as much as the private sector units a sizable tax relief can be possible. For instance, the investment of over Rs. 1800 crores in "running"

public concerns alone should yield Rs. 180 crores a year. But if this sort of colossal loss is continuing in the public sector—I do not say that the public sector should not be in existence at all, I am not here to say that—Just as we have postponed our Fourth Five Year Plan by a year or two we should at least postpone of investment in the public sector for some time and divert those funds for major and minor irrigation requirements of the country and I am quite sure if we did that there will be more and more agricultural production and it is from that point of view I submit that it should be done.

Another important thing I want to touch upon is about small scale industries. With a view to decentralising the industry the Maharashtra Government has set up some 69 co-operative industrial estates and they have requested the Government of India to grant them more money for that purpose. The L.I.C. was approached by the Maharashtra Government but it sanctioned only 15 lakhs while the need of the Maharashtra Government for these co-operative industrial estates was to the tune of Rs. 58 lakhs. If you decentralise the industries and shift them from the cities to the rural areas there will be no migration of population, there will be no slums, there will not be so many other problems and I therefore request that the hon. Deputy Prime Minister should please look into this.

Another thing is about major irrigation schemes of Maharashtra. Particularly I will point out to him the case of the Kukidi project. Right from 1952 the Maharashtra Government and the people of Nagar and Poona Districts have been urging that this should be included in the Plan. Technically it has already been approved and if this is taken up the people of the area will be benefited. The other project

is the Doodh Ganga project which will be of advantage to both the people of Maharashtra and Mysore States. This project also should be undertaken for which the people of Maharashtra will be thankful to him.

SHRI K. DAMODARAN (Kerala): Mr. Vice Chairman, Sir, whenever there is a drought in our country or a war on our borders it is customary to blame such incidents for all the ills of our economy but whenever the situation improves, when there is no war, when the crops are good and the economy improves a little, the Finance Minister takes all the credit to himself. This year the Finance Minister is very optimistic about the food situation in our country. I am, however, unable to share his optimism. It is true the monsoon was good. Nature has been very kind to us and there has been a bumper crop but let us not forget that man can undo what Nature does. Man can spoil the blessings of Nature; there are speculators, and blackmarketeers in our country who can play havoc with our food and there is a Government and a Finance Minister whose policies are subservient to them and who refuse to make use of the blessings of Nature.

The production of foodgrains in 1967-68 is estimated at 95 million tonnes, a record production, 20 million tonnes more than last year. With this surplus alone you can feed the deficit States like Kerala and West Bengal. According to the Economic Survey there will be a wastage of 12 million tonnes out of these 95 million tonnes; that is one-eighth of the gross production. I do not know why so much precious food has to be wasted in our country and why steps cannot be taken at least to reduce this huge wastage. Anyway, even after this wastage the remaining 83 million tonnes is sufficient to give each person 435 grammes

per day according to their own calculation. Then why this scarcity? Why this dependence on PL 480?

Sir, it is shameful that in spite of this favourable situation the Finance Minister is unwilling to reduce our dependence on America, and he wants to continue with PL 480. An agreement under PL 480 has already been concluded for 3-5 million tonnes and in spite of this bumper crop another agreement for 4 million tonnes is being contemplated.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : It is not bumper crop; it is normal crop.

SHRI K. DAMODARAN : It is 95 million tonnes which is 20 million tonnes more than last year. In 1967 when the internal production was only 75 million tonnes import under PL 480 was only 8-72 million tonnes. This year production is 20 million tonnes more than last year. Yet import is reduced only by one million tonnes. There is absolutely no justification to continue this shameful dependence. I do not want to deal with the economic and political implications of PL 480. Enough has been said in Parliament and outside about its harmful consequences. The total PL 480 sale proceeds now amount to more than Rs. 2000 crores. Out of this the American Embassy in India has with it a total of Rs. 744 crores as PL 480 funds. This rupee holding with the U.S. Embassy accounts for about one-fourth or one-third of the total money supply in the country. At this rate the day is not far off when the American Embassy in India will be in a controlling position in the total money supply of our country. Everybody knows how this huge amount is being used against India's national interests. Many economists have openly expressed their anxiety, but the Finance Minister is

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not at all worried. I don't know why he wants to continue this disastrous dependence on America. The least he can do now is to be satisfied with the import of 3-5 million tonnes for which an agreement has already been concluded and stop at that. Stop all further imports under PL 480. Our food problem will never be solved unless you do away with PL 480 dependence and base our policies on self-reliance. Of course, self-reliance does not mean reliance on food thieves and speculators. I can understand the Government's unwillingness to take over the entire wholesale trade in foodgrains, but something far short of it may be attempted. Some minimum steps may be taken. When the State Trading Corporation was formed, many thought that it would have a commanding position in the market in controlling prices and curtailing speculation. But our experience has belied this optimism. In spite of very favourable crops, the Government's procurement target is only 7 million tonnes—7 million tonnes out of 95 million tonnes. The balance is left to the mercy of the blackmarketeer and the speculator. This is not the way to ensure equitable distribution or to solve the food problem. The minimum you can do today is to raise the procurement target from 7 million to 12 or 15 million tonnes and to increase the proposed buffer-stock from 3-5 million tonnes to 7 or 8 million tonnes. You can certainly do it. If this is done, you will be able to not only save the deficit States from starvation and chaos, but also to control the food prices in the surplus States. Unless you are prepared to do this, all your optimism will be of no avail.

The Finance Minister seems to think that increase in food production will

automatically make the farmers prosperous, paving the way for an increase in the demands for industrial goods and thus the industries will also prosper. The fact remains that the vast majority of the peasants are not becoming prosperous. Only a tiny, minority of traders, moneylenders and big landowners are benefited. Their demands for industrial goods will be negligible. Unless the vast majority of the peasantry are helped by genuine land reforms and generous help to increase production and improve distribution, the basis of industrialisation will remain shaky.

As far as industries are concerned, only the big monopolies are benefited by your policies. Not only the workers and middle-classes, but even the smaller sections of the capitalists are driven to bankruptcy. Many factories have already been closed down. Many are not using their capacity fully. The monopolies become richer and richer. They enrich themselves by cheating the exchequer through extensive tax evasion. Even after this cheating, whatever is due to the Government is not collected.

The Finance Minister is very adamant and very bold in refusing to withdraw the increase in the price of post cards, but he is very shy before big business and is not able to collect the Rs. 550 crores income-tax arrears. The monopolists become richer and richer through unbridled exploitation by paying extremely low wages to workers, pressuring Government to give cheap electricity, water and gift of land, speculation in the stock exchange and, above all, by Government patronage and support. The common man is taxed to unbearable limits. His post card, his beedi, his chocolate, everything is taxed and with the several crores thus raised you give all sorts of concessions to the biggest sections of the industrialists.

and allow them develop to inflated or bloated proportions.

There was a time when, under Nehru's leadership, many imagined that the public sector would attain commanding positions in the economy and that it would retard concentration of capital in the hands of a few private individuals. But today the public sector is fast becoming a handmaid of the private sector. The private sector actually lives on the public sector. The largest consumer of the industrial goods produced in the private sector is, in fact, the public sector, including the Railways, the big projects of irrigation, etc. In the name of saving private capital from recession, the Railways and other public concerns are being instructed to place more orders with private firms. According to the Finance Minister, the Railway revenue this year shows a short-fall of Rs. 17 crores, while the working expenses are Rs. 23 crores higher in all a deterioration of Rs. 40 crores. Yet, the Railways placed orders for 16,000 wagons for 1968-69, although the assessment of traffic suggested that only 10,000 new wagons would be required. Orders have been placed for 6,000 wagons which cannot be used by the Railways. If the Railways suffer, you can increase the passenger fares or introduce new charges for sleeping accommodation, but you always take care of big monopolies. They should not suffer. This is the mentality behind the Budget.

The Bokaro steel plant issued orders for 150,000 tonnes of structurals. Air-India International placed orders for various types of equipment aggregating nearly Rs. 14 lakhs. Hindustan Tele-printers and Indian Telephone Industries together placed orders worth Rs. 16 lakhs. Orders placed by the Director General of Supplies and Disposals on behalf of various Ministries I

during April—November, 1967, i.e., for seven months, totalled Rs. 262 crores, compared to Rs. 237 crores in the corresponding months of 1966. In spite of all this, it is amusing that the Swatantra spokesmen clamour against the public sector. What would have been the fate of Birlas and Tatas, if there were no public sector? Do they not understand that the public sector in our country is intended to serve them?

It is funny to notice how the ICS or IAS bureaucrats, after their tenure as bosses of the departments supervising the public sector, later become Chairmen or Directors of big business houses and start sniping at the public sector. Some of them have donned the Swatantra mantle and become politicians. What a strange thing that, while the Swatantra Party criticises the bureaucracy and the public sector it is only too eager to welcome these bureaucrats to their ranks, after their retirement. Do these gentlemen become angels overnight when they join the private sector? No, Sir, People do not change so easily in their old age. They need these men to corrupt the State apparatus to get things done by the backdoor and to rob the State and the State sector of industry. Yet the Finance Minister wants to help these sharks to become still fatter at the cost of the people. This is why he has given so many concessions to them in the present Budget also. This policy only helps to widen the gap between the 'haves' and the 'have-nots' to reduce the purchasing power of the masses and thus to defeat the cause of industrialisation itself. Lack of purchasing power, the slowing down of demand on the part of the people in general is the root cause of the recession and the economic crisis we are in.

Exports may help. You can send wagons to the Soviet Union. That is all right. But unless you solve the

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problem of demand of the people by increasing their purchasing power, you will not be able to solve the problem of industrialisation. Unless adequate steps are taken the crisis in our economy will only intensify. Therefore, only two alternatives are before you : either break up the monopolies and save the country or break up the country and save the monopolies. Which way would you choose/

SHRI KOTA PUNNAIAH (Andhra Pradesh) : Mr. Vice-Chairman, at the outset I would like to congratulate the hon. Finance Minister for the pains he has taken to prepare this Budget. I know the difficulties involved in preparing this budget particularly in the context of the difficult economic situation. The Finance Minister has to take the interests of all the sections of the people into consideration and prepare the Budget. The Finance Minister has done this job very well. For this my heartfelt thanks to the hon. Finance Minister. Even after this balanced budget there is criticism from both right and left from both rich and poor. I can understand the criticism from the poor, not from the rich. Because they are poor, and cannot take the burden, they can criticise the Government, but not the rich. The rich must understand—here, Mr. Vice-Chairman, I would like to quote what Mr. John Kennedy, a former President of the United States of America, has said : "If a society cannot help the poor who are many, it cannot save the rich who are few ". So the rich must understand that in a democracy all sections of the people should flourish. I am not particular about imposing tax on foreign liquors on country liquors but I am particular about the imposition of taxes on poor man's articles like bidis. The hon. Finance Minister said that for 100

bidis the tax is one paisa. But the merchants in practice will increase it five times or six times and sell these bidis. Even this burden the poor cannot take. So I humbly request the Finance Minister to take out the imposition of tax on bidis and also the tax on chocolates. There are crores and crores of children in this country. They are not fortunate enough to have the food required, but at least the few thousands of fortunate children who are going in for the chocolates should not be taxed. I respectfully request the hon. Finance Minister to take out the tax on chocolates.

I would like to say a few words about the plight of the 12 crore under-fortunate creatures of this country, that is, the Scheduled Castes and Scheduled Tribes. Even after twenty years of independence, Mr. Vice-Chairman, their condition has not at all improved. There may be some improvement but it is negligible. They live in villages particularly and the tribes live in forest areas. Even today their conditions are the same as they were before. Some schemes are being initiated by the Government but the schemes are not fully implemented. The funds provided are not fully utilised for the welfare of these Scheduled Castes and Scheduled Tribes. To ameliorate the condition of these people one should not think that they are doing some favours to these people. They must think in terms of investment on human resources. Twelve crores of people—it is not an easy problem. This problem is an age-old problem. This needs the support and assistance of one and all in this country. We very often talk of socialism, Mr. Vice-Chairman. Socialism speaks of security from the insecurity of tomorrow, equal opportunities not hampered by an accident of birth, equality which contains both the elements of mobility and solidarity,

etc. Here, Mr. Vice-Chairman, these unfortunate people do not have the benefit of the schemes initiated. Day by day the disparities are getting increased. I do not know how they are going to remove these disparities. I personally feel taxing the rich is not the way, it may be a solution to restrict or to remove disparities, but it is not the correct solution to solve this problem. Disparities begin from the childhood. Take, for example, a rich man's son and a poor man's son. The rich man's son will have all the privileges or facilities but not the poor man's son. When they both become adults, they enter the life with disparities. These disparities should be removed in the beginning, I mean in the childhood. So there should be a crash programme for the welfare of the children. The children of this country are unfortunate. At the age of 2 to 4 the brain develops of 80 to 90 per cent. of the children. They require nutritious food and high protein food. That is not available to the children of this country in general and to the children of the Scheduled Castes and Scheduled Tribes in particular. I would like to request the Government to take it up and have a crash programme for ten years or twenty years, create a national chest and see that the children are fed properly so that they can grow well and be useful to this country.

Regarding these Scheduled Castes and Scheduled Tribes, Mr. Vice Chairman, there should be protection from the Government. They were exploited. For example, in Ganjam district of Orissa the oranges grow wild, but the merchants from Bhubaneswar go to Ganjam district and taking their innocence and ignorance into consideration tell them. "If you eat these oranges, you will die, they are poisonous".

These innocent people believe them and sell the oranges to them for cheaper rates. These merchants take these oranges to Bhubaneswar and mint money there. Even if you distribute lands to them, the other communities take away the opportunities of the Scheduled Castes and Scheduled Tribes. This should be borne in mind. According to the Industrial Policy Resolution of 1956 the Government has to start industries in backward areas. I do not know whether any industry has been located in backward areas where the tribals are living. This is the position of the Scheduled Castes and Scheduled Tribes. They are not enjoy big the fruits of independence of this country. They are starving, half-starving. Even today, Mr. Vice-Chairman, if you go to villages, you will see that the tribals are living on gruel prepared out of tamarind seeds. This is the position after twenty years of independence. One must take note of all these things and look to the welfare of the Scheduled Castes and Scheduled Tribes in the interests of the country. In a democracy, the democracy should flourish and all people must flourish. Otherwise, there is danger to democracy. These disparities will only bring harm to democracy. So, these disparities should be removed as early as possible.

So far as Andhra Pradesh is concerned, industrial development is almost nil. No industries have been located in Andhra Pradesh. Agricultural development is there; it is a little bit better. The ryots are a very intelligent people and the agricultural labourers are also a hardworking people. But they require funds. No irrigation programmes are there. The Central Government spends every pie from their pocket to build the Bhakra-Nangal Dam and the Neyveli Project but not the

[Shri Kota Punnaiah] Nagarjuna Sagar Project or the Srisailem Project or the Pochampad Project. I do not know why this discrimination has taken place. What crime have the Andhra people or the Andhra Pradesh Government committed? The Nagarjuna Sagar Dam is completed but the canals remain uncompleted. What is the good of building the dam then? I would request the hon. Finance Minister to release some funds to complete the canals. Otherwise, there is no use of completing the Nagarjuna Sagar Dam.

There is the Pochampad Project in Telangana. In Andhra Pradesh not all the districts are prosperous. Even in agriculture, the nine districts in Telangana are backward. If the Pochampad Project is completed, all the nine districts of Telangana will be benefited. Let us not forget about the food problem, keeping the bumper crop in view. We do not know what will happen tomorrow. It is better for us, better for the Government to take all the necessary steps to complete the irrigation projects in the country, not only in Andhra Pradesh but in other States also so that we can save food and we can feed the people in times of difficulty in the coming years.

Regarding power, Andhra Pradesh is unfortunate in power production. . . .

SHRI M. V. BHADRAM (Andhra Pradesh) : Powerless.

SHRI KOTA PUNNAIAH : It is powerless. I agree with the hon. Member of the left. In States like Andhra Pradesh where the *-per capita* consumption of power is much lower than the All-India average and where Centrally-sponsored schemes like Neyveli or atomic power stations do not exist, there is every justification for the Centre going to the aid of all such States and giving them additional

loan assistance, so that they may meet the growing demand for power, increase production and prevent the widening disparity between such States and others which are more fortunately situated.

I would like the Government to have one national power plant at Kothagudem, coal-based, and all the States can be supplied power from there.

So far as fertiliser factories are concerned, Andhra ryots required 40 per cent, of fertilisers. There is an agitation but the Government is not going to locate even one fertiliser factory in Andhra Pradesh. I would request the Government to give serious thought to it and see that at least one fertiliser factory is located in Andhra Pradesh.

Regarding law and order, the situation is deteriorating day by day. My fear is this and I am afraid when I hear the stories about the Shiv Sena, the Gopal Sena, the Lachit Sena. One Sena gives birth to another Sena. It makes me remember the conditions prevailing in the 16th and 17th centuries when there were internal troubles. A sena itself is an army without arms. The name itself indicates that it is an army. But the moment they get arms, I do not know what will happen to this country. In the morning, immediately you wake up you see in the newspapers something, somewhere about these Senas, in Maharashtra the Shive Sena, in Mysore the Basava Sena, in Assam the Lachit Sena and in Kerala the Gopal Sena. So, Government should not be complacent over these Senas. They should immediately ban them. These Senas are not going to help democratic institutions to flourish but these Senas are going to help the fascist forces in this country. Every right-thinking man, to which-

ever party he belongs, should think in terms of the integrity of this country and should help the Government in putting an end to all these illegal organisations which are indulging in illegal and unlawful activities. I would request the Government to take firm steps to see that these Senas do not exist at all.

Thank you very much.

SHRT CHITTA BASU (West Bengal) : Sir, this year we witness a very peculiar and unique spectacle after the presentation of the Budget by the Finance Minister, Shri Morarji Desai. Unlike the previous years, the big business houses this time have come out with their reactions towards the Budget, not with the usual hostility but with very surprising fraternisation. And these houses had also the benefit of hearing Shri Babubhai Chinai who claimed that even a business man representing the FICCI, the Federation of Indian Chambers of Commerce and Industry, could not produce a better Budget than that has been produced by the hon. Finance Minister. These sentiments echoed by these houses actually reflect unerringly the character of the Budget and the interest of the class which the Budget proposes to serve. It needs no comment from my side, it needs no remark from my side, to show as to whose interests the Budget proposals would serve. And it is not more astonishing to see that even after so much of concessions, even after so much of yielding, the business community, that is the big business houses, the monopolists in this country, are not satisfied. They are still claiming for their pound of flesh, they are still claiming that much more concessions, newer concessions, fresh concessions are to be given if health is to be restored to the economy of our country. As a

matter of fact what I saw in that draft resolution to be discussed in that Federation's annual conference which is likely to be graced by the inaugural speech of our Prime Minister, Shrimati Indira Gandhi is this, and they say— "Though the Central Budget for the year 1968-69 provides for some policy measures to get the economy moving, yet a bolder approach is needed to create an atmosphere of economic growth."

They further say—

"Export promotion and imports to create additional incentives for export."

This claim is in addition to the previous one, as I have referred to. I want to discuss at a glance as to what are the concessions which have already been conceded. Sir, as you know, after these Budget proposals are approved, these are the concessions which these big houses and monopolists are going to get :

1. There is to be discontinuance of dividend tax on excess distribution of dividends.
2. The surtax on the company profits are to be reduced from 35 per cent, to 25 per cent.
3. There is to be deduction in computation of profits for tax purposes of expenditures incurred by the companies in providing agricultural inputs.
4. A development rebate at the higher rate of 35 per cent, will be given to companies engaged in oil-seed export.
5. Exports Market Development Allowance will be given for expenditure incurred by companies in developing export markets.

[Shri Chitta Basu]

6. Export of technical know-how will be assisted by tax exemptions.
7. The Annuity Deposit scheme is to be abolished as has long been denounced by the upper echelons of business executives and administrators.

This is not a comprehensive list. These are the concessions that business houses and monopolists of the country are going to get from the Budget proposals. And if we take into account the funds provided by finance institutions which provide funds to the private sector we will learn that this private sector will get at least 85 crores of rupees when they will be charged not more than Rs. 10 crores by way of direct taxes. Therefore, you can easily understand for whom these Budget proposals have been brought about. On the other hand, you will be surprised to see the burden on the common man of our country. Without going into details of the whole thing, I want to show certain figures because I do not have much time at my disposal.

Sir, at a glance you will see that in all Rs. 36 crores extra has to come in the form of excise duties. Again, Rs. 19-30 crores is to come from customs duties. These two added come to Rs. 55 crores. On top of it comes extra postal charges of Rs. 25 making a grand total of Rs. 80 crores. Again, there is another axe going to fall upon the common man of our country, namely, deficit financing. Deficit financing has not been resorted to with the bold approach for meeting the developmental expenditure but it has been resorted to meet the day to day expenses of the Government which will naturally go to increase the price burden on the people of our country.

Sir, during the last year, 1967-68 we had to witness a general price rise of 12 per cent, in the midst of recession. That made the prime necessities of life costly. Now due to this imposition the prime necessities of life will become costlier still. You know, Sir, how our hon'ble Finance Minister has been loudly claiming of making deliberate attempts to do away with deficit financing, of having a balanced Budget. But what has happened today? Even after a prolonged deficit budget, we have a deficit of Rs. 300 crores. And now he comes forward with a deficit Budget of Rs. 290 crores the repercussion of which will have to be borne by the common man of our country. I do not like to go into figures.

Here let me refer to the Economic Survey itself. It gives the reasons for the price rise, Sir, if you permit me to read the relevant portion, it says:—

"The rise in the liquor and tobacco group of the wholesale price index was due to the increase in excise duties on the cigarettes in the Budget for 1967-68, and the increase in fuel, power, light and lubricants group is almost wholly due to the tax increase on petroleum products and more important, the rise in coal prices following decontrol with effect from July 24, 1967. More recently subsidies on imported food, wheat, have been withdrawn and those on other foodgrains substantially reduced; this explains the rise in foodgrains prices in the first week ..."

That being the case, the cost of food will also be higher; it will go up.

Now, Sir, I would not have been so much worried had the Budget proposals been limited only on this aspect. But the proposals have much more far-reaching effect on the total planning of our country. Sir, you know that

during the three Five Year Plan outlays, the percentage of allocation for Plan to the national gross production had been rising gradually and it had reached the peak- figure of 15 per cent, in the year 1965-66, and then it began to come down gradually, and so far as I calculate, it reached only 10 per cent in the last year, and it is going to be less this year because I know the Plan allocation foT this year is almost the same, that is, it is Rs. 7 crores higher than the previous year. But taking into consideration the price position of the country, the Plan will be reduced it will be a smaller Plan still.

Now, Sir, while the agricultural production has risen by 20 per cent., while the industrial production has risen by 11 per cent., the size of the Plan is being reduced. What does it mean! It means that while the people have acquired increased production in foodgrains and in the industrial field, all these gains are being allowed to be cornered by the private capitalists because there has been a Plan holiday, because the Government does not want to mobilise the resources for the interest of the nation as a whole, to set the nation on the firm road to self-reliance, on the firm road to win independence in the economic field. That being the case, the entire Plan, as I was telling earlier, the entire Budget proposals are with the object of satisfying more and more the monopolists and the big business community of our country. This is with regard to the Plan.

Again, I am worried about the other aspect of the Plan itself. You know, Sir, that our Plans are heavily dependant on foreign assistances. It has got two aspects particularly in the context of the Budget proposals. I do not want to touch on oither extraneous matt ors.

I will limit my remarks only to the Budget proposals and foreign assistances in the context of this Budget.

In the year 1967-68, the Budget assured an external assistance, other than PL-480, of Rs. 865 crores. But the actual aid which we received during the year was Rs. 756 crores and as the Finance Minister has explained, this shortfall of external assistances has, by and large, contributed to the deficit of Rs. 300 crores in the last year. Again, we may note that these foreign assistances are not given to our country in order that we may set our economy on the road to self-reliance, on the road to winning our economic independence, but they are given on political considerations. And these political considerations are that our Government should be ready for new capitulations. And if these new capitulations and surrenders are not there, the amount and quantum of external assistances will be reduced. I think the Budget proposals have not taken a serious note of it. And even in the case of the present Budget thg s une conventional methods are being pursued. We are relying still on the external assistance instead of mobilising the internal resources for our planning and restoring health to our economy. Sir, you know the Cantral Plan outlay this year comes to about Rs. 1179 crores. Out of this Rs. 750 crores are foreign aid and Rs. 290 crores come from P.L. 480. That is also foreign assistance. Now, a sum of Rs. 1,010 crores is to be had from foreign sources. Sir, in the previous year, it will be evident to you, due to the shortfall in external assistance, we could not restore health to our economy. (*Time bell rings*). We could not do away with foreign aid. We had to incur a deficit of Rs. 300 crores. Even in this year, if we are to rely on external

[Shri Chitta Basu] assistance, what is the guarantee that there would be no shortfall in external aid? And if there is shortfall in external assistance, there will be greater deficit and there will be greater burden on our people. Not only that it means that our country will be much more susceptible to the pressures of foreign countries. As you have rung the bell, I now want to conclude. While con-chiding, I sum up that this Budget is a budget to help the monopolists of the country. This Budget is a Budget to give them fresh concessions. This Budget is a Budget which means fresh tax burdens, which means fresh price rises for the common man. This Budget is a Budget which invites infiltration of foreign capital and also invites the foreign powers to have their inroads into our political sovereignty. And in the end, this Budget is a Budget which signs the death warrant of planning and that signature has been made by the hon. Finance Minister, Shri Morarji Desai. Therefore, this Budget is a Budget of the monopolists of our country.

**RE AEEEST OF TWO MEMBEES
OF PAELIAMENT AND OTHEES IN
DELHI FOE VIOLATION OF
SECTION 144, Cr. RC.**

SHEI BANKA BEHAHEY DAS (Orissa): Mr. Vice-Chairman, I want to make a submission and draw the attention of the House to a serious incident that has taken place in Delhi to-day. When some of our friends including Mr. S. K. Kundu and Mr. Earn Sharan, who are Members of Parliament, were going to the U.K. High Commissioner's Office to give a memorandum in protest against the actions of the Rhodesian Government, because we are all concerned with the hangings there, they were arrested near the Indonesian Embassy. We

had sent information to the U.K. High Commission earlier and got a phone call from them that they would be waiting near the gate to receive the memorandum. But in spite of that, to-day section 144 was clamped in the area and all of them have been arrested. It is a challenge to our civil liberties and I will request the hon. Home Minister either to-day or tomorrow morning, because I have a calling attention motion also on that, to explain the circumstances under which they took away the civil liberties of Parliament Members. I hope the Minister will do it because if things move like this, then I do not know where this democracy and civil liberties will go in this country.

SHEI LOKANATH MISEA (Orissa): I want to condemn this action of Government. There was neither any possibility of breach of peace nor any law and order problem. If they had taken the consent of the U.K. High Commission for the presentation of this memorandum and the U.K. High Commission people were waiting for the memorandum to be submitted to them, there was absolutely no justification for the Government to arrest these people, two of whom are Members of the Lok Sabha, Members of Parliament, when Parliament is in session and when they were going there peacefully. They intended to go peacefully and submit a memorandum which ventilated the emotion of this House and the other House. When the Prime Minister made a statement, each party spoke on it in both the Houses of Parliament and it appeared that the emotion was unanimously reflected against the Rhodesian Government's action, and that is what they were going to submit to the U.K. High Commission. So, what business had this Government to intervene and