

accident near Garhmuktesar. My colleague, the Minister of State for Railways, furnished to the House available details of the accident. In accordance with the desire expressed in the House, I am now making a fuller statement.

At about 3-07 hours on 4th May, 1965, while a Military Special was entering Garhmuktesar station, the engine and four wagons on the train, three immediately behind the engine and one in the 11th position from the engine, derailed. The tender of the engine and the first two wagons capsized after derailment blocking the running lines and interrupting through communications at the west end of the yard.

As a result of the derailment, six persons travelling in the train and two railway employees including the driver of the train sustained minor injuries. They were attended to by railway doctors who had rushed from Hapur on receiving information about the accident. The injured persons were allowed to proceed on their journey after being given first aid.

The Civil and Police authorities of the district visited the site in the morning of 4th May 1965. After making on-the-spot investigations, they appeared satisfied that there were no grounds for suspecting any wilful tampering with railway equipment and gave permission for restoration operations to be taken in hand.

Through running of trains was restored at 14-40 hours on 4th May, 1965. The contents of the derailed wagons were transhipped and the Special train started at 18-48 hours on 4th May, 1965 for its destination.

The cause is under investigation and a Committee of Railway Officers has been deputed to enquire into the accident. *Prime facie*, it appears that some part of the rolling stock became loose and got entangled with a portion of the track resulting in the derailment.

SHRI A. B. VAJPAYEE (Uttar Pradesh) : Sir, may I know why the investigation has not been conducted by the Railway Inspector and why the Railway Officials have taken upon themselves the responsibility of investigating into the matter?

SHRI SHAM NATH: Sir, a senior officers enquiry committee has started investigation on 7th May and we have not received the report yet.

SHRI A. B. VAJPAYEE: Is it a fact that the derailment was so severe that the roof of one compartment was completely blown off?

SHRI SHAM NATH: No, Sir. It is not a fact.

SHRI G. MURAHARI (Uttar Pradesh) : Sir, I would like to know whether they suspect any sabotage in this derailment, because according to the Statement just now made, the hon. Minister has said that investigation is proceeding and he says some part of the rolling stock got loose. How this part got loose has to be investigated, whether it was a result of something done by some enemy agency or whether it was due to negligence on the part of the officials of the Railways. The Minister should be in a position to give us this information.

SHRI SHAM NATH: *Prima facie* I have stated that there appears to be no evidence of this accident being due to sabotage. The enquiry is going on and, pending its result, I would not be able to say anything.

#### THE FINANCE BILL, 1965-contd.

MR. CHAIRMAN: Now we proceed with the further consideration of the Finance Bill, 1965. Shrimati Lalitha (Rajagopalan).

SHRIMATI LALITHA (RAJAGOPALAN) (Madras): Sir, the Budget presented by the Finance Minister for the year 1965-66, one cannot deny, is

[Shrimati Lalitha (Rajagopalan)]. a balanced one, providing for the needs of the Plan and providing a measure of relief in direct and indirect taxation. No item of consumption considered necessary is taxed and this produced a sigh of relief from the poor and the middle class people as well. The incentive to savings and investments and the high priority for industrial development are some of the outstanding features of the Budget.

Sir, the Finance Minister's announcement regarding unaccounted money is a very tempting offer, but unfortunately the response is not encouraging. The decision not to extend the date beyond May 31st is the correct attitude taken by the Minister.

Sir, regarding our exports, there is of course the Export Promotion Council and there is also the State Trading Corporation functioning efficiently. But I would like to point out, Sir, that there are certain drawbacks in this sphere. Indian goods are becoming more popular abroad. For instance our textile products, for example bleeding Madras, are popular in America. We are exporting sewing machines to Syria and our vacuum flasks also have a market there. But recently our export of sewing machines to that country is declining, the reason given being that the wood used by our manufacturers is inferior and the finish also is not up to the mark, compared to those in America and Japan, who are also competitors in this field. Our prices are reasonable and if only we concentrate on improving our quality and finish, I am sure we can have an equal footing with America and Japan.

Another aspect, Sir, and a very important one which we should pay attention to in our exports is about the packing of our goods and their safe delivery. Recently the first consignment of finished steel sent to a British firm by Hindustan Steel was rejected on the grounds that it reached them in a

damaged conditions. Negligent packing and negligent shipment are the reasons given by that firm for rejecting the consignment. It is worth Rs. 17 lakhs and this is a loss to us in our foreign earnings and this may also affect our future export of steel from India.

Sir, even in our imports we incur waste. As we all know, foodgrains have been imported under PL 4CC and in 1964, out of 43 lakh tonnes, 27,883 tonnes are shown as waste by official sources. Of this, shortlandings from ships amounted to about 6,862 tonnes, loss in transit to 17,400 tonnes and loss in godowns to 3,565 tonnes. Looking into the nature of these losses, one could easily state that if precautionary steps had been taken, these losses could have been prevented. The loss in godowns is something one cannot justify. If this nature of loss is to occur, then how are we going to store our surplus stocks? Taking into consideration the grave food situation, Sir, steps should be taken to avoid such kinds of wastes in future.

Greater emphasis, Sir, is laid on industrial development and Rourkela, Bhilai, etc. are outstanding examples. But side by side, I would submit that in a developing economy small-scale industries should also progress. The small-scale Industries Corporation is doing good work in this direction. In this connection I would like to point out, Sir, that the recent report of the Small-Scale Industries Unit, Madras, regarding the development of small-scale industries in South Arcot (Madras State) has stated that there is a great scope for cashew apple preservation, that paint made from cashew nut shell liquid can be used as a protective coating for bicycles, motor cycles, sewing machines, textile bobbins and the hulls of ships. As there is a prospect of setting up a steel plant in Salem, the demand for fire bricks is expected to be considerable. Fireclay is available in and around Panruthi in large quantities and as

3,30,000 tons of bricks are required by the three large porcelain factories in this district, there is the necessity for a first-class bricks manufacturing unit.

Researches show that the tanning material from 'tegtu' i.e., the peel of the cashew nut is comparable to that used for the leather produced by East India Leather Corporation which is considered to be of high standard. At present, Sir, the country is importing this item. If we could manufacture this and other such items with the cashew skin which otherwise goes as a waste, it will undoubtedly help us in reducing the imports of these items and greatly help the growth of our small industries as well.

It is a good move, Sir, that with the development of small industries, the rural labour programme is to be intensified in the current year, 1965-66. This would cover 2.5 million people and will be providing employment for 100 days in a year by the third year of the Fourth Plan. The provision needed for this would be about Rs 250 crores. If this programme is carried out in right earnest, the magnitude of the unemployment and of under-employment problems would be eased a little and we will also put a check on the exodus from rural to urban areas.

The last thing I want to mention, Sir, is that the Finance Bill proposes a new section 40 C to provide relief under certain conditions, in respect of premiums paid by the partners of registered firms of chartered accountants, architects, solicitors or lawyers, under an approved contract, or contributions made to an approved fund for the purpose of securing retirement annuities in old age. This new section, however, does not include people belonging to the film industry, musicians, artists and so on. As every one will agree, the people in this line are in the limelight only for a short duration and hence need sympathetic consideration. The producer of a film in order to get more than what he invests in a film has to sign the top notch stars and as there is no

code for their demand, he has inevitably to pay them a fabulous sum. An artist who demands a lakh for one picture gets only fifty thousand rupees openly and the rest is paid as black money. This is the reason for the accumulation of unaccounted money in their possession. The grading of the artists is a good suggestion made by an Opposition Member during the Private Members' Resolution last week. These people are also part of the society and hence are entitled to the security extended to other classes mentioned in the Bill.

With these words, Sir, I support the Bill and I thank you for giving me the opportunity to speak on this Bill.

SHRI P. K. KUMARAN (Andhra Pradesh): Sir, we are now in the fifth year of the Third Plan. It is ten years since we launched our ambitious Plans for building up the economy of the country but our experience so far has been that we have been getting into difficulties in reaching the targets. The Second Plan had to be pruned in order to reduce the gap between aims and achievements. In the Third Plan, we had the Mid-term Appraisal also with the same purpose. The only field in which we have achieved the target or where we have even over-fulfilled the target is in the field of taxation. This has been going on steadily increasing. It is worth while considering why we are failing in all our planning and why we have not been able to achieve the target even after reducing the target after some experience. The main reason, I think, is the existence of a predominating private sector which is always after profit at the expense of the country and the people. They have influence in the Government and in all fields of economic activity. That is the main reason for the failure of our Plans. The worst of the shortcomings has been in the field of agriculture and I do not think we will succeed in agriculture as long as the cultivator, the peasant, the main base of our agricultural activity, is not allowed ownership and control over his land,

[Shri P. K. Kumaran] the means of production and the product of his labour. We have made some progress in this field, some legislations have been made here and there but their implementations have been faulty and the cultivators remain where they continue to be exploited. Production was stagnant last year; it even fell short although Government claims production figure of eighty-five million tons for this year. Government has been trying to make up this deficit by imports and claims that the per capita availability of foodgrains in the year 1964 was 15' 7 oz as against 15.3 oz. in the year 1963. But people could not get food, prices were very high, there were food riots in the country and there were hunger marches and even market lootings in certain places. This is explained by the hon. Finance Minister as being due to inflationary pressures on the market and speculative withholdings. It should be noted that he has given second place to speculative withholdings and yet taxation during this period was very high; it reached the maximum. Taxation is generally supposed to have a disinflationary effect on the economic system.

[THE DEPUTY CHAIRMAN in the Chair]

In a recent survey by the Economic Council for Asia and the Far East, they have dealt with some of the points and they say that India had a six per cent, increase in cereal production. Despite a drop in wheat production, the *per capita* availability of food increased by three per cent, in 1964. After mentioning the various points, they came to the conclusion that the food crisis in India last year was paradoxical and the shortages and the rise in prices were due to speculative withholdings. They did not say anything about inflationary pressures but the Finance Minister has brought this in evidently with the intention of shielding the speculators in the country. Another peculiar argument that was brought in was

that the farmer had started hoarding. I do not know how far it is correct but I do not think it is correct because the present Indian farmer has not got the capacity to stay away from selling his product and hence cannot influence the market in India. The real culprits who starved the people last year were high financiers of the banking world who lent large funds to the speculators and hoarders. Government claims that the fiscal and monetary steps that it has taken will bring about a fall in prices. It did take some steps, for instance, it increased the bank rate from 44 per cent, to 64 per cent with the idea of tightening the money market but see what has happened. This measure has already failed. You will find that the State Bank of India and the Reserve Bank of India have actually defeated the policies proclaimed by the Government. Instead of big private banks, this year finances were given by the State Bank and the Reserve Bank. The gentlemen who secure these advances are the same people who constitute the gang of high finance which controls private banks, which controls money movement in the country. I will give you figures. The tight reins of the Reserve Bank over credit have failed to hold the busy season expansion which has increased to unprecedented levels. According to the latest figures credit expansion in 1964-65 busy season so far is Rs. 412 crores as against Rs. 376 crores last year. Similarly, outstanding borrowings from the Reserve Bank this season have gone up from Rs. 94 crores in the middle of February to Rs. 153 crores at the beginning of April. During the comparable period last year, the increase was from Rs. 62 crores to Rs. 98 crores. So, it is clear that in spite of Government's proclaimed policy that it wants to tighten up money supply, the State Bank and the Reserve Bank were giving advances to the people who are dealing in the market. Here we find the peculiar phenomenon of the State organs defeating the very policies enunciated by the Government. The

question is, how does this happen" My explanation is this: Who are the Directors of the Reserve Bank, the Directors of the State Bank? We find the names of K. K. Birla, Biren Mookerjee, Sajaiya, Ogilvie. These are the people who constitute the Directorate of the Reserve Bank and they are the people who also constitute the State Bank Directorate. They have got good influence with the Government also and if they want to sack Mr. Krishnamachari . . . (*Interruption*). This is the difficulty which should be understood and steps should be taken to see that the Directors of the State Bank and the Reserve Bank are elected by the Parliament and not nominated according to the whims and fancies of the Government from among people who are already in the field and who want to develop their economy at the expense of the State, at the expense of the people. In the Finance Bill, there are proposals for the granting of tax credit certificates, etc., more and more concessions to the private monopolists. There is a definite orientation in favour of the monopolists, both Indian and foreign. All this is being done in the name of attracting more and more capital, in the name of production. There is talk about some slump in the stock market but at the same time we find large dividends being declared by many companies. New issues are attracting sizable subscriptions. The Company Law Report for 1963-64 shows a sizable increase in the number of companies, an increase of 478 companies over the figure of 1962-63. The paid-up capital of the companies has increased by Rs. 203.7 crores. This is not the sign of the corporate sector whose channels of finance are supposed to have dried up and yet all the measures and concessions announced in the Finance Bill are directed towards helping them. That is why we are having failures after failures and all our plans are going by default. Industrial profits are also growing. A recent study undertaken by the "Economic Times" says that pre-tax profits for 106 com-

panies moved from Rs. 50.8 crores to Rs. 60.4 crores, an increase of nearly nineteen per cent. After-tax profits also have increased. So, all this talk about depression in the market is unreal and this is now being indulged in with a view to getting more and more concessions for the capital market, for the monopolists. The Finance Bill, utilising this talk, concedes exactly this to the monopolists. Of late, there is a definite tendency to encourage foreign private capital also in the country. This is done in the name of technical know-how, foreign exchange, etc. Between 1957 and 1964, over two thousand foreign collaboration agreements were entered into and in the year 1964 itself, 341 agreements were concluded involving Rs. 31.25 crores. Out of this, in thirty cases, foreign collaborators were allowed to hold majority shares. That means that the Industrial Policy Resolution of 1956 is practically being subverted. The door for foreign private capital is being opened. Recently I read in the papers a note submitted to the Planning Commission by Prof. Wheelwright of Sydney University. He is reported to have said that although in the short run the inflow of foreign investment could help by supplying foreign exchange, in the long run the servicing of equity will constitute a drain on the foreign exchange because the foreign investors wish to take out more than they have put in eventually. This is the object of foreign investment. I would like to know Government's reaction to this advice. He advises that we although it might take a little longer, we must rely on indigenous capital. It is time we had a review of all these foreign collaboration agreements, their impact on our economy, on the development of indigenous capital and indigenous know-how and the development of our own technology.

Another point I would like to mention concerns the PL-480 funds. The total, upto November, 1964, was Rs. 1421 crores of which eighty

[Shri P. K. Kumaran.] crores of rupees are earmarked for the use of private industry and one hundred and five crores of rupees are at the disposal of the American Embassy. We do not know how the Embassy is utilising that money but there are reasons to believe that this money is being utilised for all sorts of purposes, corrupting the public life in India, corrupting the journalists and even University teachers, for the teaching of American ways and ideals of life. The American way of life may be good for America, even though I have my own doubts about it, but it is definitely not good for India. We have our *own* way of life to develop.

SHRI G. RAMACHANDRAN (Nominated): What would you call, at this juncture, the American way of life?

SHRI P. K. KUMARAN: We have seen it in Vietnam, we have seen it in Dominican Republic. They have no business to be there, killing and murdering people.

The import of foodgrains has killed the initiative of the Indian agriculturists. It would have been far better if half the amount had been utilised for the import of fertilisers which would have given impetus for our agriculturists to produce more and by this time perhaps our dependence on import of foodgrains would have been completely eliminated.

I now come to some other local problems. On the River Godavari a rail bridge is being constructed. The local people have been agitating and the Andhra Government have been demanding that over this rail bridge a road-deck should be constructed. This bridge is on the National Highway from Calcutta to Madras. The extra expenditure would be of the order of Rs. 2-15 crores. The Andhra Government has offered to spend one crore of rupees and has asked for a grant of one crore of rupees from the Government of India but I am told that the Finance Minister is adamantly against the sanctioning of this amount. I have not been able to

understand why it should be so. The National Highway is the main link between the north and the south. At Avadi we are manufacturing tanks and the situation throughout our borders is very serious. In any operation in defence of our country movement will be from south to north and for transporting */he* tanks also we would have to use this National Highway. There is a diversion here which I do not know why the Central Government agreed to. It was foolish to have agreed to this. The road is diverted sixty miles involving a detour of thirty to forty miles extra. The National Highway comes to Rajahmundry and stops there. It starts from the town opposite, Kavvur and even motor cars are being carried in a launch from one bank to the other. This has been going on. During the war time, the existing bridge was utilised for transporting military trucks. You are spending eight to nine crores of rupees on this bridge and an expenditure of a crore or two more would give you a road and you cannot have a better opportunity of utilising this but I have not understood why the Finance Minister is so much against this proposal. This expenditure, compared to the cost of petrol and others to be incurred in covering this detour of thirty to forty miles, would be less. There are roads of economic importance and this is one of them. A grant can be made out of the funds earmarked for such purpose. On this very road, in several places in Orissa and in other places crores of rupees are being spent for eliminating bends. Here the Finance Minister is against the proposal to eliminate a bend here and the people are very much agitated over this. There was a hartal in Rajahmundry on the 28th and I was there on the 29th. The entire town was closed, the market was closed and they even stopped the Calcutta Mail for forty minutes. On the other bank, there was another hartal and I was told that a mail train was stopped for thirty minutes. The people are very much

agitated and they have absolutely misunderstood the position of the

Central Government. It is not 30 much a question of misunderstanding but they have not been able to understand the position. I was under the impression that it was a question of paucity of funds due to which the Finance Minister is reisting tins proposal but we find funds being sanctioned for other schemes of doubtful feasibility. I do not see why the Finance Minister does not want to spend a core of rupees on this National Highway. I hope the Finance Minister will review the decision and that an announcement will be made for the construction of a road-deck. Construction work has started, two pillars have been raised and if the superstructure is constructed without taking into consideration the necessity of having a road-deck then the whole thing will be a waste.

Another issue is that in the Defence Department, in their electrical and mechanical workshops, some 2400 employees are about to be retrenched. Some 600 have received notices of retrenchment. Now, this is happening at a time when our defences are in a very precarious condition. And why is this done? It is because the Defence Ministry, the Government have decided to give the manufacturing of trucks on contract. Now, why should it be done? When we have got trained workers in our workshops and when they can manufacture trucks, why should you give it to contractors and then incur the discontent of the people and 2,400 workers mean nearly 17,000 to 18,000 people? This is all done to please Mahindra and Mahindra and all these companies. I wonder. We are always attacked on every vulnerable spot on the borders. We are at a disadvantage. The forces of the enemy countries or neighbouring countries are always inside. We are never on their borders because we are always engaged in this, whom to give, what to give and what contract, not about the borders. So, this is a serious issue and that should be resolved. The manufacture of trucks

should be done in our workshops, in the Government workshops, and this, retrenchment should be avoided and can be avoided.

Now, in Amritsar a strike is going on. Since 10th April, 1965, fifty thousand workers are on strike. On 4th March the Tripartite Committee's recommendations were published by the Government in which the minimum wage, dearness allowance, bonus, etc. were laid down. Then, afterwards the Government modified it. Now, the workers are on strike. Workers belonging to the Indian National Trade Union Congress, the Hind Mazdoor Panchayat and the All India Trade Union Congress have been on strike for the last several days demanding the implementation of the recommendations of the Tripartite Committee. The Government modified it arbitrarily and later on repealed it and then said another committee was to be appointed. It is a strange behaviour. Thousands of people are being arrested every day. They are taken to the border areas, to Atari. Men at the border, military personnel, our jawans say: 'You do not bring them here.' They are engaged in protecting the border, in activities connected with the building up of the defence of the country. Here these strikers are being arrested under the Defence of India Rules and are taken and left in the border area. They say, you do not bring anybody here. This is a strange way in which our border protection is going on. I do not understand it. The Government, the Finance Minister, may say that it is a State subject, but protection of the border is a Central subject. When such huge unrest is going on, why should the Central Government go on looking at it? Why not they intervene and tell the State Government to settle the issue. They are prepared to talk. The Government should talk and settle the issue. You have tried to demoralise the workers, terrorise them, and other things. Some of them have been arrested, I think 500 of them are in jail and some others arrested are left outside the city. This

[Shri P. K. Kumaran.] is a very bad situation. This will demoralise the country. People will not understand what the Government is doing.

Another issue which I want to bring to the notice of the Finance Minister, is this, viz., the revision of dearness allowance for Central Government employees. A Commission was appointed. They have made certain recommendations. I do not say that their recommendations are up to the mark or not, but the Government have accepted it. Recently, when they implemented it, they have modified. Instead of Rs. 7 they have sanctioned Rs. 5. There is no justification at all. The prices are going up. When the consumer price index is 169, they are giving dearness allowance for 155 points. Actually the dearness allowance is only to meet the loans incurred during the previous months. Yet, unjustifiably, without any reason, this modification has been made.

Another thing is when dearness allowance is given, it is announced with a big fanfare, so much so what happening is that the house rent and the prices of other consumer goods are going up. Even before he gets Rs. 5 or Rs. 7, the prices and other local service charges are going up. The small local shops which are thriving on the Central Government employees have raised their charges. So, whatever increase you give is thus neutralised. I do not understand why the Central Government employees' dearness allowance should not be linked with the cost of living index. Every month if there is a rise of one point, you give them one anna more or so, if it rises by two points, give them two annas and whatever it is, you should give it automatically. When you say that you are giving Rs. 7 more it only encourages the local merchant to increase his rates and the increase is neutralised. Something has got to be done. The sys-

tem should be revised and the dearness allowance should be linked with the cost of living index and it should be done every month.

In Bhilai there are 15,000 workers who are supposed to be work-charged people of whom 5,000 have been working in Bhilai, from the very inception of the factory. They have no security of job. During Mr. Subramaniam's time I heard that he had promised that they would be absorbed in the regular cadre as well as in the National Construction company. Now, these 15,000 workers are threatened with dismissal. They have no security of job and there are several problems. Recently some of the leaders of trade unions have been on a hunger strike. Some were arrested. In the meantime due to intervention by some of us the strike has been called off. What I want to say is that these employees have got enough experience in building. When you are organising the National Construction company, for Bokaro and other plants, you have got to utilise their skill. Why do you not give them regular employment? After all, our constructional activities are going on. These are not going to stop within two or three years. We are one of the backward nations of the world. For a number of years construction activities will be there. So, why do you not make them regular, absorb them in a regular cadre? They have got experience. They know what to do and they can be shifted from place to place. Offer them appointment. If they refuse to go to a new place, that is another thing, but give them opportunities and the security of a permanent job, a permanent cadre and all the facilities thereof. Otherwise, if they go on serving for years together on temporary service, when the question of retirement comes, when any disability comes, there will be nothing for them to fall back on in their old age. I hope that the Minister will take these into consideration and see that steps are taken to meet these points.



I again appeal to the Minister that the question of the Godavari project should be looked into. It looks rather silly that for the sake of a crore of rupees so much misunderstanding is being created among three crores of people.

Thank you.

THE DEPUTY CHAIRMAN: Dr Anup Singh. The House will rise at 1.30 P.M.

DR. ANUP SINGH (Punjab): Madam, one single item that continuously imposes almost a crushing burden on our economy is the expenditure on defence. Unfortunately, not only there is no prospect in sight that this burden will be relieved, but on the contrary the future picture is rather dismal. I think we must reconcile ourselves to the inevitable situation that we will have to impose perhaps a greater burden on our economy and defence expenditure. My friend, Mr. Ramachandran, made a very persuasive and eloquent speech the other day expounding his faith in the tenets of a peaceful approach, a non-violent approach and in an attempt at bringing about some kind of rapprochement between India and Pakistan. I fully share his view but I do not share his apprehension that the country is seized with a war hysteria and that there is a real danger that our people might become warlike people. I think if anything they have become only conscious of the menace and the danger. They have been so long very complacent, almost indifferent to the integrity and the protection of our country. So I am not unduly disturbed by the prospect of our country being in the grip of a war hysteria. I welcome this new awareness and this consciousness that we have roused in our people. We have to face in a very realistic way the danger that we are up against. There was China that attacked us, but Pakistan had been the aggressor from its very inception. We shall certainly continue trying to settle all our disputes by peaceful means, but I think

we should become aware of the real nature of Pakistan itself. It was conceived in hate and delivered in perhaps dubious diplomacy, and the present rulers of Pakistan and even those who were before them have roused their people to a pitch of frenzy and hate against everything India, Indian leadership, Indian ideology, etc. Now those two countries have got together. It is a sinister wedlock between Communist China and Pakistan. What are we going to do? What is the answer? Of course in the technical sense military equipment, larger expenditure, modern weapons—all that has to be there. But ultimately and in the last analysis what is important is the quality of the people. We have seen what happened in Korea. I was there for two years myself. We have seen what has happened in Vietnam. One of the mightiest military powers, the U.S.A., has not been able to subdue those people, a tiny population, simply because most of the people in South Vietnam in spite of what the American press might say feel that they are fighting for their liberty, fighting for their freedom. But we have not been able to rouse our people to that consciousness, and the reason for that is that the vast multitudes of our peoples are still submerged in ignorance, in poverty, in disease, and it is not very easy to rouse people unless they feel that they have some stake in the country. We have to line up these people. The border defence should be taken up by the Centre. I am personally opposed to any kind of conscription, but I am gradually being driven to the position that we must have compulsory military training for perhaps two years or three years—that is a matter of detail—because we can no longer depend only on the army. People must learn the art of—I am not saying the art of killing but it comes to that. If you are living among thieves and dacoits, it does not necessarily mean that you should take up that profession, but you must learn to lock up your own door and protect your own house. I should say that in the colleges, not in schools but in colle-

[Dr. Anup Singh.] g<sup>^</sup>s, there should be compulsory military training. I am saying this rather reluctantly, but, as I said, I have been driven to this position almost in spite of m<sub>y</sub> own personal predilections and preferences. For certain jobs I think military training for two years or whateve<sub>r</sub>, the period may be should be made a prerequisite. Without this nobody should be able to hold certain jobs, not all jobs.

As for the economic policy, we have to raise the standards of our people. I cannot go into details here but I will touch on only one aspect of our economy, and that is agriculture. I happen to be a farmer myself. I have a little farm not very far from Delhi. We have a ceiling of 30 acres in Punjab. But if you ask some of the officers and people who know something about practical farming, if you ask them privately, they will all tell you that this ceiling was conceived and imposed by political considerations and that anyone who wants to take to mechanised farming cannot introduce any modern implements in a farm of 30 acres. The critic will say, why not have co-operative farming? Unfortunately I think it will be a very long time before our people can be persuaded to make co-operative farming a success. Here I must say that when you are dealing with a population torn by caste, creed and all those kinds of differences, it is not very easy to bring them round to cooperative farming. I am therefore advocating the re-examination of the ver<sub>y</sub> basis, the validity of the ceiling. Certainly in big farm<sub>s</sub>, the absentee landlords had to be liquidated, and that was all very well. But if an educated person, in many cases a graduate in agriculture, wants to take up farming, I think the <sup>o</sup>nly limitation should be, I am not saying it should be 500 acres, it may be 40 or 50 or something up to 200 acres. The only stipulation should be that they must bring out and produce a certain quantity. If they do not produce that much quantity on an ave-

rage, let us say, in three years, that part of the land should be taken over. But what is happening now is that we give land to those people who have neither the training nor the aptitude nor the background for farming. We give it primarily because if we satisfy their land hunger, there will be so many votes for the party. I say this with regret, but if you ask from people who are actually engaged in farming, I think with few exceptions they will an tell you the same story

In the case of poultry farmhig in Punjab the late Chief Minister, Sardar Pratap Singh Kairon, was almost » crusader for setting poultries here, there and everywhere. The estimate was that each layer would bring Re. 1 as profit per month. People without any experience began conjuring up the prospect of earning Rs. 500 a month. If you keep 500 layers, you get Rs. 500. If you keep 1000 layers, you get Rs. 1000. I myself fell into that trap, and I had 1500 of them and I recently sold them at a loss of Rs. 8000 to Rs. 10,000; simply the price of the feed had been steadily going up and the price of eggs had stayed almost uniform with the result that in places like Batala and Gurdaspur, the real centres of poultry farming, people who had been there for the last fifteen years had to sell their stock. We go into many of these fancy ventures without really checking the position.

Then I come to the case of the drainage system in Punjab about which I know a little. You ask any of the engineers privately and confidentially and he wiH say that many of the alignments were made not from the engineering point of view but to satisfy certain villages. The<sub>v</sub> would propose a certain drain at some place and if enough people join and complain that it would pass through their land, they will divert it—in this way a series of zig zags throughout the country, at a tremendous expense running into crores and crores. If you really want to raise production, you will have to go into the very basis of

the original alignment, whether it was , feasible, desirable or practical. But I nobody wiH dare do it because that involves interference from the Centre, and on the part of the Punjab State that requires a'sort of reorientation and going back on many schemes that were origin&lly formulated and implemented on political considerations. I am not saying thi<sub>s</sub> about all of them, but many of these plans and projects ar<sub>e</sub> based very largely on political considerations and not on a sound economic basis.

As for the administration, a great deal has been said in eulogy of tin Home Minister that he has been crusading against corruption, that he has tried to eradicate it, that he almost took a great risk by announcing tha<sup>1</sup> within two years if that is not done, he will pack up and go to some Ashram or do something else. Oi course I am aware of his latest amendment. All that I am trying to sa? is that it is not advisable to rais>? hopes which cannot be even partially satisfied because the disappointment is invariably proportional to your expectation. People have become cynical when they hea<sub>r</sub> about eradicating corruption. They say, "No, no. Noti 1 ■ will be done; all this ig tall talk." And I am reminded of a small anecdote. Mr. Mark Twain, the great American humourist, went on a lecture tour of the Southern State of Texas, the State of the present President of the Unite I States. And Texas happens to be a very warm State. It would be very hot in the early morning with burning sun. Mr. Mark Twain was having breakfast with his hostess and she said, "Mr, Mark Twain, I am very sorry. It is quite hot." During the luncheon it became hotter. And in the afternoon the same thing happened. And towards the end of the day it continued. With a<sub>n</sub> irrepressible sense of humour, he said, "In Texas everybody is complaining about the weather but nobody seems to be doing anything about it." We are exactly doing the same thing. We are all talking about corruption but nobody

seems to be absolutely earnest about the method or what to do about it. I have no recipe, but of one thing I am quite sure. So many people go scotfree. Why? They say, it could not be proved. Not in the case of people in the lower rung of the ladder-, the Patwaris, this, that or the other, but if the people high up are given exemplary punishment, I think this will shake up the whole set-up. But what happens is that we take revenge on smaller people and we want to set up an example. But whenever a big bird is implicated, all kinds of pressure from the Chief Minister and the-Ministers come, everybody conspires to see that Mr. So and So goes free.

Madam Deputy Chairman, what I am suggesting is that we have indulged in tall talk about many problems but the results have not been very encouraging. In the administration a numbe<sub>r</sub> of reforms have been introduced and they are all welcome but if you come across the average run of the ICS or the PCS people, you will find that with the exception of a few, their outlook has not been reoriented, they are not quite in tune and in conformity with the pattern that we have envisaged. You have to have a new cadre of people who are dedicated to the policies and the principles that you enunciate. After, all, they are the people who are going to implement those things.

Finally, I will come back to the original theme that the gravest issue that we are facing today—it is not that the other things are not important—is the question of the defence of our country and we should keep the people aroused to the pitch—not frenzy, not hysteria, not chauvinism—to the real danger. There is a lull in the atmosphere. Now we feel that some kind of settlement wiH be arrived at; let us hope that some settlement will be arrived at. But I am inclined to think that for a long time to come we are up against a perennial crisis and we should never lose the grip o<sub>n</sub> the situation. Thank you.

SHRI M. S. OBEROI (Bihar): With your permission, Madam, I rise to speak on the Finance Bill for 1965-66. While speaking on the Bill, I must congratulate our Finance Minister for the surplus that he has shown for the first time to the tune of about Rs. 236 crores in the Revenue Account. As I said before, for the first time it has happened after many years. This surplus has again been appropriated towards Capital Account which has lured the surplus to Rs. 3-78 crores. The Finance Minister has made a big effort in balancing the income and expenditure and while doing so, he has given benefits to the common man to some extent. But it has to be seen how far the common man has been benefited having set off the increase in freights, railway fares and import duties which without doubt, will increase the cost of living further. In fact, the relief by direct taxation has been taken away by way of indirect taxes which do not form part of this Budget. This is the position in a nutshell, as I can understand it—Madam Deputy Chairman, I would invite the attention of the House to the hon. Mr. T. T. Krishnamachari's views in 1957 while introducing the Budget proposals and again in 1964. In 1957 he said:

"I have come to the conclusion that our existing rates of direct tax at top levels deprive the tax structure of all flexibility."

In 1964, the hon. Minister said:

"To enthruse the earner to greater efforts, it is necessary for him to have a feeling that at least some substantial portion of what he earns is left at his hands."

If we look at the tax structure, we find that in India the individual tax including the surcharge is about 70 per cent. To this may be added the Wealth-Tax, Gift-Tax and the Expenditure-Tax which are imposed on individuals.

THE MINISTER OF REHABILITATION (SHRI MAHAVIR TYAGI): At what level of income?

SHRI M. S. OBEROI: At individual level. What is left in your hands? I should say that in certain cases, the total tax incidence on higher income group individuals is more than 100 per cent, not 70 per cent, but more than 100 per cent. This is how the tax position stands today.

SHRI LOKANATH MISRA (Orissa): Your speech has enabled the Rehabilitation Minister to take interest in the Finance Bill.

SHRI M. S. OBEROI: The Rehabilitation Minister is also interested in it.

SHRI A. D. MANI (Madhya Pradesh) : He may go to the Ministry of Finance.

SHRI M. S. OBEROI: May be next time.

Now, I will give you a very interesting date about the comparative position of the budgeted incomes from revenues in 1950-51, 1960-61 and five years after, in 1965-66.

In 1950-51 the budgeted income from tax was Rs. 125 crores while the national income per capita was Rs. 299-8 crores. Ten years after, in 1960-61, the budgeted income from tax was Rs. 278 crores while the national income remained the same. Then we come to 1965-66, five years after. What do we find? We find that the estimated income has gone up to Rs. 680 crores while, with a disappointment, we will note that the national income has remained the same, at Rs. 293 crores. You will please see that while the budget revenue is going up the national income per capita is going down. I leave it to the House to see the impact of it.

We are, however, grateful to the Finance Minister for the concessions that he has granted by way of higher

development rebate by adding few more industries, steps to help underwriters to dispose of initial issues which they have been forced to hold, wealth-tax exemption for five years for investment in new issues and lastly relief of further 24 per cent on bonus shares and a few minor adjustments.

1 P.M.

Madam Deputy Chairman, I would now draw the attention of the House to the public sector and say a few words on it. It may be said that the Government has made large investments in the public sector. The capital investment in companies which are now in operation in this sector is Rs. 669.65 crores. To this may be added also the loans which I have not mentioned; I have only mentioned the share capital. The net profit against this huge investment is about 1 per cent. It may be the initial stages according to Mr. B. R. Bhagat. But our Prime Minister in one of his speeches at the Annual Session of the Indian Chamber of Commerce said that "there is no other alternative but to charge the high taxes". Now I leave it to the House to judge as to the justification or non-justification of the high taxes.

Madam Deputy Chairman, I would a word about tourism, I would bring to the notice of the House and the Finance Minister that there should be no distinction between the merchandise exporters and other invisible exporters in the sphere of tax benefits. For tourism, their export is services and through those services they earn foreign exchange nothing less than Rs. 23 crores a year, and this is on the increase from year to year. I would request the Finance Minister to please see that tourism gets the same treatment like any other industries which are at par in earning foreign exchange. I will give you the item of footwear which earns only Rs. 4 crores of foreign exchange and they will be entitled to tax exemption. But

the industry of tourism, as you may call it, does not get those benefits.

Madam Deputy Chairman, my colleague, Mr. Bhupesh Gupta, has often raised his voice and also my other friends from the other side, that wealth lies in a few hands and want a fair distribution. Let us see what Shri S. K. Patil, the Minister of Railways, said while speaking in the General Meeting of the Punjab and Delhi Chambers of Commerce and Industry the other day. He said:

"While concentration of wealth in the hands of a few has to be prevented, the wealth would have to be created before one spoke of its distribution. Let us first create wealth by giving incentives and then talk of distribution."

It may be true that a few hold big businesses including the one in the South. A reference was made in the other House the other day. But one should not forget that these businesses were built with sweat and hard labour over a period of half a century and at times when the tax incidence was very low and with possibilities of ploughing back the profits for expansion, which is not the position today. In view of the present taxation position, and if the tax structure continues as it is today, and taking into consideration the different duties, including the estate duty, some of my friends this side and on the other side including the Treasury Benches will be very happy to know that the so-called wealth holders will be wiped out in the next decade. This will go into the coffers of the Government and not the common man. So in effect the common man will in no way be benefitted by this process.

Madam Deputy Chairman, while saying some thing on foreign collaboration. I would say that in all the industries foreign collaborators are welcome. All that we have to see is that any such collaborations do not go against our national interest. In this connection I would draw your attention to the Industrial Policy Resolution of 1949 and our Finance Minis-

[Shri M. S. Oberoi.] ter's latest policy declaration as to foreign investment. He has clearly laid down certain principles and in that connection he has given a double tax relief. While giving these concessions, it is very encouraging that the Finance Minister has pressed the point of investments. The foreign collaborator must make a fair investment and care should be taken that there is no preferential treatment between one collaborator and another. To my knowledge, in one instance, a proposal is being made and the profit asked for is more than 50 per cent, net, and term of lease is more than 50 years.

I entirely agree with my friend, Shrimati Shakuntala Paranjpye, on what she said the other day in the House. I would only add a word that today in Delhi there is no prohibition and the foreigners are allowed to have drinks in the hotels, but the Indians sitting on the same table can only have Coca-Cola. I will draw the attention of the Minister of Transport that such a distinction between foreigners and our own countrymen is not desirable and that should be removed.

Lastly, Madam Deputy Chairman, I should like to bring to the notice of the Finance Minister that it is very important that maximum efforts should be made to collect taxes, particularly arrears. But to deal with such taxation the tax collecting machinery at the lower level should treat the assesseees in a manner that no hardship is caused to these assesseees.

Thatik you.

PANDIT S. S. N. TANKHA (Uttar Pradesh): Madam Deputy Chairman, I give my full support to the Finance Bill before the House. As you know Madan- when the enemy is not only knocking at our doors but is actually inside our House, the first thoughts of every one of us at the moment will therefore naturally be concerned with the defence aspect of our country. Therefore, while speaking on the Finance Bill before the House I am glad

to end from the remarks made by the Finance Minister in the Lok Sabha on May 4th that according to him there is enough built in strength in the Indian economy to withstand any crisis and that the Budget was Defence-oriented.

As the House is aware, Madam, out of a total revenue expenditure of Rs. 2,116 crores during current year, as much as Rs. 749 crores have been allotted for the Defence Services. But in spite of this, the question still before us is whether or not this amount is adequate for the needs of the country in this hour of our crisis when Pakistan has grabbed a good bit of our territory and is not only laying claim to several thousand square miles more of our territories in the West but is also endeavouring to enlarge its frontiers on the East. In such a situation and specially so with China, another strong and very powerful enemy of ours, to help it, I have grave doubts if the expenditure allocated for Defence will be adequate to meet the needs of the situation in the coming year. I am however greatly assured by the heartening statement made by our Prime Minister in the other House or elsewhere, when he assured the country that no efforts will be spared to meet the situation even if it means cutting down of some of the Plan expenditure. This is a line which he as a great statesman should have taken in this hour of crisis and I-am glad he has done it. Our defence arrangements, Madam, are yet far from satisfactory as has been evident from the fact that while Pakistan employed as many as 60 tanks or so in its drive against us in the Rann of Kutch, we had not even a single tank to meet the onslaught and this I consider to be a most shameful situation for us. The crushing defeat which our Army was able to give to the enemy was out of its sheer heroism and bravery and not that we were militarily prepared to meet the challenge and our jawans and officers deserve our very great praise and gratitude for the work they have accomplished but the Gov-

ernment at the same time cannot, but be criticised for the very slow preparations for the country's defence which it is making in spite of an earlier defeat at the hands of the Chinese in October 1962. I would as such support the plea of Prof. M. Ruthnaswamy made in this House on Saturday last that at least Rs. 1,000 crores be set apart for Defence expenditure during the current year. I do not however agree with the learned Professor that we have unnecessarily purchased a huge aircraft carrier at the cost of several crores. I am on the contrary, definitely of the view that the aircraft carrier is our greatest defence for our 3,000 miles of sea frontier on the East and the West. I would in fact urge upon the Defence Minister to seek ways and means of acquiring at least one more aircraft carrier even though of the smaller American type, in order to be in a position to protect better our sea frontiers on the East and the West.

In this connection I cannot help complaining to the Government that our Navy is neither being expanded nor its power and efficiency are being increased to meet any possible threat from the sea. The Government does not seem to have recognised so far the absolute necessity to go in even for a small fleet of submarines which are an absolute necessity in the modern naval warfare. My friend, Prof. Ruthnaswamy, is perfectly right in asking for their purchase and this I entirely endorse and press upon the Government for its early consideration.

The MIG and other aircraft manufacturing factories have not yet been set up either and if our defence production goes the way it is going even more than 10 years after the Chinese attack on us, I am afraid it may take us many years more to set our defences in a satisfactory manner. We must know definitely what is our position in the world politics. Are we or are we not to get aid from our so-called

friends and if we are to receive that aid, we must know when it is to come? Is it to come after our needs have been fulfilled or is it to come at a time when we no longer need it and when the enemy from all sides has over-run us. The enemy, Madam, is not only trying to take portions of our country but is also trying to damage our reputation in the world and is at the same time trying to damage the reputation of the great Indian Army which has always been praised for its high valour.

In this context, Madam, I might also mention that if our relations with our unfriendly neighbours and particularly the Chinese are to continue as they have been for the last years, I am afraid we shall have seriously to think whether we should at all call upon the nation to slow down its growth of population by deliberate family planning methods, since a country of 410 million ill-equipped population can hardly ever hope to defeat a horde of 660 million even if they are not better equipped than ourselves and which we know, the Chinese are not. I would therefore suggest that we give serious thought to this aspect of the problem before embarking on the family planning programme in a big way and on a wider scale.

Instead, we would be doing much better with these larger numbers to augment and increase our resources for food production and industrial expansion in the country and for the uplift of the nation and the preservation of the integrity of our country. Therefore the steps which have been taken by the Finance Minister to give impetus to our industrial growth and trade such as tax concessions and reliefs for setting up new industrial enterprises, encouraging foreign collaboration and know-how, etc. are most welcome and they are encouraging signs for the future of the country. I would in fact suggest that the Finance Minister should give some special incentives and concessions and tax exemptions to those who set up indus-

[Pandit S. S. N. Tankha.] tries in the comparatively under-developed States of the Union such as U.P., Madhya Pradesh, etc. which may be so determined by him, so that industrialisation in the country may not be unbalanced, since, to my mind, the development of the entire country as a whole should be our aim and objective and not only the development of its parts which are advantageously situated or have some other basic advantages as compared to the others. Our country being basically an agricultural country every effort should be made by the Government to modernise its agricultural methods and thus to step up its production. I am cognisant of the fact that our main difficulty is small agricultural holdings and poverty of the masses coupled with their averseness to joint or co-operative farming. But all the same, if we are able to give the farmer better agricultural implements and fertilisers with good seeds and water in sufficient quantity at the right time for its irrigation, the country's food supply can and, I have no doubt, will be augmented to a very great extent.

I am also of the view. Madam, that, if the money which we are forced to spend on obtaining food from abroad, year after year, was spent annually in a phased programme to develop our uncultivable and arid lands, large tracts of which still lie waste in our country, they could easily be made available for our much needed greater production. If we can succeed in increasing our food production to a considerable extent, then only can we be in a better position to step up our exports, which is another urgent and vital necessity for our economic stability and increasing our foreign exchange reserves which also, at the moment, are at their lowest level.

Various export promotion measures by way of granting drawbacks and concessional reliefs on railway freights and taxation of profits I am happy to say, already exist. In addition to

these the Finance Minister has now granted certain further concessions by way of grant of Tax Certificates to the exporters. This further step I have no doubt, will go a long way in encouraging the producers to export goods in greater quantities than at present, and as such the grant of these additional concessions is most welcome.

Coming to the taxation proposals, Madam, the country is happy to find and is most grateful to the Finance Minister for his simplifying the personal tax structure, and reducing the burden of all income-groups and specially those who are in the lower-income group. This step was highly necessary in view of the rapid rise in the cost of living of the people, which they find difficult to bear.

It has been a belief for several years past that our high rate of tax structure was partly responsible for the dishonesty and tax evasion resorted to—I have, however, never believed in this theory—but still it is a matter to be studied as to how far . . .

*(Time bell rings)* A few

minutes more, Madam.

... as to how far lowering the tax rate at higher levels will bring in honesty among the assesseees, and if it is found that the present reduction in rate has had a salutary effect, then a case for still lowering the tax structure will certainly be made out, although, even without it. I am of the view that the rate of taxation needs being lowered further in order to remove the disincentive to hard work which under the present tax structure occurs after a certain higher limit of income has been reached by the higher class assesseees.

While thanking the Finance Minister for the relief he has granted to the lower-income group of people, the relief he has granted for the dependent children is not quite realistic. Indian families, as you know, Madam,



generally consist of at least three children, and as such the children's allowance should have been given for three children instead of for two only. This small relief, if given, is not likely to have the effect of encouraging the growth of families, which otherwise need to be curtailed unless the need of the country's security otherwise requires.

THE DEPUTY CHAIRMAN: You will now have to wind up. You have taken more than fifteen minutes and there are far too many speakers still.

PANDIT S. S. N. TANKHA: Madam, if you give me five minutes more . . .

THE DEPUTY CHAIRMAN: if you take that much, you will be keeping out somebody else. You may wind *up* now.

PANDIT S. S. N. TANKHA: Now in the field of the corporate sector, Madam, Finance Minister has given certain reliefs with which I fully agree. But I cannot, however, help saying that it would have been much better if the Finance Minister had also thought it fit to remove the income-tax and the surcharge on dividend and bonus shares in order to encourage the growth of the corporate sector with the help of the savings of the middle-income group people.

The concessions which the Finance Minister has granted by way of the removal of excise duty on, footwear, cycle parts, cycle tyres, cycle tubes, etc., will undoubtedly afford some relief to the poor, but it cannot be said that these items formed any substantial part of the poor man's expenditure during a year, and as such it would have been better if, instead of granting these concessions, the Finance Minister had thought it fit to remove the duty on kerosene oil, at least of the inferior variety, so that the hearths and homes of the poorer people would have been lightened up.

Then, Madam, as you know . . .

THE DEPUTY CHAIRMAN: I think you should wind up now; you have taken nearly nineteen minutes.

PANDIT S. S. N. TANKHA: Just one or two remarks on another point. Madam, The Public Accounts Committee has drawn the attention of the House on various occasions to the great misuse and excessive use of funds by the Government involving thousands and even lakhs of rupees every year. Efforts should be seriously made by the Government to prevent this waste and to take to task the people responsible for such acts, namely people who are found to have indulged in those practices.

The tax collection machinery of the Government should also be tightened up and I have no doubt that if the Government can succeed in tracing the small assesseees, who are not as yet traced and roped in to pay their income-tax dues, and if these could be found out and brought on the list of assesseees, a very substantial income is bound to accrue to the Government on that account and its total income will thus greatly increase from year to year.

THE MINISTER OF REHABILITATION (SHRI MAHAVIR TYAGI): Madam, the hon. Member has somehow managed to have his extra time.

THE DEPUTY CHAIRMAN: He has taken more than that. Have you finished, Mr. Tankha?

PANDIT S. S. N. TANKHA: I shall try to finish before 1.30.

THE DEPUTY CHAIRMAN: It is too much to ask. Please finish now.

PANDIT S. S. N. TANKHA: I am finishing just now. I will try to finish at 1.30.

Now, Madam, the steps taken by the Finance Minister for the defection of unaccounted money, I have no doubt, are steps in the right direction. But merely giving such persons the concession of holding 40 per cent of

[Pandit s. S. N. Tankha.] their unaccounted money is not sufficient to my mind. I asked a question recently about this unaccounted money, as to how much money had been collected, and I was told that only a very small portion of such money had been collected. I would therefore urge upon the Finance Minister that the steps which he has for some time past been taking for detecting such persons or for finding out as to who were those persons in possession of that money and how much illegal money they had, should be maintained with strength and vigour even during the period of grace allowed.

THE DEPUTY CHAIRMAN: That will do, Mr Tankha. I have to make an announcement.

#### RESULTS OF ELECTIONS TO THE COMMITTEE ON PUBLIC ACCOUNTS

THE DEPUTY CHAIRMAN: There were eight Members duly nominated for election to the Committee on Public Accounts, of whom one Member withdrew his candidature subsequently. As the number of the remaining candidates is equal to the number of vacancies to be filled, I hereby declare the following Members to be duly elected to the said Committee:—

1. Shri M. P. Bhargava,
2. Shri Chandra Shekhar,
3. Shri S. C. Deb,
4. Shri R. S. Panj hazari,
5. Shri Ram Sahai,
6. Shri Niranj an Singh, and
7. Shri Atul Behari Vajpayee.

The Finance Minister will reply at 4.30 P.M. Mr. Krishan Dutt will speak at 2.30 P.M. The House stands adjourned till 2.30 P.M.

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

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

#### THE FINANCE BILL, 1965—contd.

SHRI KRISHAN DUTT (Jammu and Kashmir): Mr. Vice-Chairman, I rise to support the Finance Bill and the taxation proposals contained therein. I am happy to note, Sir, that the policy in the taxation proposals is that the gap between the rich and the poor should be gradually, or rather as soon as possible, be filled up and that wealth should not be allowed to be concentrated in a few hands. I hope that the taxation proposals and the measures contained in the Finance Bill will lead to this objective. The grave period in Indian history which at present we are passing through, requires that India should have adequate stores of foodgrains and the price should be kept down at a reasonable level. This is necessary not only for the needs of the population but also for going through the critical period so far as the defence of the country is concerned. I offer my congratulations to the Government for the prompt and the wise step that it has taken in arresting Sheikh Abdullah and Mirza Afzal Baig as soon as they touched the Indian soil after their tours abroad. It is indeed most regrettable that a man of Sheikh Abdullah's stature and having a very glorious record in the freedom struggle, should have chosen in this critical period of Indian history, to have wandered from his previous stand and indulged in activities which are clearly and unmistakably prejudicial to India's security and India's honour abroad. If he had confined himself to the religious spirit to the avowed purpose of the Haj pilgrimage and