

SHRI AWADHESHWAR PRASAD SINHA (Bihar): Madam, is it a fact that Begum Abdullah was asked to accompany Sheikh Abdullah to Ooty, if she so chose, so that she could keep company with her husband and she had refused to go with him

SHRI GULZARILAL NANDA: This offer was made.

THE DEPUTY CHAIRMAN: That will do.

#### THE FINANCE BILL, 1965—contd.

PROF. M. B. LAL (Uttar Pradesh): Madam, the Finance Bill, which is before us for our consideration, is a jigsaw puzzle. It is difficult to understand and unravel all its intricacies and mysteries. Not to speak of others even for the Finance Minister it is difficult to assess accurately the impact of his taxation proposals on the national economy. No doubt, for the first time, after many years, certain reductions are proposed in indirect taxes. I feel when concessions were granted last year to industrialists the question of reduction in indirect taxes also deserved careful attention. The reductions that are proposed in this year's Bill are counter-balanced by the ten per cent increase in import duties. So, the burden of indirect taxes is not reduced and its impact on prices is not weakened. The Finance Minister himself is not sure whether in all cases the reduction in excise duties will lead to a reduction in prices. He hopes that in some cases the reduction will result in a decrease in prices. But I feel that even if there is a certain marginal reduction in prices of certain commodities, by and large, indirect taxes will continue to exert an upward pressure on prices of almost all commodities, including essential supplies.

Last time, my friend Mr. A. P. Sinha in his speech on the Budget rightly

pointed out that the entire burden of indirect taxes had not to be borne by the poorer sections of the community. Some indirect taxes, no doubt, hit the higher sections of the community and in some cases the burden is borne both by the poorer and richer sections of the community. But my friend, Mr. Sinha, managed to forget that these indirect taxes hit the poorer sections of the community more than they were borne by the richer sections of the community. And these indirect taxes, along with inflation which is much worse than indirect taxation, have made the poorer sections of the community very miserable through the inordinate increase in prices.

It is admitted in the Economic Survey that the upward pressure on prices has been reinforced by speculative tendencies, but nothing very substantial has so far been done to curb the speculative tendencies and to see that through speculation prices do not rise very high.

The proposed fiscal measures are claimed to be production-oriented, but they are in reality profit-reoriented. High profitability to industrialists, I beg to submit, is confused with increased production and my submission is that the two need not be confused. Increased production and high profitability need not necessarily go together in conditions of imperfect competition that prevail in India today. Indian industrialists do not seem to be much concerned with the question of increased production. What they want is high profitability even through limitation of production. They want high profit in sheltered markets through concessions in taxes and all sorts of assistance. While they appeal to the old Herbert Spencer's concept of a police State and denounce the very concept of the welfare State and maintain that welfare and State go ill together, that it is not the job of the State to promote through its mechanism the welfare of the people, they demand all sorts of assistance from

the Government for promoting their own economic objectives.

THE DEPUTY CHAIRMAN: I think you can continue. You will take some time.

PROF. M. B. LAL: Yes, I will.

THE DEPUTY CHAIRMAN: The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at one of the clock.

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

PROF. M. B. LAL: Sir, much is talked of incentives to industrialists for the promotion of industrial production, but very little is heard of providing incentives to industrial workers as if for increased production while industrialists' co-operation is needed, the voluntary co-operation of the workers is not so necessary. Long ago a Bonus Commission was appointed and it submitted its report. Its majority report can claim to be almost unanimous in the sense that only a representative of manufacturers appended a note of dissent to that report. Yet the Government is finding it difficult to accept that majority report and to implement its recommendations.

Sir, much is talked also of rationalisation through mechanisation entailing retrenchment of workers, but very little attention is paid to the rationalisation of management and to the rationalisation of industrial production in other directions. In the Third Five Year Plan the Planning Commission did invite our attention to various other forms of rationalisation and did point out that rationalisation should be so carried out that it might not entail retrenchment in the working force. Yet no heed is being paid to that. I may point out to you, for example,, 217 RS—4.

Sir, the case of the Raza and Buland Sugar Factories of Rampur. The industrialists are trying to merge the Buland Sugar Factory and the Raza Factory in such a manner through mechanisation that something like a few thousand workers and their dependants would be without their livelihood. Even the protests of the labour union dominated by the INTUC, a Congress sponsored organisation, is not being properly heeded to.

Sir, last year many concessions were granted to industrialists to stimulate investment and industrial production. The Budget of 1964-65 was admitted even by many capitalists to be a bouquet of blessings. But even though the profitability of industry in general remained high, as is admitted in the Economic Survey of 1964-65, the stock exchange continued to lack buoyancy and industrial development continued to be as inadequate as before. As is pointed out in the Economic Survey of 1964-65 presented to this Parliament by the Finance Minister, a higher proportion of the amount raised by new equity issues has had to be subscribed by underwriters as in previous years, and the rate of growth of industrial production instead of going up slowed down substantially. It is pointed out in the report known as the Central Budget in Brief, 1965-66, that "the average annual rate of growth of industrial output was 6.8 per cent during the First Plan and 7.1 per cent during the Second Plan. The Third Plan started with a rate of growth of 7 per cent in 1961 and 7.5 per cent in 1962, and this rose to 9.4 per cent in 1963. In 1964, however, the increase in industrial output turned out to be smaller, that is 6.7 per cent, mainly because of the absence of increase in the production of some of the basic metal industries". From this it is obvious that in the year 1964 the rate of industrial growth was even less than the average annual rate of growth of industrial production during the first two Plan periods. The Finance Minister in his Economic Survey

[Prof. M. B. LAL...] has hoped that "while there has been slowing down in the rate of expansion and production during the first six months of 1964-65, taking the current year as a whole, industrial production should be about 8 per cent higher than in 1963-64". Even if these hopes of the Finance Minister are fulfilled, the rate of growth would not be as high as it was in the year 1963. This indicates that the financial concessions that were extended to industrialists last year did not have that impact which the Finance Minister wished these concessions to have. They did not accelerate the rate of growth of industrial production.

To provide further incentives to the capitalists, new fiscal concessions are proposed in the Finance Bill under consideration. But even these concessions do not seem to have had much impact on the industrialists. They have refused to respond to these concessions properly. The stock exchanges continue to suffer from lack of buoyancy. The industrialists of India continue to press for further concessions.

Sir, I am tempted to feel that the industrial development of India through the private sector is not possible unless the Indian industrialists are made to understand that the incentives offered to them would be withdrawn unless they are prepared to be satisfied with reasonable profits and unless the imperfect competitions are removed and this stranglehold of monopolistic capitalism "is broken.

Sir, the leaders of the Swatantra Party deny the growth of monopolistic tendencies in this country. But we know that in India the number of big private limited companies which are mostly family concerns is constantly increasing. That these big private limited companies are mostly family-owned was admitted by certain important industrialists while the Companies (Second Amendment) Bill was

under consideration in the Select Committee. According to a study of the Reserve Bank of India conducted in 1960, we find that 0.5 per cent of the total number of shareholders of 74 important companies with a paid-up capital of Rs. 212 crores and with a market value of Rs. 470 crores accounted for 56.7 per cent of the total value of their shares. According to another study, 1.5 per cent of the dividend-receivers accounted for 34.6 per cent of the total dividend income assessed for tax in 1959-60.

Sir, I wish to point out to the Minister of Planning that I am not quoting from a text-book but I am quoting from the reports prepared by the Government Committees or Committees appointed by such important institutions as the Reserve Bank of India. I can quote text-books but I do not do so because I know that the Minister of Planning is allergic to text-books. Perhaps, he had a hard time when he as a student had to study text-books.

Sir, in the private corporate sector, there is also considerable concentration of operational control which, as has been pointed out by the Mahalanobis Committee's Report, is more important than even ownership.

The idea of high profitability, I feel will have to be discarded if we wish the people to have the essential commodities at reasonable prices and if we wish them to undergo austerities for the sake of the development of the country. You cannot allow the so-called captains of industry to have high profits and require the common man to live a life of austerity on a pittance.

Sir, the idea of high profitability through high prices seems to have been accepted by the Government in the case of public sector enterprises also. When the Government wishes to have 13 per cent profit for the commodities produced in the public sector, you cannot ask the private sector industries to be satisfied with less than 15 or, say, 20 per cent.

I feel that much attention needs to be paid to internal economy and profitability through better management of the public sector undertakings. I had hurriedly gone through the Reports prepared by the Committee on Public Undertakings. That study clearly reveals that no attention has so far been paid to the recommendations of the Krishna Menon Committee and of the Estimates Committee with regard to the reorganisation of the management of public sector undertakings. In the Third Five Year Plan, certain recommendations were made with regard to the reorganisation of the public sector undertakings' management. But a study of those Reports on public undertakings clearly indicates that even the recommendations and the suggestions of the Planning Commission embodied in the Third Five-Year Plan. Final Report are not being taken due care of by the Government.

Sir, I do welcome certain changes in the Income-tax structure, especially those that affect the medium income group or the lowest income-tax assessee group. But I do feel that the persons of low income group who are required to pay income-tax need much greater concessions than are allowed to them under the new Finance Bill. As I pointed out before—I repeat again—the exemption limit requires to be raised to Rs. 5,000. We know that value of the rupee has gone down and it is said that our rupee today equals sixteen paise. If so, these Rs. 5,000 would mean less than Rs. 1,000 of a few years before.

Before I resume my seat, I wish to invite the attention of this House and of you, Sir, to some of the aspects of the economic development of Uttar Pradesh. I hope the Government will pay due attention to those aspects. It is pointed out in a report prepared by the Government of U.P. that—

"In nearly all fields of economic activity, U.P. has fallen behind other States of compara-

ble size. Production in agriculture and in industry is at low levels. The *per capita* availability of goods and services like electricity, transport and communications, education and health, is among the lowest in the country."

It is further pointed out in that very report that—

"There are many reasons why this situation has arisen. But the most important is that, in all the three five-year plans, investments and plan allocations in U.P. have been extremely low and inadequate. The plan outlay, *per capita* during the second and third plans has been Rs. 34 and Rs. 68, respectively against an average of Rs. 52 and Rs. 92 respectively for all States. Similarly the *per capita* Central assistance during the same periods has been Rs. 18 and Rs. 47 in U.P. against Rs. 27 and Rs. 56 for all States. The *per capita* development expenditure in U.P. is perhaps the lowest in the country—in 1962-63, it was just Rs. 15.5 against an average of Rs. 24.4 for all States."

It is further pointed out that—

"U.P. has been neglected in the allocation of public sector projects. The major public sector projects are all owned and operated by the Central Government. In the first two plans, U.P. did not get a single industry in the public sector, did not have any share in the increased mileage of national highways and was not given a single institution for technical or professional training. Some improvement has undoubtedly taken place during the Third Plan and a small number of

[Prof. M. B. LAL.]

public sector projects have been located in U.P. But these are still very insufficient."

In another report it is pointed that according to the survey of the National Council of Applied Economic Research, there are 58 districts which are to be considered as backward districts. Of them, 22 belong to U.P., with the result that while the population of U.P. is about 17 per cent of the population of the country, nearly 35 per cent of population of backward districts is in U.P. If we compare the per capita income of U.P. with the national *per capita* income, we will find that the *per capita* income of U.P. is nearly two-thirds of the *per capita* national income and of certain districts the *per capita* income is nearly ; half of the *per capita* national income. These facts deserve careful attention.

Some time ago a Member of the Lok Sabha invited the attention of the Government to the miserable conditions of certain eastern districts of U.P. A Committee was appointed. It has prepared a plan but it is yet to be executed and implemented. I beg to submit that this backwardness is not confined to only those 'four districts for which a survey was conducted by a Committee under the chairmanship of Mr. Patel.

I further beg to submit that U.P. is not being neglected only that way. It is being neglected in another way which is very dangerous for the security of India itself. Up to 1962 we neglected that area of U.P. which borders Tibet. After the Chinese invasion of 1962, the special importance of the development of that area was recognised and four districts were constituted. But to our disgust and dismay, we find through one of the reports of U.P. Government that a planned economic development of these four border districts of U.P. is suffering from a considerable shortfall.

I feel that the Finance Minister in the Union Government will also take due care of these facts when the Fourth Five Year Plan is finalised and when the needs of the different parts of the country are taken into consideration. I feel that the Government of India is committed not to make the poor poorer but to see that the backward regions advance more rapidly so that they may march ahead with the rest of the country on terms of equality.

SHRI P. N. SAPRU (Uttar Pradesh): Sir, a feeling I should give expression to is that our finances are safe in the hands of our Finance Minister who is a statesman of exceptional ability in the world of finance. We have passed through critical times and the years to follow are not going to be easy ones but there is no danger of what may be called a collapse of our economy. We have a very difficult system of mixed economy to work. It is in a way a unique experiment that we are trying, the experiment of working a planned economy in a democratic manner. We cannot pursue in our endeavour to achieve the results of a planned economy, totalitarian or authoritarian methods. We have to demonstrate that it is possible to achieve big social objectives, it is possible to achieve socialism, within the framework of a democratic society by democratic methods. In affluent societies the question of in-3 P.M. equalities is ceasing to have much importance. But we are not an affluent society; we were under colonial domination for nearly a hundred and fifty years and the transition to a welfare State, which will provide decent standards of living for our vast mass of people, is a complicated one. We are in the midst of the Third Five Year Plan, and shortly we shall be entering the Fourth Five Year Plan. Can we truthfully say that our achievements have been as good as they should have been? Plans are all right; there is nothing wrong with the basic framework of our Plans. But the point is that we must know also how to execute those Plans. For this, good administration is essential. We have

been talking unfortunately far too much, in this country of corruption in high and low places. But more important than corruption, if I may venture to say so, is efficiency in administration. What is distressing to note is that there is a definite fall in the standards of our administration all round. Our Finance Minister is not responsible for it. It is the job of our other internal Ministries; it is the job of our Chief Ministers and of our Home Minister to ensure that our administrative standards do not go further down, and they will not go up by merely crying, "corruption, corruption, corruption". Are we taking any steps to improve the quality of our recruitment? Have we done any fresh thinking on the question of how our services should be recruited? The old idea was that we should expect from our services a good standard of liberal education. Are we sticking to that idea or are we thinking in terms of some other method to find out who the best persons suitable for public employment are? Then are we encouraging the men who are working in our industrial concerns and in our daily administration by providing them with right incentives, encouraging them where encouragement is needed? These are questions we must answer for ourselves, and it is a sad reflection that even our social service organisations are not free from the taint of corruption.

There is a tendency in our country to multiply departments. A very senior I.C.S. officer, whose opinion I value, told me that there are five magistrates in a district where there should have been one. In his day one magistrate was able to do the work which five magistrates do today. Have we ever applied our mind to the question of finding what is the amount of work we should expect from our magisterial officers and our administrative officers?

We know, Sir, that the value of the Rupee has gone down; it is about 16 Paise now. But as a poor country our

effort should be to see that the Rupee is a Rupee, that we get 'full worth for work done for a Rupee.

The Finance Minister has simplified our tax structure and relief has been given to the middle-income man in so far as income-tax is concerned, and even the Wealth Tax which he proposes is not going to hit the people hard. I welcome the measures which he has taken in regard to the simplification of the tax structure. I do not wish to go into detail regarding them. I do not myself feel qualified to suggest improvements in the measures that he has taken, but I would like to say this; I would like him to impress on the officials who work under his care to be firm and at the same time reasonable; they must be told to be courteous. A little courtesy costs no one and it will not cost the Indian exchequer if they develop some courtesy also in dealing with those with whom they have to deal with.

Frankly, Sir, I am a great believer in the public sector and I have often said in this House that public ownership can take many forms, that it is not necessary for us to think in the old terms of complete nationalisation. The British Labour Party has, on this question, done a great deal of hard thinking and I would therefore say that it is a little disappointing to find that the returns from our public sector concerns are on the low side. Actually, I do not think that the public sector concerns should be condemned for that reason; they are new to their jobs. What about the returns that the private sector concerns give in the first few years of their existence? But we should have a high standard of efficiency in our public sector concerns and we should make them yield good returns. If that is done, it will be possible for us also to reduce the burden of taxation on all classes of the community. I do not say that the public sector concerns should be run from a commercial point of view only. Profit is one of the things they are meant to yield. I would in this connection say that I

[Shri P. N. Sapru.] would like our employees, I mean the poorer classes of our employees, to be associated in some way with the management of our public sector concerns. So far as our private sector undertakings are concerned, I have been thinking in terms of co-ownership. I think I said this last year and perhaps I am repeating it again. I think our employees should be made or rather they should be regarded or should be given the status of shareholders and they should have a voice in the management of the concerns they are running. They should have a voice in selecting the directors who shall run the concerns for the country. They should have the opportunity to rise to positions of managerial importance in the concerns with which they are connected. I think it is in some such way that we shall avoid the evils of what may be called bureaucratic socialism and give content to the shape of socialism which gives initiative, which gives opportunity and which gives a sense of importance and dignity to the common man. Therefore, our effort should be to eliminate gradually the distinction between employee and employer.

SHRI LOKANATH MISRA (Orissa):  
But how would you . . .

SHRI P. N. SAPRU: I will not answer any question. My point of view and the point of view of the hon. Member are so different that we can only meet socially outside. Now, Mr. Vice-Chairman, much has been said about foreign capital and foreign technical aid. There are people who are opposed to the employment of foreign capital at all. But no country has been able to do so. We should, however, be able to employ foreign capital without strings attached to them, as we are doing today. So far as foreign technical aid is concerned, we cannot dispense with it. I would like to say that there is a tendency in our country to be content with the second best or the third best. I think that is an unfortunate tendency. We have in the world of technology and in the world

of Science a great deal to learn from foreign countries. We have to learn a great deal from the United States of America and the Soviet Union and also from France and other countries, and we should be humble in our approach towards this problem. We should be prepared to give to our managerial staff opportunities of acquiring technical knowledge and technical skill in these countries.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN); Dr. Sapru, you have to finish now.

SHRI P. N. SAPRU; I will finish in less than a minute. There is this question which has assumed great importance, namely the question of price control. I know this subject raises some difficult questions. We have to consider the position of the farmer who has been exploited for ages by the people of the cities. But we have also to think of our people in the cities, all of whom are not rich. Many of them have to lead very humble lives and the rise in prices, the rise in the cost of living particularly in our urban areas, is becoming very high. It is, therefore, necessary for us to have some system of price control. We should have a price stabilisation board which should be able to regulate prices in such a manner that they are fair to the farmer and they are also fair to the consumer in the towns. We should eliminate, as far as possible, the middleman.

Then I should like to say that I am glad that the Finance Minister has given up deficit financing. But the question which arises is how we shall finance our Fourth Five Year Plan. Methods must be discovered which would enable the financing of the Fourth Five Year Plan in such a manner as to provide the greatest possible employment to our people. We, therefore, must attach importance not only to our basic industries and to our heavy industries but to others also. I am not suggesting that we should reduce our outlay on our heavy industries. But we must

think also of medium-sized industries and of our cottage industries. So we should encourage these industries in order that they may provide employment for our people.

Mr. Vice-Chairman, I must say a word about our middle classes. Unfortunately we have a class-ridden and taste-ridden society in this country. In this country we have the evils of castes and also the evils of classes in our society. The middle classes form the backbone of a civilized society in the generation in which we live and we should give them opportunity for education. The Finance Minister has given some concessions to the foreigners who are working here so far as the education of their children is concerned. I do not see any reason why some of these concessions should not be available to the poorer sections of our community. In fact, my idea is that education should be as free as the air that we breathe; that must be our aim. I should also like to say that the utmost importance should be attached to our health programmes. Healthy people are wise people and there is much deterioration in our health standards. In order that you might be able to improve the health of your people you have got to do many things and one of the things that you have got to do is to devote attention to the preventive side of health and if you want to devote attention to the preventive side of health, you must ensure the supply of pure water both in your towns and villages. Many of the diseases are due to impurity of water.

Mr. Vice-Chairman, I am glad the Finance Minister has made a distinction between earned and unearned income and I am all for the tax on urban wealth but I would like him to consider the question of Estate Duty. I know that he has made some changes but I am rather one of those who have a dislike for the institution of inheritance. Towards the end of his life, John Stuart Mill developed a dislike for this insti-

tution and I think we should have a system of graduated taxes, the tax falling heavier on each succeeding generation, on those who succeed collaterally. There should be some such thinking along these lines so far as our Estate Duty is concerned.

I am a citizen of Uttar Pradesh and I am free to confess that we are not a very enterprising people. The responsibility for our backwardness is due to that lack of enterprise which the people of Gujarat which the people of Bombay possess. I think Uttar Pradesh deserves special consideration because of its size and the important role that it plays in the life of the people of this country. I would like to associate myself on this matter with all that was said—and I listened to it very carefully—by Prof. Mukut Bihari Lal. I would like to make a plea for giving facilities for industrialisation so far as Uttar Pradesh is concerned.

With these words, Mr. Vice-Chairman, I would like to say that this is a Budget, notwithstanding what the corporate sector might have to say of which the Finance Minister can feel proud, this is a Budget which we as honest socialists can support and this is a Budget which does give hope for the future.

SHRI M. RUTHNASWAMY (Madras): Mr. Vice-Chairman, this Finance Bill has been introduced at a time of crisis, at a time of external crisis. In addition to the Chinese on the north, we have incursions from the neighbouring State on the west.

[THE DEPUTY CHAIRMAN in the Chair]

Therefore, it seems to me that this Finance Bill and the Budget proposals should be defence-orientated but we find no provision for increase in Defence expenditure. It is still Rs. 748 crores as it was at the time when the Finance Minister announced his proposals. If we are to put our De-



[Shri M. Ruthnaswamy.]

fences in proper order so as to ensure the security of our country, if we are not to look for military alliances in order to supplement our Defence Forces, our Defence expenditure must be increased considerably and it will have to be Rs. 800 crores, 900 crores or even a thousand crores of rupees. There is enough money in this Budget to allow transfer of more to the defence services. Money has to be found by reducing expenditure on other items which absorb so much money. The expenditure on the Plan is two hundred crores of rupees on the Revenue account and another three hundred crores on the Capital account. This must be drastically pruned. The Plan expenditure must be reduced to indispensable expenditure, expenditure which may be re-quired for the development of the country like agricultural improvements and all facilities and aids that agriculture requires like village roads, minor irrigation, reclamation of land, anti-erosion projects, literacy, without which our agriculturists cannot increase their productivity technical education which will also improve the productivity of not only the agriculturists but also those engaged in the industrial sector. There is certain expenditure which is unjustifiable in the present circumstances, in the present crisis situation in which we are placed. There is the expenditure on the Planning Commission. Can we really have a less expensive Planning Commission than the one which we have and which costs about one crore of rupees a year? The National Economic Development Council of England, the NED as it is familiarly called, costs only twentyfive lakhs of rupees, two hundred and fifty thousand pounds sterling and it does as good work as if not better than, our Planning Commission to increase the productivity of England. And there is also that absolutely unjustifiable item of Family planning. I believe that in the Fourth Plan it will be raised to

seventyfive crores of rupees from fifty crores of rupees which works out to ten to fifteen crores of rupees a year. Are we justified at this time of crisis in spending so much money on this doubtful business of family planning? It does not achieve its objective at all. The population has not been reduced appreciably during all these years of family planning. Here is a case in which the pruning knife of the Finance Minister might well apply without doing damage to anybody in anything but the susceptibilities of family planning enthusiasts. Then what about the expenditure on our administrative services? It has been growing steadily. From Rs. 77 crores in 1963 it is Rs. 91 crores now. We must have a Commission on the pattern of the Hoover Commission which proposed a reduction of 7,000 million dollars in the administrative expenditure Budget of United States of America. We must have a Commission on that pattern in order to go into the whole business of our administrative system from top to bottom, from the Centre down to the States in order to modernise it. We have been promised administrative reform committees in the Secretariat. The Home Minister makes much of these administrative reform committees. First of all their objective is only to reduce the delay in the Secretariat, not to reduce the expenditure. And moreover appointment of administrative reform committees from among the Secretariat officers is like asking the patients in a hospital to prescribe for one another. You must have an outside body a scientific body of administrators, composed of public men and of businessmen such as the Hoover Commission was, in order to go into the whole business of the costly administrative system under which the country is suffering.

Then in regard to our defence organisation also, are we getting the best out of the money that we are spending, even out of the Rs. 748

crores that we can afford? What we want for the defence of our frontiers is a mobile force not the kind of force suggested by somebody in the other House the other day. They wanted the frontier to be defended by the whole army; they wanted the whole army to be deployed all along the frontier. We want a mobile force, well armed, well equipped, which will be able to rush to danger spots before these danger spots become more dangerous. The Government has suggested that a police force would be enough to do the ordinary work of defending our frontiers. I hope it will be an armed police something like the armed reserve police used in Madras now generally for suppressing the student riots. It might be better used in the ordinary day to day defence of our Pakistan border. Has the army got all the modern equipment that is required? Have we got enough machine guns, automatic rifles, mortars and grenades, and how many per unit? Have we enough small and medium tanks? Have we enough anti-aircraft guns and have we enough helicopters which are in evidence in the recent defence action against the Pakistan incursions? Have we got the new craft which is called the Hover-craft which does not rise above a few yards but which would be very useful in desert areas and in swamps like those in the Rann of Kutch? And are the foreign arms and equipment that we are getting up to date or are these foreign friends of ours dumping out of date arms on us, arms that they do not require, that they have found out of date? I hope our defence officers are given enough freedom and initiative to inspect these arms that are sent to us by our foreign friends and we take only those arms that are really useful in modern circumstances. And is there going to be no increase in the strength of our army even after this new threat on the western frontier? Is it going to be still stationary at 850,000 men? And why have the ordnance factories been reduced from six to four instead

of having all the six as they were originally intended? A curious argument put up by the Government is that these defence factories may not be useful that these six defence factories may not always be required in spite of the fact that these are permanent threats which we have to meet on the northern and the western frontiers. Has no member of the Government heard of Hitler's policy of making civil factories produce defence goods when the production of defence goods in regular ordnance factories was prohibited by the Versailles Treaty and has not the experience of the Allies shown how the defence factories can be changed overnight almost into factories producing civil goods? Madam Chairman, I think the Defence Department would do well to pay attention to these questions and not be taken unawares as we were taken in 1962. And what about naval defence? We have already had the news that hostile naval craft are found in the Indian Ocean. Have we got any sea defence? Have we got any submarines? What is the earthly use of this aircraft carrier? It has been found to be of no use to us in this present crisis. It will be of no use to us in the defence of India either on the north or in the west. Instead of this costly aircraft carrier which must have cost us about Rs. 30 to Rs. 40 crores and which must be costing the Government about five to six crores for its maintenance, cannot it be sold to some Power which wants fashionable defence goods and can't we buy half a dozen submarines out of the sale price of this useless aircraft carrier?

Let us now examine the tax structure and see whether it increases the revenue. We find that indirect taxes preponderate. They run up to Rs. 1215 crores out of a total of Rs. 1829 crores; nearly three-fourth of the total revenue is derived from indirect taxes so that we can say that the tax burden is borne by the vast majority of the population, the middle classes

[Shri M. Ruthnaswamy.] and *the poor*. No relief is given to them except in regard to income-tax and a few small items which may give relief only to a fraction of the population, to about five or six millions of the population. The commercial classes, I think, bear one-fourth of the tax burden directly; apart from the indirect taxes that they pay. No great increase is possible by increasing the rates of taxes for these commercial classes because apart from the Rs. 386 crores given by the corporate sector, the wealth tax brings Rs. 13 and odd crores, expenditure tax about Rs. 11 crores, gift tax Rs. 3 crores and the estate duty only Rs. 22 lakhs. These last three taxes can be easily abolished without affecting seriously the revenue of the country. The way to make these commercial classes contribute to revenue is to encourage entrepreneurship by giving them all sorts of concessions especially in regard to venture enterprises. The small percentage of reduction given to unearned income from 85 to 81 per cent and earned increment from 75 to 70 per cent is not enough. We must have a slashing of the tax system as was performed by President Kennedy and in West Germany in order to give fillip to production in the country. The cumulative effect of all these taxes on the commercial classes is very great and that acts as a disincentive to production. It is true that a progressive industrial State has more revenue from direct taxation than from indirect taxation. It is one of the signs of industrial growth of a country that the direct taxation is either equal to the volume of indirect taxation or is higher than the volume of indirect taxation. But here there are only a couple of millions who are able to pay these high rates of taxes out of the 450 millions.

It is not all a dark picture that the Finance Bill offers us. There are exemptions granted in regard to income-tax and wealth-tax. One bright

spot in the Budget is the tax exemption and the credit facilities given to entrepreneurs and especially the encouragement to foreign companies. No patriot need jib at the encouragement given to these foreign companies by the Finance Minister, because most countries of the world which have advanced industrially have got capital from foreign countries. The United States of America, which stands first in industrial production, got its capital from England in the early years. There is no reason why India should not go through the same experience.

Then, how does the Finance Bill help the productivity of the country? The Finance Minister is, no doubt, optimistic. Reading his speeches after the publication of the Budget proposals, one would think that he had a song in his heart, as Dr. Dalton in England said he had in regard to one of his Budgets. But I am afraid the psychological effect of the Budget or the proposals in the Finance Bill is much greater than its financial and economic effect. How can we say that the increased excise or import duty on copper, stainless steel and other items that are useful especially in small scale industries would increase the productivity of the country? How can we say that the ten per cent increased duty on imports will not increase inflation in the country?

A recent report of ECAFE says that India has the smallest rate of growth among Southeast Asian countries, about 2.50 per cent in agriculture and in respect of industry it ranges from 7 to 9 per cent. How can you say that the Finance Bill, either of this year or of previous years, did contain anything to promote the productivity of the country, when the rate of growth is so low as that I have referred to? It was the ideal of a nineteenth century Chancellor of the Exchequer in England that he wanted to make his country a cheap country.

to live in. Now, can we say that this Finance Bill or any of its predecessors have made India a cheap country to live in? It is one of the dearest countries in the world, considering the poverty of the population. The recent threat from China and Pakistan has made our country emotionally dear to us. The Finance Bill and the Finance Minister's proposals, I am afraid, have made our country financially dear to us. It is becoming dearer every year and it will continue to be so as long as he has to frame a Finance Bill to suit the general policies of his Government. With a foreign policy of non-alignment, which repudiates all alliances with foreign countries, with a defence policy which wants the country to be self-reliant and self-dependent in regard to 'defence, how can he frame a financial policy which will serve the interests of the country, that will promote the economic interests of the country? The Finance Minister has affirmed, as against my charge, that he has been always a socialist. Can he say that socialism requires non-alignment? Non-alignment is not the foreign policy of any other socialist country. The Labour Government that is in power at present is a socialist government, but it does not believe in non-alignment. It believes in military alliances. It is a member of NATO. It is a member of SEATO. Financial policy does not stand by itself. It is intimately connected with the general policy of the country. However clever a Minister we may have and however able a Finance Minister we may have—I am of opinion that we have a clever and able Finance Minister at the moment—all his cleverness and ability will not allow him to frame a proper and useful financial policy, as long as the general policy of the Government continues to be what it is.

**श्री राम सहाय (मध्य प्रदेश) :** उपसभा-पति महोदय, फाइनेन्स बिल जो हमारे सामने है उसका मैं हार्दिक समर्थन करता

हूँ। अभी कई रोज़ से कच्छ के ऊपर विवाद चल रहा है और मिलिटरी व आर्मी संबंधी कई प्रकार के मूवमेंट शुरू हुए हैं और कई प्रकार के क्रिटिसिज्म हमारे सामने आए हैं।

प्रजातंत्र में निस्सन्देह हर व्यक्ति को यह अधिकार है कि वह गवर्नमेंट को जिस तरह से चाहे उस तरह से कण्डेस करे लेकिन मेरा ऐसा ख्याल है कि हमको इस बात का अवश्य ध्यान रखना चाहिये कि हम किस मौके पर क्या बात कह रहे हैं। अभी हमारे दोनों हाउसेज में मिलिटरी के संबंध में, आर्मी के संबंध में जो तरह तरह की चर्चाएं हुई उससे मैं तो ऐसा समझता हूँ कि कोई लाभ हुआ हो ऐसी बात सामने नहीं आई है। मैं तो निश्चय ही यह समझता हूँ कि उन बातों का जिक्र यहाँ हुआ, उनका बाहर दुरुपयोग किया गया और बाहर के अखबारों में और दूसरी जगह के अखबारों में, सबमें तरह तरह की बातें कही गईं। तो मैं समझता हूँ कि हम इस मौके पर थोड़ा नियंत्रण रखें और इस बात को देखें कि कौन सी बात हमको किस जगह किस प्रकार से कहनी है तो निश्चय ही उससे कुछ लाभ होगा। हमारे कुछ सजेशन हैं, हमारे कोई अच्छे सुझाव हैं और हम समझते हैं कि शासन उन पर अमल नहीं कर रहा है तो हमारा यह कर्त्तव्य होना चाहिये कि हम उन बातों को गवर्नमेंट के सामने और तरीके से भी रख सकते हैं। उस में हमें किसी प्रकार की सिकावट नहीं है, बजाय इसके कि हम आम तौर से उन सब बातों का प्रचार करें, अखबारी दुनिया में और सब जगह उनका प्रचार हो। यह कोई अच्छी बात नहीं है।

इसमें सन्देह नहीं है कि डिमोक्रेसी या प्रजातंत्र हर एक व्यक्ति को राय देने का क्रिटिसिज्म करने का अधिकार देता है लेकिन हमें हमेशा समझना चाहिये कि जो भी शासन है वह जिस प्रकार की प्रजा है, जिस प्रकार के उसके वोटर्स हैं, उससे ज्यादा अच्छी वह कदापि नहीं हो सकती। जिस

[ श्री राम सहाय ]

प्रकार की योग्यता, जिस प्रकार की कर्म-निष्ठा, जिस प्रकार की बुद्धिमत्ता, जिस प्रकार के जितने भी अच्छे गुण हैं, वे हमारी जनता में होंगे, वही निश्चय हमारे शासन में आएंगे। शासन एक प्रकार से जनता का प्रतिबिम्ब है और जितनी बुराइयाँ और भलाइयाँ जनता में हैं वे निश्चय ही शासन में रहेंगी, इसमें तनिक भी संदेह नहीं करना चाहिये। इस बारे में हम यह समझें कि हम यहाँ बैठ कर बड़ी बड़ी सिद्धांत की बातें करें तो उससे कोई नतीजा नहीं निकलने वाला है। लड़ाई किस प्रकार से लड़ी जाती है, किस प्रकार से उसका आयोजन होता है उसके बारे में मैं समझता हूँ कि जो लोग उस पर अधिकार रखते हैं, जो लोग उस काम को करते हैं निश्चय ही उनके सामने सारी हालत, सारी स्थिति होती है, वे निश्चय ही हमसे बढ़कर इन बातों को समझते हैं और जो भी उनकी अच्छा मालूम होता है उस प्रकार से कार्य करते हैं। हम हर एक बात में दखल दें तो यह कोई अच्छी बात नहीं है। डेमोक्रेसी में जहाँ हमारे लिए कई तरह के प्रिविलेजेज हैं वहाँ निश्चय ही हमारे ऊपर बहुत भारी रिस्पान्सिबिलिटी भी आ जाती है। हम प्रिविलेजेज की तो सब बातें करे और रिस्पान्सिबिलिटी की ओर कोई ध्यान न दें, तो यह हमारे लिये कोई शोभनीय बात नहीं है। अभी जैसा प्रोफेसर महोदय ने हमारे सामने कहा मैं उसका पूरा समर्थन करता हूँ। लड़ाई के संबंध में चाहे कितना खर्च हो, उसका चाहे कितना बजट हो—इस समय तो केवल 33 प्रतिशत बजट है इससे भी ज्यादा हो सकता है—लेकिन हमें उसकी चिन्ता नहीं करनी चाहिये। हम दूसरों के भरोसे पर कार्य करे यह बात मुनासिब मालूम नहीं देती है और जब तक हम अपने पैरों पर खड़े नहीं होंगे तब तक हम कामयाब नहीं हो सकते हैं।

यह मेरा विश्वास है कि आज के जमाने में कोई देश किसी दूसरे देश को गुलाम नहीं बना सकता है और न ही उसके ऊपर शासन कर सकता है। जब महात्मा गांधी जी हमारे सामने थे तो उन्होंने जो चीजें हमारे सामने रखी थीं उसके ऊपर हमने अमल किया था और ब्रिटिश हुकूमत को यहाँ से उखाड़ फेंका था। उस वक्त हमारे ऊपर कई तरह की मुसीबतें आई थीं, मगर तुम बिल्कुल भी नहीं घबराए, लेकिन अब हमारे सामने कोई मुसीबत आ जाय और हम घबरा जाय, तो यह हम लोगों के लिए अच्छी चीज नहीं है। हमें अपने ऊपर आत्मविश्वास और आत्मनिष्ठा होनी चाहिये। चाहे पाकिस्तान हो या चीन हो, कोई भी हमलावर हो, यह मेरा निश्चय मत है कि वह हमारे ऊपर कामयाब नहीं हो सकता है। इस तरह की जो छोटी मोटी बातें चलती हैं, उनके लिए हम अपने सिद्धांतों को छोड़ दें, सिद्धांतों को बालाये तक रख दें और किसी तरह का और कार्य करें, तो यह हम सब लोगों के लिए कोई अच्छी चीज नहीं है। हम रामायण का इतिहास ले लें, महाभारत का इतिहास ले लें और उन पुरानी लड़ाइयों को देखें जो हो चुकी हैं तो हमें पता चलेगा कि लड़ाई में बड़ी सावधानी रखने की जरूरत होती है। जब रामचन्द्र जी ने बाली को मारा तो उसके बाद क्या हुआ यह सब को मालूम है। इसी तरह से महाभारत के इतिहास में शिखंडी को मारने के बाद क्या हुआ, वह भी सब को मालूम ही है। इन सब बातों से पता चलता है कि लड़ाई में नारे लगाने से या इधर उधर की बातें कहने से काम नहीं चलता है। हमें निश्चय ही कुछ ऐसी बातें करनी होंगी जिससे निश्चय ही हमें कामयाबी हासिल हो सके। अगर हम 100 या 200 साल का पुराना इतिहास देखें तो मालूम होगा कि हमारे यहाँ बड़े बड़े बहादुर लोग हो गये हैं लेकिन उस बहादुरी का कोई नतीजा हमारे सामने नहीं आया। उन बहादुर लोगों ने उस समय अपनी जानें दी, निस्संदेह वे काबिले तारीफ हैं, लेकिन उसका

कोई परिणाम अच्छा निकला, ऐसी कोई चीज हमारे सामने नहीं आई है। अगर हम इस बारे में सोचें कि जिस तरह की बातें यहां कही जाती हैं, तरह-तरह के लांचवन लगाये जाते हैं क्या वह मुनासिब हैं? यह कहा जाता है कि अगर सरकार शासन नहीं चला सकती है तो उसको छोड़ देना चाहिये। मैं अपोजीशन के लोगों को विश्वास दिलाना चाहता हूं कि अगर हमें यह मालूम हो जाय और जनता को यह विश्वास हो जाय कि कोई दूसरी पार्टी अच्छा शासन कर सकती है तो यह सरकार, हमारे साथी निश्चय ही उनके लिए जगह खाली कर देंगे, इस बात में बिल्कुल भी संदेह नहीं है। प्रजातंत्र में उनको अधिकार है कि वह अपना बहुमत तैयार करे और बहुमत तैयार करके उस पर अमल करें। लेकिन कुछ ऐसी बातें यहां पर कही जाती हैं जिससे देश को लाभ होने के बजाय हानि हो जाय, वह मुझे मुनासिब मालूम नहीं देती है। तो मेरा यह निवेदन है कि हमें इस बारे में काफी अहतियात से काम लेना चाहिये और इस बारे में जरूर सोचना चाहिये कि हमें किस प्रकार से कार्य करना चाहिये और सदन में किस तरह की बातें कहनी चाहिये। मैंने देखा है कि इन दिनों सदन में जिस तरह की बातें कही गई हैं उससे हमारे विरोधियों को चाहे फायदा हुआ है या नहीं, लेकिन जो हमसे लड़ाई लड़ना चाहता है उसने इसका अवश्य लाभ उठाया है। तो मेरा निवेदन है कि हम सब लोगों को इस बारे में जरूर ध्यान देना चाहिये।

जैसा मैंने अभी निवेदन किया कि जहां तक रक्षा के खर्च का संबंध है सरकार को जितने भी धन की आवश्यकता होगी वह जनता देने के लिए तैयार है और सरकार को इस बारे में बिल्कुल भी चिन्ता नहीं करनी चाहिये कि जनता इस भार को बर्दाश्त कर सकेंगी या नहीं। अगर जनता यह देखेगी कि उसके पैसे का सदुपयोग हो रहा है, तो निश्चय ही आप उसके ऊपर कितना ही टैक्स लगाइये वह देने से नहीं घबरायेगी और

न किसी तरह का कोई संकोच ही करेगी। एक तरफ जब हम टैक्स ज्यादा करते हैं तो दूसरी तरफ हमें यह भी देखना चाहिये कि उस टैक्स का उपयोग ठीक तरह से हो रहा है या नहीं?

मैं फाइनेन्स मिनिस्टर साहब का ध्यान आये दिन जो रिपोर्ट निकलती है, पब्लिक एकाउन्ट्स कमेटी की रिपोर्ट निकलती है, उसकी ओर दिलाना चाहता हूं और उनसे निवेदन करना चाहता हूं कि वे स्वयं इस बात को देखें और ठीक करने की कोशिश करें। सरकार के कार्यों में किस किस प्रकार की बेजा बानें होती हैं, बेजा खर्च होते हैं और किस तरह से लाखों करोड़ों रुपये का माल बेकार पड़ा रहता है, सरकारी माल में कमी हो जाती है, इस तरह की कई चीजें हैं जो कि हमें रिपोर्ट में देखने में आती हैं। अगर मिनिस्टर साहब इन बुराइयों को दूर करने की कोशिश करेंगे तो निश्चय ही देश को बहुत ही लाभ होगा। हमने देखा है कि जब इस तरह की कोई बात होती है तो कोई अपने ऊपर जिम्मेदारी लेने के लिए तैयार नहीं होता है। जो गलती करता है उसको बचाने की कोशिश की जाती है, लेकिन कोई भी अपने ऊपर जिम्मेदारी लेने की कोशिश नहीं करता है। हमने इस तरह की कोई बात नहीं देखी जिसमें कोई अधिकारी अपने ऊपर जिम्मेदारी ले बल्कि हमेशा टालने की ही बात देखी जाती है। मैंने स्वयं देखा है कि चाहे किसी अधिकारी की गलती न हो लेकिन उसके अन्तर्गत जो अधिकारी गलती करता है, जो जिम्मेदार है, उसको भी बचाने की कोशिश की जाती है। उसको जितनी चाहे तरक्की मिलती रहती है और इसमें कोई रुकावट नहीं होती है। इसका नतीजा यह होता है कि वह यह समझता है कि जो कार्य मैंने किया है उसका मुआवजा मुझे मिल गया है। तो मेरा निवेदन है कि हमें इस बारे में अवश्य ध्यान देने की जरूरत है और मैं समझता हूं कि अगर हम इस ओर ध्यान देंगे तो निश्चय ही उससे लाभ होगा।

[श्री राम सहाय]

मैंने अखबारों में पढ़ा कि हमारे फाइनेंस मिनिस्टर साहब का यह ख्याल है कि प्लानिंग कमिशन में जो झगला है, जो स्टाफ है वह बहुत ज्यादा है। मैं समझता हूँ कि वह इस तरह की बात को कैबिनेट में रख कर तय कर सकते हैं। (Time bell rings.) बहुत सी बातें कहने को थीं लेकिन घंटी बज चुकी है, इसलिए मैं अपना भाषण समाप्त करता हूँ।

4 P.M.

SHRIMATI SHAKUNTALA PARANJ-PYE (Nominated): Madam, I would like to congratulate the hon. Finance Minister for having kept the population problem in mind while formulating the Budget. His offer for a deduction of the expenditure incurred by the different companies for the purpose of family planning is a marked proof of it. I think this programme should form part of the duties of the labour officers in the public as well as the private undertakings. I am glad to notice that a number of progressive industrialists are offering incentives to people undergoing sterilisation. However, with respect to population control, I want to point out a very important factor. I hope that the Deputy Finance Minister is listening to me. This factor must be taken into consideration. When the Finance Commission disburses its grants to the different States. At the present moment, as you know, when the Finance Commission fixes the quota of grants to a State under different heads of expenditure, the population of that particular State is the main factor taken into consideration. Now, my point is that if a State does succeed in reducing or controlling its population, from the point of view of the size of the grant received from the Centre, it stands to lose. This ought not to be. And the Finance Minister, clever as he is, should work out a formula whereby States showing good progress in population control are given an additional grant, say, for good conduct, while those who show

the opposite trend should have their grants reduced. Here I would like to refer to the point made by Prof. Ruthnaswamy about the allocation for family planning being too much. A similar reference was made by Miss Mary Naidu when she spoke on the Appropriation Bill. I think I would agree with them. I think we are wanting to spend more than is necessary. Last year, and this year too I have made my points quite clear that it is not how much you spend but how it is spent that gets the results, and I must say—I am not going to speak about it again because I have said it twice in this House—that the way in which the money is spent is extravagant; we need not spend so much; we can get equally good, if not better, results by spending less.

Now, talking of public undertakings, madam, the Report of the Committee leaves a lot to be desired, as was mentioned by my friend, Prof. Lal. The very objective of a public undertaking is that the profit which would have been made had the private sector been running the concern, should go to the public exchequer. But if the public undertakings are so managed that because of excessive overhead and establishment charges they are running at a loss instead of gain, the very object of public undertakings is defeated and we need to reorient ourselves on this subject.

During the last session, the Finance Minister informed us of the depleted condition of our foreign exchange. It is heart-breaking to remember the excellent position which we enjoyed after the last War and to compare it with our present plight. We have squandered away practically all our balances and now we have to beg, beg and beg. Even in order to pay the interest on the loans that we have already borrowed, we have to do some more borrowing. It is really a very sad state of affairs. How are we going to get out of this tight corner? We must think of new avenues of earning foreign exchange and of cut-

ting down on our losing projects. We will have to give up some of our lads for the purpose. Prohibition is one of them. Por this impractical programme not only did we have to write off a substantial part of our revenue but every year we have to spend for its most unsuccessful implementation. It has demoralised our police force in the bargain who are said to be aiding and abetting in the manufacture of illicit liquor. I have heard it said in many quarters that during the last elections many a candidate was financed by illicit liquor manufacturers. Every year we send many of our men and women to the United States of America to become wiser but we refuse to learn the one lesson that we can from the United States by not budging even an inch, and that is the failure of prohibition. Have we learnt that lesson? Even though the Tek Chand Committee reiterates the godliness of prohibition—that in fact was included in its terms of reference—the figures it quotes are very revealing and demonstrate how unholy the whole business is.

SHRI AKBAR ALI KHAN (Andhra Pradesh): The latest Report supports prohibition.

SHRIMATI SHAKUNTALA PARANJ-PYE: Of course, the first one did it too, it had to. There was a term of reference as to how to further prohibition; it was not whether prohibition should be or should not be there.

AN HON.' MEMBER: They were asked to ...

SHRIMATI SHAKUNTALA PARANJ-PYE: Being wedded to this idea of prohibition, we have done very little to explore the possibilities of earning foreign exchange by the manufacture of alcoholic beverages. I am glad that my State of Maharashtra is taking steps to grant licences for the manufacture of wines from grapes. Large tracts of our land are under sugarcane and from a by-product of molasses which at present is a problem to

some factories, excellent rum can be produced. Oranges and tangerines are the speciality of many a region in our country and they also can produce delicious drinks like coin-trean. Again, cashew-nuts which bring Us a lot of foreign exchange can be further exploited by manufacturing liquor from its fruit, a liquor which can hold its own against any liquor the world. I hope therefore that the Government will give serious thought to my suggestion of manufacturing alcoholic beverages for foreign export, thus earning foreign exchange. Even article 47 of the Constitution does not bind us against the manufacture of alcoholic beverages for foreign consumption.

SHRI DEOKINANDAN NARAYAN (Maharashtra): Why not for internal consumption?

SHRIMATI SHAKUNTALA PARANJ-PYE: I have already expressed my view about it. I have nothing against it.

SHRI DEOKINANDAN NARAYAN: That we know.

SHRIMATI SHAKUNTALA PARANJ-PYE: During the last year measures to relieve the food shortage had cost us a large amount of foreign exchange. AU the efforts of our Food Minister to increase food production, I hope, will meet with good success. But at the same time it is necessary for us to eliminate the destruction of food that takes place because of the scourge of monkeys. We are reluctant to kill them but they are a menace. Not only do they eat the produce but they destroy the plants. Again, Madam, our useless cattle population is another drain on our land. We dislike the idea of taking life. (Interruptions) But we think nothing of starving the cattle to death. Would it not be better to destroy useless cattle in a humane manner and end their misery. . . .

SHRI DEOKINANDAN NARAYAN: And why not destroy useless men?' There are so many.



SHRIMATI SHAKUNTALA PARANJ-PYE:  
... and reduce the pressure on land? Khadi—  
my friend will flare up again—is another of  
our fads. It was primarily introduced as a prop  
to rural economy. Its merits were extolled for  
the purpose of becoming self-dependent as far  
as clothing was concerned and for giving  
gainful employment to the village people  
during the slack season . . .

SHRI DEOKINANDAN NARAYAN: Do  
you know to how many people it is giving  
employment?

SHRIMATI SHAKUNTALA PARANJ-PYE:  
I have read all the Reports.

SHRI DEOKINANDAN NARAYAN: You  
might have read them but tell me: To how  
many people is it giving employment?

SHRIMATI SHAKUNTALA PARANJ-PYE:  
You can have your say afterwards. All these  
operations, from A to Z, in the manufacture of  
khadi from the sowing of cotton up to the  
spinning and weaving of the cloth were to be  
performed in the villages. These fundamental  
principles are now very much a back number.  
Now Khadi and many other village industries  
are kept alive with the help of huge annual  
grants from the public exchequer. I can well  
understand that an industry should be helped to  
get on its feet but when it is obvious that it is  
never likely to stand up on its feet, it is an  
extravagant folly to go on allocating  
enormous sums for its support. Only during  
the last Session when the Supplementary  
Grants were before the House, an amount of  
Rs. 34 crores was given to the Khadi and  
Village Industries Commission. I do  
understand—I will say again—the principle of  
helping a village industry but such grants  
should necessarily be of a tapering nature so  
that little by

little the industry becomes more and more self-  
supporting and after a specific period, is left to  
stand on its own; otherwise, as is seen from the  
different Public Accounts Committee reports  
these undertakings become a

permanent liability on the public exchequer  
besides leading to all the evils of  
mismanagement and misappropriation. We  
are now wedded to an industrial economy and  
we must have the courage to give up this out-  
moded idea of having a non-industrial rural  
economy. Once a friend of mine in the Health  
Ministry was telling me that the Government  
hospitals are obliged to buy Khadi linen. It is  
not durable and, having a rough surface, it  
catches dirt and the articles are never of the  
right size.

SHRI A. D. MANI (Madhya Pradesh): What  
have you to say about that?

SHRIMATI SHAKUNTALA PARANJ-PYE:  
We must be practical in our approach and  
more precise when we make our plans. On the  
one hand we clamour for more money and on  
the other we are not able to spend the  
allocations already made. That is exactly what  
happened with the Defence budget. I know  
that now we are facing a graver situation and  
perhaps the Defence budget will amount up as  
Prof. Ruthnaswamy said and I agree with him.  
Indians are said to be good at mathematics but  
when it comes to practical mathematics we  
seem to go right off the mark, or, maybe, we  
have got into the mendicant's habit of asking  
for more than we need. It is this mendicant's  
habit that, we must discard. A beggar is not  
respected by anyone. What kind of  
independence do we have if we are to depend  
on foreign aid more and more? Just as our  
Government has got into the habit of  
depending on foreign aid, the people seem to  
have got into the habit of depending on  
Government aid. No one seems to want to go  
all-out for anything. Our output is low and our  
*per capita* production is miserable.

I come to my last point and I see that my  
time is running out. The Finance Minister is  
very keen on unearthing the black money.  
The easiest way of doing it, it seems to me,

is by demonetising the currency. ] fail to understand why he has not evolved a scheme to that effect. No one is going to reveal his unaccounted money just as no one ever unearthed the stock of gold he or she had. The only way of getting the unaccounted money, this black money would be to demonetise the currency. Thank you.

**श्रीमती शारदा भार्गव (राजस्थान) :** उपसभापति महोदया, हमें आज गर्व है कि आज के समय में जब कि हमारा देश आर्थिक कठिनाइयों से गुजर रहा है, हमारे वित्त मंत्री ने अपनी वित्त सम्बन्धी योग्यता से इस वित्त विधेयक द्वारा देश में समाजवाद लाने का प्रयत्न किया है, वह इसके लिए बधाई के पात्र हैं और मैं साधारणतया इस वित्त विधेयक का समर्थन करती हूँ, परन्तु तो भी मुझे कुछ सुझाव देने ही हैं।

जहाँ हम भेदभाव मिटाने का प्रयत्न कर रहे हैं, चाहे वह रंग-भेद हो या धर्म-भेद हो या वित्त-भेद हो, किसी भी प्रकार का भेद हो, वहाँ मैं समझती हूँ कि राज्यीय भेद मिटाने का कोई प्रयत्न नहीं किया गया है। मैं राजस्थान से आती हूँ। राजस्थान की आर्थिक व्यवस्था थोड़ी पीछे है यह सब हम को मालूम है यानी आर्थिक दृष्टि से हमारा राजस्थान पिछड़ा हुआ है, मगर राजस्थान के साथ कई स्थानों पर अगर आप ध्यान दें तो हमारी सरकार ने कुछ सौतेली माँ का सा व्यवहार किया है। मैं आपको इसके एकाध दृष्टांत देना चाहती हूँ।

आपको मालूम है कि और हम सबको मालूम है कि राजस्थान में उच्च न्यायालय के बारे में कितनी जल्दी एक स्टेप लिया गया था। राजस्थान गरीब है और वहाँ की जनता गरीब है, मगर न्याय राजस्थान का महंगा हो गया है। क्यों हो गया है, आप कहेंगे। शायद यह सोचेंगे कि

चूँकि मैं जयपुर में रहती हूँ इसलिए मैं जयपुर का समर्थन कर रही हूँ। यह बात मैं आपको बिल्कुल स्पष्ट कह देना चाहती हूँ कि मुझे न्यायालय से कोई कार्य विशेष नहीं पड़ता है परन्तु यह बात आपको माननी पड़ेगी कि जयपुर क्या पूर्वी राजस्थान में न्याय बहुत महंगा हो गया है। पूरे राजस्थान की जनता करीब करीब 2 करोड़ की है, जिस में से 1 करोड़ 40 लाख जनता पूर्वी राजस्थान में रहती है। पूर्वी राजस्थान में आवादी अधिक है। राजस्थान में उच्च न्यायालय की सीट जो जोधपुर में हो गया है, उसका मैं पूरा समर्थन करती हूँ, इस पर मुझे कुछ नहीं कहना है, परन्तु साथ ही उसकी जो बैच जयपुर में थी उसके मिटा देने का कारण आज तक न आप बता सके और न मैं अपनी जनता को, अर्थात् जो राजस्थान के निवासी पूछते हैं उनको, कोई जवाब दे सकी। मैं यह कहना चाहती हूँ कि जितने प्रान्तों में उच्च न्यायालय की सीट है और बैच है, वहाँ कहीं भी बैच नहीं हटाई गई है मगर राजस्थान के साथ में पता नहीं क्या राजनीति खेली गई कि वहाँ की जो बैच जयपुर में थी, राजधानी में थी, उसको एकदम से हटा दिया गया। जितनी आर्गनाइजेशन हैं या जितने भी वहाँ के रहने वाले हैं, जो भी उत्तरदायित्वपूर्ण व्यक्ति हैं, उन सभी ने कहा कि जयपुर की बैच नहीं हटाई जानी चाहिये। मैं आपको दो-चार शब्द पढ़ कर सुनाऊंगी। जब जोधपुर में सीट थी और जयपुर में बैच थी, तो काम बहुत अच्छी तरह से चल रहा था और जब यह निश्चय-सा हुआ कि कुछ बदलने वाला है, तो जयपुर के बार एसोसियेशन तथा जोधपुर के बार एसोसियेशन, दोनों ने ही मिल कर प्रस्ताव पास किया कि यह जिस प्रकार चल रहा है, उसी प्रकार रहना चाहिए, अर्थात् जोधपुर में सीट रहे और जयपुर में बैच रहे। इस बारे में किसी की दो राय नहीं थी फिर भी जयपुर की बैच एकदम से हटा दी गई।

[श्रीमती शारदा भार्गव]

राजस्थान के चीफ मिनिस्टर, मुख्य मंत्री जो कि आज भी हैं, श्री मोहनलाल सुखाड़िया, ने भी 1956 ई० में कहा था :

"I may assure you that the Rajasthan Government is not in favour of shifting the High Court Bench from Jaipur. This has been made clear whenever the question came up for consideration."

इससे पहले राजस्थान की कैबिनेट ने भी मिल करके यही फैसला किया था कि जयपुर की बेंच नहीं हटाई जाएगी। यही नहीं, बल्कि जयपुर में हाई कोर्ट के लिए भवन बनाने के लिए भी १० लाख रुपए का बजट स्वीकार हुआ था, हमारे गोविन्द वल्लभ पंत जी जो उस वक्त होम मिनिस्टर थे उन्होंने उसका शिलान्यास भी किया और भवन बन भी गया। मगर आज तक किसी की समझ में यह नहीं आया कि क्या राजनीति खेली गई कि सारे प्रांतों में कहीं भी बेंच न हटा करके राजस्थान में जो बेंच थी, जो कि राजधानी में थी, जहां कि अक्सर लोग कई कामों से आते हैं और उसके साथसाथ न्यायालय का भी, कोर्ट का भी काम कर लेते हैं, तो उनको सुविधा भी होती है और सस्ता भी पड़ता है, उसको हटाया गया। उसको हटाने का कारण आज तक नहीं समझ में आया। बल्कि कुछ दिन पहले यह समझा गया था कि चूंकि राजस्थान बहुत सारे स्टेट्स से मिल कर बना है, सब स्टेट्स को कुछ न कुछ महत्वपूर्ण चीज दे देनी चाहिये। उसके बाद जोधपुर में यूनिवर्सिटी भी बन गई। मगर साथ में जोधपुर में सीट रहे, इसमें किसी की खिलाफ राय नहीं है। वहां सीट रहे। मगर राजधानी में अगर उसकी बेंच थी, तो कितनों को सुविधा थी, इस बात को न सोच कर यह सोचा गया कि चूंकि जयपुर को राजधानी बना दिया गया है, तो यहां से बेंच हटा देना चाहिये, नहीं तो

शायद ऐसा लगे कि जयपुर के साथ कोई फेवर किया गया है। भाई, राजधानी बनाई जाती है तो, कई कारणों से बनाई जाती है। यह सोचा जाता है कि यहां पर क्यों राजधानी बनाई जाये। राजधानी बनाने के लायक अगर किसी जगह को समझते हैं, तो इसका मतलब यह नहीं है कि वहां रहने वालों की और सुविधाएं हटा दी जानी चाहियें। राजस्थान में जो जयपुर बेंच हाई कोर्ट का हटा दिया गया है, उससे वहां की जनता बहुत दुःखी है। मुझे मालूम है, जब ला कमीशन की रिपोर्ट यहां संसद में आई थी, उसमें बेंच हटाने की सिफारिश थी, परन्तु तब संसद-सदस्यों तथा तत्कालीन ला मिनिस्टर श्री ए० के० सेन ने भी यह कहा कि कोई बेंच नहीं हटाई जायेगी और काश्मीर में सन् 1960 में जो ला मिनिस्टर्स कान्फरेन्स हुई थी, उस ने भी यह तय किया था कि कोई भी बेंच नहीं हटाई जायेगी, जहां बेंच है बेंच रहेगी, जहां सीट है, सीट रहेगी फिर भी यह राजस्थान में जो जयपुर की हाई कोर्ट की बेंच थी उसको हटा दिया गया। इसका कारण आज तक समझ में नहीं आया और यदि हम यह मान लें कि उस समय कोई कारण से यह समझा गया था कि उसकी आवश्यकता नहीं है, या कोई उसमें राजनीति है, तो वह लोगों को मालूम होना चाहिये। मैं जानती हूं और मैं वहां से आती हूं, मेरे पास वहां के निवासी आते हैं अपनी डिमांड मांगने के लिये और कहने के लिये। तो मुझे तो इसके बारे में कहना पड़ेगा कि मैं यह चाहती हूं कि उनको सस्ता एवं सुविधापूर्ण न्याय मिले। कहा जाता है, न्याय देर से मिले या महंगा मिले तो अन्याय के बराबर होता है, इसलिये न्याय सस्ता हो, शीघ्र हो इसके लिये हम लोगों को पूरा प्रयत्न करना चाहिये और मैं अपनी सरकार से कहना चाहूंगी कि जो बेंच हटा दी गई है, उसको फिर से वहां पर कायम कर दिया जाये, ताकि जो अधिक आवादी बाला

राजस्थान का हिस्सा है, यानी पूर्वी राजस्थान, उसके लोगों को न्याय सस्ता और जल्दी मिलने के लिये एक सहारा हो जाय। मैं यह भी आपसे निवेदन करूंगी कि अगर आपको किसी भी प्रकार की शंका हो तो जो राजस्थान के या और भी जगहों के जो मेम्बर्स आफ पार्लियामेंट हों या जो इसके बारे में एक्सपर्ट्स हों उनकी एक कमेटी बना दी जाये कि भाई राजस्थान में जो बैच हटा दी गई है, उसके कोई विशेष कारण हैं, दूसरे राज्यों की बनिस्बत, ताकि यह मालूम हो जाये कि सचमुच में क्या सही है और न्यायोचित है। और किसी दिन गलती को मान लेना या उसको सही कर लेना, यह किसी की प्रेस्टीज के खिलाफ नहीं होता। इसलिये मैं निवेदन करूंगी कि ला के एक्सपर्ट्स की राय लेकर जयपुर में बैच फिर से स्थापित कर दी जाये।

दूसरी चीज मुझे काउन्सिल के बारे में यह कहनी है कि पहले पार्ट 'ए' 'बी' 'सी' स्टेट्स थीं। आप शायद यह कहेंगे कि काउन्सिल तो, स्टेट्स की जो असम्बलीज है, वे तय करती हैं तब बनती हैं, मगर जैसा कि शुरू में यह दृष्टा था कि कुछ स्टेट्स में काउन्सिल रहेंगी, कुछ में नहीं रहेंगी, तब राज्यों में कुछ अन्तर किया गया था, 'ए' 'बी' 'सी' कर के। मगर अब जब 'ए' और 'बी' का कोई अन्तर नहीं रह गया तो मेरे खयाल में यहां पर एक कानून को लाकर अगर आप समझते हैं कि अपर हाउसेज स्टेट्स में नहीं होने चाहियें तो आप सब जगह अपर हाउसेज को मिटा दीजिए, मुझे कोई ऐराज नहीं है। मेरा सिर्फ निवेदन यह है कि राज्य और राज्य में कोई प्रकार का अन्तर नहीं होना चाहिये और सबको एक दृष्टि से सेण्टर को देखना चाहिये और ऐसा प्रयत्न करना चाहिये कि आपस में किसी प्रकार का भेदभाव या दुश्मनाई न हो। इसलिये मैं आपसे निवेदन करना चाहती हूँ कि अगर कोई एक्सपर्ट्स यह सोचते हैं कि काउन्सिल की स्टेट में जरूरत नहीं है तो सब जगह की स्टेट्स में काउन्सिलों को मिटा दीजिए, मगर जब तक आप यह समझते हैं

कि काउन्सिल रहने हैं तब तक सब स्टेट्स में काउन्सिलों का होना जरूरी है और भेदभाव की नीति को आप त्याग दें, तो अधिक अच्छा हो।

तीसरा सुझाव मुझे यह करना है कि हमने रुपया, आना, पैसा और हर एक चीज में, और तौल में, हमने दशमलव प्रणाली लगाई। ठीक है, बहुत अच्छी प्रणाली है। मगर कुछ लगता ऐसा है कि दशमलव प्रणाली नहीं है, शतमलव प्रणाली है; क्योंकि पैसा एक इकाई है और रुपया एक इकाई है, उसके बीच में कोई इकाई नहीं है। चवन्नी, अठन्नी जो हैं वह पुरानी हैं। मेरा सुझाव यह है कि जो दस पैसे का एक सिक्का है, उसको कोई नाम दे दिया जाये, चाहे उसको इकन्नी कहिए, चाहे कोई और नाम दे दीजिए। आप कहेंगे, इकन्नी के मानी रुपये का सोलहवां हिस्सा है, तो पहले पैसा भी रुपये का चौंसठवां हिस्सा था। पैसे को भी हमने नया पैसा कह कर रुपये का सौवा हिस्सा मान लिया। उसी प्रकार मेरा सुझाव यह है कि कोई आदमी अगर कभी किसी से रुपये के पैसे भुनाना चाहता है तो उससे कहना पड़ता है : पांच तो दस पैसे वाले सिक्के दे दीजिए और दस पांच पैसे वाले सिक्के दे दीजिए। इसमें मेरा सुझाव यह है कि दस पैसे वाले सिक्के को आप एक नाम "नई इकन्नी" दे दीजिए। बल्कि नई इकन्नी कहने की भी जरूरत नहीं है, उसको इकन्नी ही कहा जा सकता है; क्योंकि वह पुरानी इकन्नी खत्म हो गई। इसलिये मेरा सुझाव है, एक नया नाम दे दीजिए। आप कहेंगे बाहर भी ६० सेण्ट, ७० सेण्ट कहते हैं, अतः हम भी ६० पैसा, ७० पैसा कहते हैं। मगर दस पैसे के सिक्के को कोई नाम देना बड़ा जरूरी है, यह मेरा सुझाव है कि इसे इकन्नी कहें।

इसके बाद मैं यह निवेदन करना चाहती हूँ कि हमारे देश में महंगाई बहुत बढ़ रही है, इसमें कोई सन्देह की बात नहीं है। हम बाहर से अधिक अन्न मंगाते हैं, जब कि हमारा देश

[श्रीमती शारदा भार्गव]

कृषि प्रधान है। यह किसी भी देश के लिये बहुत अच्छी बात नहीं है। महंगाई को दूर करने के लिये, जैसा कि मेरी एक बहिन ने भी अभी कहा था, सबसे आवश्यक मुझे लगता है कि फेमिली प्लानिंग को अच्छी तरह से प्लान किया जायें। मैं जानता हूँ कि गवर्नमेंट हमारी फेमिली प्लानिंग को बड़ा जोर दे रही है और इसको कर रही है, मगर जिस प्रकार से काम चल रहा है वह काफी नहीं है; क्योंकि गांवों में और सब जगह फेमिली प्लानिंग का नाम भी नहीं जानते। अभी पिछले सेशन में एक बन्धु एक विधेयक लाये थे कि यह कम्प्लेसरी कर देना चाहिये कि हर एक आदमी फेमिली प्लानिंग करे। मैंने उसके विरोध में का था कि यह आप विधेयक या बिल लाकर और ऐक्ट बना कर नहीं कर सकते, जब तक कि आप सबको उसकी उपयोगिता न बताएं और सबको इसकी फेमिलिटी न दें कि वे इसके कार्यक्रम में भाग ले सकें। इसलिये मेरा निवेदन यह है कि महंगाई को कम करने के लिये फेमिली प्लानिंग भी बहुत आवश्यक है, जिसके ऊपर हमें जोर देना चाहिये।

पाकिस्तान के बारे में बहुत सी बातें कही जा रही हैं। मुझे कोई विशेष तो नहीं कहना है; क्योंकि मैं इसमें कोई विशेष एक्सपर्ट भी नहीं हूँ, मगर विरोध सदस्यों की जो नीति है उससे मैं अपनी बहुत असहमति प्रकट करना चाहती हूँ। माना कि हमारी सब की भावना यह है कि हमारे देश को दुश्मनों से बचाया जाये और दुश्मनों को हमारे ऊपर हावी नहीं होने देना चाहिये—इससे तो सब सहमत हैं—और मैं समझती हूँ कि हम सब प्रधान मंत्री जी की इस बात से और भी ज्यादा सहमत हैं कि हम देश की एक एक इंच भूमि से उनको निकाल देंगे, परन्तु साथ ही जिस प्रकार के हम भाषण सुनते हैं और जिस प्रकार से सरकार की नीति को क्रिटिसाइज करते हैं; वह हमारे देश के हित में न जा कर अहित में जाती है। इसका दुश्मन लाभ उठाते हैं और दुश्मन

लाभ उठाते हैं तो हमको नुकसान होता है। इसलिये, जिस प्रकार का हम आज क्रिटिसिज्म करने लगे हैं, खास कर विरोधी पक्ष के सदस्य और कभी कभी हमारे कांग्रेस पक्ष के भी सदस्य करते हैं—सुझाव देना तो हमारा कर्तव्य है, जरूर देना चाहिये, मगर उसमें यह न मालूम पड़े कि हम क्रिटिसाइज कर रहे हैं और हम उससे असहमत हैं। इसलिये मैं आज जो स्टेप सरकार या प्रधान मंत्री ले रहे हैं उससे मेरी पूरी सहमति है। मैं चाहती हूँ कि हम लोग सब उनको इस विषय में बल दें कि वे अपने देश की रक्षा के लिये पूरा से पूरा प्रयत्न करें और दुश्मनों को अपने देश के हिस्से से भगा दें। आगे जो यह...

THE DEPUTY CHAIRMAN: Your time is almost over.

श्रीमती शारदा भार्गव : only two minutes more I will take. दूसरी बात, ब्लैक मनी निकालने के बारे में है। उसके बारे में मैं एक ही सेप्टेन्स कहूंगी; क्योंकि टाइम नहीं है, कि सी रुपये के जो नोट हैं उनको आप बन्द कर दें, तो शायद ऐसा हो कि ब्लैक मनी अपने आप बन्द हो जाये।

एक ही प्वाइंट और कहूंगी, शिक्षा के बारे में। शिक्षा के क्षेत्र में तो अनुशासनहीनता आ रही है उसको दूर करना हमारा परम कर्त्तव्य है, अन्यथा आप कितना भी पढ़ा-लिखा लें, एजुकेट कर दें, उससे कुछ होने वाला नहीं है। मैं समझती हूँ जो बड़े बड़े शिक्षा के पद हैं उनके लिये सेलेक्शन में हमको कुछ सतर्कता बरतनी चाहिये। पहली बात जो मैं कहना चाहती हूँ, वह यह है कि शिक्षा के क्षेत्र में सबसे बड़ा वाइस-चान्सलर होता है। मैंने देखा, वाइस-चान्सलर के सेलेक्शन में यह न देख कर कि वह एजुकेशन का आदमी है या उसने बीस, पच्चीस बरस लड़कों-लड़कियों को पढ़ाया है, हम कभी कभी क्या करते हैं कि एक डिप्लोमेट रिटायर हुआ तो उसको वाइस-चान्सलर बना दिया एक

आई. सी. एस. रिटायर हुआ उसको वाइस-चान्सलर बना दिया। मैं इसके खिलाफ हूँ।

निर्माण तथा आवास मंत्री (श्री मेहर चन्द खन्ना) : आप श्री आर० के० नेहरू का जिक्र कर रही हैं क्या ?

श्रीमती शारदा भार्गव : उदाहरण देना है तो मैं अपने प्रान्त राजस्थान की यूनिवर्सिटी के बारे में कह सकती हूँ, लेकिन यहाँ मैं कहना नहीं चाहती हूँ। आर० के० नेहरू की बात नहीं कह रही हूँ। मगर मैं समझती हूँ यह बात जरूरी है कि वाइस-चान्सलर ऐसा व्यक्ति बनाया जाना चाहिये जो शिक्षा देता रहा हो और जो शिक्षा के बारे में खूब अच्छी तरह से समझता हो। जब हम इस तरह की बात करेंगे तब ही अनुशासनहीनता दूर होगी। बाकी चाहे आप शिक्षा दें, इम्तिहान लें, लेकिन उन्हें अनुशासन में रहने की तमीज न हो, तो मैं समझती हूँ कि ऐसी शिक्षा देने से न देना अच्छा है।

चूँकि मेरा समय हो गया है, मैं ज्यादा न कह कर इतना ही कहना चाहूँगी।

SHRI T. CHENGALVAROYAN (Madras): Madam Deputy Chairman, I rise to give my wholehearted support to the Finance Bill, with the Ministerial modifications. In doing so I am conscious of my limitations, particularly the limitation of time. Nevertheless, I cannot resist the urge to pay my very best compliments to the Finance Minister for the way in which he has drawn up the Budget and framed his proposals. In doing this he has exhibited a masterly feat of budgeting and the response to these proposals in the public has been both cordial and complimentary, though one cynical editor had characterised it as a game of snakes and ladders with the nation's economy as his captive playmate. But if anyone goes through the provisions of the Finance Bill, Madam Deputy Chair-

man, one will be impressed that they\* are more ladders than snakes, ladders for the nation's economy to climb up, ladders for reaching commanding heights of economic endeavour. If there are certain snakes here and there, they are only to pull down undesirable trends and tendencies.

Madam Deputy Chairman, on such an occasion when we are considering the provisions of the Finance Bill, it is always usual to apply the twin tests whether the provisions have an impact and a bearing upon the problems of the immediate present, and whether they contain portents and pointers for future growth. Judged by both these two standards, Madam Deputy Chairman, I have no hesitation whatsoever in stating that the present Finance Bill eminently satisfies these two tests. Time was, Madam, when former Finance Ministers used to assess the revenues and estimate the expenditure and go in search of certain development programmes here and there. That was the old, conservative conception of it. But when we have accepted the principle of planned development and the planned progress of our economy by working out our Five-Year Plans, the whole economic attitude has to change. It is no longer a case of having plan for the Budget. It has now become a case of having the Budget for the plan. Judged by that standard, Madam Deputy Chairman, the Finance Minister has dexterously used the provisions of this—Bill as a lever for uplifting the Plan.

On this occasion. Madam Deputy Chairman, let us remind ourselves of the basic strategy and purpose of the Plan so that in the context of the Plan and its endeavour it will be possible and proper for us to examine all the provisions of the Finance Bill.

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

Mr. Vice-Chairman, we require the mobilisation of savings. We require the canalisation of the resources. We

[Shri T. Chengalvarayan.] require steps to avoid the effects of inflation. We require measures to control prices. If we examine the provisions of this Finance Bill, Mr. Vice-Chairman, in every aspect of it and in every respect, we can see very clearly that the provisions of this Finance Bill enable us to encounter and tackle all these problems. When we analyse the provisions of this Bill these main and broad strategies are revealed. In the first place, we see that there is generous incentive for savings in the corporate sector which would go into channels of investment. We notice that in the case of industrial output there is considerable contribution available for industries of high priority. Thirdly we notice that there is scope for the mobilisation of individual savings on account of the reduction of direct and personal taxes. Logically this is linked with measures to reduce consumption. Fiscal levies and monetary regulations are introduced for the purpose of lowering and lessening the concentration of wealth and power. There is also the annuity deposit scheme as a measure for the mobilisation of the savings and as an alternative to tax liability. Mr. Vice-Chairman, when we examine the provisions of the Finance Bill we always have the two traditional tests for the fiscal levies and monetary regulations. The mid-Victorian doctrine that taxation should be restored to for the purpose of meeting current expenditure has no meaning and no message. It may be the correct philosophy of the forum of free enterprise. In a developing economy like ours, taxation has diverse measures and utility. We have taxation as a means for reducing consumption. We have taxation as a means for mobilisation of savings. We have taxation for fighting inflation. We have taxation as a means to control prices. I submit, Mr. Vice-Chairman, that the provisions of this Finance Bill are eminently suited for combating all these problems and fulfilling all these purposes.

With regard to the provisions in this Bill on certain taxation measures we notice particularly in the case of the direct taxes that there has been a cut all along the line, at all levels. I am sure they are the lowest for the last twenty years. When we examine the other features in the direct taxation and in the personal income-tax we find that they have been streamlined with regard to the integration of the supertax and income-tax. Above all, Mr. Vice-Chairman, for the first time in the history of budgeting in our country, we see simplification and systematisation of the direct taxes. Indeed it is very bold on the part of the Finance Minister to have systematised and simplified it in such a way that the ordinary taxpayer can measure and assess his own tax liability. That will go a long way to improve matters. We also note that in the case of the direct taxation that it is not as rigorous as it used to be in times past. There are certain reductions and there are certain allowances and there are certain rebates. These go a long way towards lessening the rigour of personal taxation. For example, Mr. Vice-Chairman, there is the provision in the Finance Bill with regard to contributions to certain funds, to provident funds and for the benefit of those in the professions, like lawyers, doctors and so on. This is a great innovation in the whole scheme of the Finance Bill. There is also adequate provision for reduction in the case of medical expenses on the handicapped dependants. We also know that there are certain provisions for reduction on account of allowances and superannuation contributions. So we see, Mr. Vice-Chairman, in the domain of direct taxation there is an almost revolutionary set-up and I am sure whatever may be the reduction in the quantum of taxation—it may be marginal—nevertheless it has a psychological effect.

Then, Mr. Vice-Chairman, there is the much-nalined corporate tax—When we examine it, what is it that

we find? We find nothing new. It has been evolving since 1960 and today it is maintained at the same standard and it has the same structure. At the same time, we see that in the case of the corporate tax it has been streamlined and there is the integration of the supertax and income-tax. We also see the application of the well-known principle of sophistication and selectivity with regard to the corporate tax structure. We also see that there is a certain reduction in the case of expenses incurred on account of the purchase of machinery and plants, for improvement of existing units or for new industrial units. We also note that in the case of the tea industry there has been a considerable lessening of the rigour according to the recommendations of the Tea Finance Committee. Thus on the whole, Mr. Vice-Chairman, when we examine the corporate tax structure we are inevitably impressed by the stupendous effort on the part of the Finance Minister. While retaining the corporate tax structure, he has endeavoured to a very great degree, to lessen the rigour of the tax burden. We also note a very important and if I may respectfully submit, a very revolutionary innovation in the whole scheme of the corporate tax structure. I am referring to the Tax Credit Certificate. Mr. Vice-Chairman, this is a very bold experiment in taxation that while retaining the corporate tax structure Finance Minister has thought out and evolved a scheme by which the rigours of the corporate tax may be considerably lessened. Now, what is it that we find in the case of the Tax Credit Certificate? We find two important considerations. One is that it is oriented towards industrial output and also an inducement for investment. Now, that clearly shows that we also need a tempo for the diversification and dispersal of industries from urban to rural areas. We find that in the scheme of these tax credit certificates the question of production of plant and machinery for industries of high

priority listed in the first schedule to the Industries (Development and Regulation) Act gets the benefit. We also see that the tax credit certificate has got another important purpose, namely, to give a tempo of production and a momentum of growth to some of the important industries. Last but not the least we find in the case of the tax credit certificate the spurring of production and tempo of increasing production resources and at the same time expanding and promoting the cause of exports. Thus, I submit, that the very important and the sheet-anchor of the whole Finance Bill with regard to the corporate tax structure has got all these important elements. There has been a mild murmur with regard to the ceiling limit that has been fixed with reference to the corporate tax structure. Our seventy per cent, ceiling, not very much, is demurred on the ground that in the United States there is a ceiling of fortyeight per cent and in other developed countries the ceiling is fiftyfive per cent. In a developing country like ours, seventy per cent, ceiling is neither alarming nor should it be causing us concern especially when we examine the other exemptions.

In the much debated dividend tax, We equally find, that some important innovation is there. There is some exemption given in the case of the capital gains on bonus shares but on the whole when We examine this structure of the dividend tax, on a totality of one hundred crores of rupees of dividends available in the country, only 71 per cent, is dividend. Could it then be said with any sense of reasonableness that this is so alarming and so disturbing and so deleterious in the corporate functioning of our country? I therefore submit that even in the case of the dividendtax it is not very much bloated and the extent to which it has been posed I submit with great respect that it is in the fitness of things. We step on, Mr. Vice-Chairman, with your permission to a considera-



[Shri T. Chengalvaroyan.] tion of the usual excise impost that cannot be escaping any Finance Bill. Particularly in the context, of this excise impost, one redeeming feature is that the Finance Minister in good time has taken the House and also the country into his confidence and has said that there must be a regulatory impost of ten per cent. He has been criticised that because of this impost of ten per cent, the cost of production would go up. I would like to say to the critics of this measure, if there are any' here, that they should examine the question of our import commitments. Are we so emasculated, are we so ematiated in our economic stamina that we do not find any import substitutes? I have had occasion to examine the tabular statement of some of the import substitutes which our economy has been developing, for example," in machine rooi industry, in textile tools, in soda ash, in iron and steel, in petroleum, in oil and in other kindred fields, our import substitutes have been galloping. There is one fact. If the import regulation is there, it has got two effects, not only it reduces the import commitment but it also inspires us to find import substitutes. In that sense, the economy and the endeavour in the economy will be galloping. I therefore submit that the provision with regard to the import imposition is not at all disturbing and I am sure it is in the fitness of the conditions of our economy and it is permissible.

There is one other fact, Mr. Vice-Chairman. I do not see the hon. Finance Minister here. I should have made a personal appeal to him. I refer to the very burning item which does not escape excise duty. Mr. Vice-Chairman, our Finance Minister is known for his sympathy for the poor but has he not even time to consider the great misery of the people using kerosene? Kerosene, Mr. Vice-Chairman, is the kindly light amidst their encircling dim darkness of their dungeon and the miserable millions of the people, will heave a sigh of re-

lief if the duty on kerosene is removed or at any rate lessened. What is it that we find, Mr. Vice-Chairman? Their children may have to study longer and because of this I feel and I find that the people in the dark dungeons of our country are not able to have that amount of facility. They cry in the night. They cry for the light with no language but a cry and I am sure the hon. Finance Minister will consider the possibility of reduction of the kerosene duty and I would be very glad indeed and considerably grateful if he could altogether remove it. One argument that may be advanced . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): The Deputy Minister will convey it to the Finance Minister.

SHRI T. CHENGALVAROYAN: . . . is that kerosene is transport fuel on a commercial scale. I am sure that the genius of the Finance Minister is very great indeed to find out suitable improvements. Thus, Mr. Vice-Chairman, I feel that the Finance Bill has got all these important ingredients.

One word more, Mr. Vice-Chairman, and I have done. There is criticism with regard to the Finance Bill both from the right and from the left. The people who are rightists say that the Finance Bill is very extorting, very repressive and very rigorous and others on the left say that it is not a Bhubaneswar budget. But may I tell them with great respect that the Finance Bill has got a built-in strength, with internal combustion, with balances and brakes and with pistons and joints and therefore I feel that the Finance Bill has achieved a marvellous degree of success in three aspects which are fairly irreconcilable in any budgeting work, for example, Mr. Vice-Chairman, our Finance Minister by and through this Bill has been able to produce a surplus and a balanced budget; at the same time, he has not starved the needs of

the Plan and he has given considerable relief in lessening the taxation. It is a feat that only the Finance Minister of the Government of India now can have performed.

With these words, Mr. Vice-Chairman. I have very great pleasure in supporting wholeheartedly this Bill and I hope that under his dispensation our country will go forward, onward and upward as well.

PROF. A. R. WADIA (Nominated): Mr. Vice-Chairman, I had already had an opportunity of speaking on the Budget and ordinarily I would not have cared to speak on the Finance Bill, more or less on the same subject but unfortunately the time given to me last time was so short that I could not finish all my remarks and I think it is worth while completing my task today. I shall not repeat some of the congratulations that I gave to the Finance Minister on that occasion but I shall allow myself the luxury of repetition on one question and that is with reference to my criticism of the tax on bonus shares. I still believe that this is fundamentally an unjust tax and we may be grateful to the Finance Minister for the small mercy that he has shown, in that he has raised the rebate from 10 per cent, to 12½ per cent, but fundamentally the tax still remains unjust. After all, the yield is so small that it could have been gracefully abolished, he could have gained the goodwill and avoided the possibility of small pinpricks to the investing public whose goodwill is as good, even better than, the actual money got through the tax.

Well, Sir, the point that I wish to make is with reference to expenditure. Our demands are very heavy. More and more taxes are needed but I am equally convinced of the necessity of economising in our expenditure. I am glad my friend, Shri Sapru, quoted the high authority of an I.C.S. officer that where previously one District Magistrate used to do the work, now there are perhaps four or more doing the same work not more effi-

ciently but much less efficiently. This does not apply only to this case but applies to all the Departments. It is almost a sickening thing to find the number of posts multiplying beyond recognition, not because more people are needed but, I regret to say, there is a suspicion that posts are created and out of the way increments are given just to favour favourites. In other words nepotism goes on to such a big extent that the poor tax-payer is crushed in the interests of the employees of the Government. I do feel the need for encouraging more efficient work on the part of our Government officers, especially in the lower ranks. I do not believe in overtime because overtime means less work is done during regular hours, so that there would be more overtime work. For more work done during actual office hours some sort of encouragement should be given. Special allowances might be given or special rewards might be given not month by month but so long as the work is done more than satisfactorily during the specified office hours. It is in that way more and more work could be exacted. Well, Sir, anyone who has had any experience of Government officers, knows how difficult it is to get work done. Whether it is in the Income-tax Department or in any other Department, too much time is wasted. The delays are so long that they are almost killing our enthusiasm, and we try to avoid doing anything with the Government as much as possible. That is the state of affairs and it is high time that the Finance Minister is less generous in approving the creation of new posts or in sanctioning out of the way increments and he will be more just to the Indian public at large by being a little more strict with his own colleagues.

The second thing in which we can economise a good bit is with reference to new buildings. We do need more and more houses. Housing is a great necessity for our people but I am not sure that the new houses that are put up, the new buildings that are put up, are really needed or real-

[Prof. A. R. Wadia.] ly fulfil the required wants. I have in mind particularly the building which has been talked of for a number of months and it concerns us, namely, the new building to house the M.Ps. We have been informed that the Vithalbhai Patel House is now open to us for occupation. Frankly, Sir, I cannot congratulate either the Minister or the engineers or the architects concerned on the way in which they have done the work. There are huge halls out of all proportion to the needs of Members of Parliament, billiard room, cards room, post office and all sorts of things. What a Member of Parliament is most interested in is to have a good comfortable room to live in and that is one thing which is not there. You have got small poky rooms which are all right for short-term visitors, for people who come for two days, three days or even perhaps a week but Members of Parliament are practically citizens of Delhi. The Lok Sabha Members have to stay as long as seven months and we have to stay here as long as five months and more often longer for committee meetings and so on and it is impossible to stay in those small rooms. There is not enough room to stack our ordinary luggage and there is absolutely no room at all to stack the enormous amount of papers that we get. I do not know where we have to place them. I do not know how many Members of Parliament are going to make use of those rooms and in the name of Members of Parliament lakhs of rupees have been spent on that building.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I am glad the Housing Minister is here.

SHRI C. D. PANDE (Uttar Pradesh): He is listening attentively.

PROF. A. R. WADIA: That is one example of avoidable extravagance. Now I had forgotten to mention . . .

SHRI C. D. PANDE: I do not want to interrupt you. Do you want to make terms more acceptable to the Members of Parliament or are you objecting to the whole expenditure on it as a matter of policy?

PROF. A. R. WADIA: You can say what you like; I have said what I had to say. Now, I am glad I have been reminded to put in a word about Western Court. It is a far better designed building, one of the most stately buildings that we have in Delhi but I regret to find a very ugly rumour going about that even this splendid building is going to be knocked down and that it is going to meet the same fate as the Constitution House which was meant to be a temporary one and which has been demolished. Now, I hope, Sir . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Prof. Wadia, you should concede some reason and fairness to the Minister. I do not think they can even conceive of pulling down the Western Court.

PROF. A. R. WADIA: I hope you are right, Sir, in your optimism and I shall be very happy if your optimism is justified in the long run but we shall have to wait and see how things happen. All sorts of unreasonable things happen nowadays.

SHRI M. RUTHNASWAMY: Will the Minister concerned confirm this?

PROF. A. R. WADIA: That brings me to another question. I refer to the amount of literature that we get. Recently we find that every Member of Parliament is burdened not merely with literature in English or in Hindi but with both. You find English printed on one page and Hindi on the other page. I do not know what the object is. It seems to me to be sheer waste of time, sheer waste of money and sheer waste of paper and all these are valuable. At the time when the Budget papers were distributed, an old man like me had to literally bend down under the weight

of the mass of literature that we had to carry. Here again you have got an example of avoidable extravagance, avoidable expenditure. I do not know what the purpose is. Nobody is expected to read both Hindi and English. Probably there are 0.5 per cent of the Members of Parliament who might care to study both in order to find out whether the Hindi is the correct translation of English or the English is the correct translation of Hindi but most of us are absolutely indifferent. We read in the language that is most suitable to us, whether it be English or Hindi and to burden us with both the languages is absolutely unreasonable. Sir, it is very simple. Every Member of Parliament can be asked, "Do you want to be supplied with literature in Hindi or in English". We would give our replies and we would get the thing that we want and that would mean a tremendous saving in printing and paper. And paper is a very use-5 PM <sup>^ul</sup> commodity at the present moment. Newspapers are complaining that they do <sup>not</sup> get the requisite quota of paper for them. Now, much paper is wasted in this fashion and it can be much better used if the equivalent quantity of paper is made available to newspapers which are such an important Fourth Estate in any democracy worth the name.

Then, Sir, there is other item to which I should refer where economy can be easily made and that is with reference to public undertakings. We have differences of opinion on that point. Some people may want only public undertakings and some people may want only private undertakings. I am not wedded to either. If we have need for public undertakings, by all means let us have them, but thi'n let us work them as efficiently as possible. What I find is that there are 61 public undertakings with a capital of Rs. 1280 crores and this is only

11 per cent of the anticipated investment in the coming years. Now, we are very grateful to the Committee on Public Undertakings. Though they are submitting their reports in dribbets, they have thrown much light on how these public undertakings are working. We know how luxuriously they spend money not merely on factories but also on quarters for General Managers. One General Manager's building has cost Rs. 1,75,000. I do not know if it is necessary that simply because the money comes out of the tax-payers' money, so much money should be spent on the building for one man, however great he be and however important he be. We have got staff quarters and it has been said that far too much money has been spent on buildings whether for factories or for staff. The Committee on Public Undertakings even goes on to compare private managements like the Burmah-Shell Refineries and the Tata Iron and Steel Company on the basis of the amount of money that has been spent on medical benefits and so on. They find that Rs. 146 per employee is spent, for example, in Bhilai, as against Rs. 26 per employee spent, according to the Employees State Insurance Scheme. Now, that is a very great difference. Where does the money come from? It was expected when these public undertakings were started that they would be overflowing with money.

SHRI M. RUTHNASWAMY: They are overflowing with money when they start.

PROP. A. R. : If it is extra income which is kept away from the unholy capitalists, the extra income will go to the public coffers. As a matter of fact, we find white elephants, absolute liabilities on the tax-paying public. For how many years this is going to remain I do not know. I am happy to mention that there are examples of public undertakings which are extremely well managed and are profitable, for example, the Hindustan Machine Tools and the Telephone

[Prof. A. R. Wadia.] Factory in Bangalore. I have seen both. They work very efficiently. They produce dividends and we have no grudge against them, but there are so many other undertakings like Hindustan Steel and so on which are managed in an extremely inefficient fashion. Now, who is responsible for that? I think the responsibility is to be found in the inefficient management. After all, if the Government undertake business, they must be prepared to manage it in a businesslike fashion. They cannot expect to manage it like a Government Department, issuing orders just as they like, spending money just as they like. They must have the business mind, the business acumen, the resilience of businessmen to adapt themselves to changing market conditions, so that they can produce goods which they can sell at a profit. Now, this is the thing which has not been done. Why, because administrators are appointed as business managers and they have proved to be a failure. Now, I am one of those who are extremely great admirers of the I.C.S. They are a wonderful Service, wonderful for administration, not for business. They are misplaced there. Their autocratic behaviour or autocratic temperament does not suit business relations. We have to build up a different type of business cadre to work these public undertakings in a successful fashion. Until that is done, I am afraid these

public undertakings are going to be a permanent liabilities on our hands. Capitalists may not get much money, but nobody is really going to benefit. In fact, let me be honest. I find my friend, Mr. Bhupesh Gupta, who is not present today, is again and again criticising that under the present Congress Government the rich are getting richer. I think there is some justification for this criticism. I should like to make only one amendment, namely, that it is the dishonest rich that are getting richer. The honest/ rich are really getting less and less rich and that is a very fundamental distinction.

My time is already up and I do not wish to take more of your time. I would only like to conclude by saying that there has been an undue emphasis on the need to tax, but not enough emphasis on the need to economise and the two are equally necessary. In fact, if there is more economy, there will be less need to tax. There will be more money and more happiness in our country.

THE VICE-CHAIRMAN: (SHRI AKBAR ALI KHAN): The House stands adjourned till 11 A.M. on Monday.

The House then adjourned at seven minutes past five of the clock till eleven of the clock on Monday the 10th May, 1965.