

year, the Jubilee from the 1st of November, 1965 and some other pits from March 1965, this month and next month one or two are being closed because the losses have been very heavy and we cannot continue this for long. It has been losing and a losing concern could not therefore compete with the private sector.

SHRI A. D. MANI: Have you rationalised the cost structure ?

MR. CHAIRMAN : Papers to be laid on the Table.

SHRI BHUPESH GUPTA: Anyway, call a meeting. I will get them here.

PAPERS LAID ON THE TABLE

AMENDMENTS IN THE KERALA GENERAL SALES TAX RULES, 1963

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR SAHU) : Sir, I beg to lay on the Table' a copy each of the following Notifications publishing certain amendments in the Kerala General Sales Tax Rules, 1963, under subsection (3) of section 57 of the Kerala General Sales Tax Act, 1963, issued by the Government of Kerala, Revenue (H) Department:—

- (i) Notification S.R.O. No. 205/64, dated the 20th June, 1964.
- (ii) Notification S.R.O. No. 242/64, dated the 13th August, 1964.

[PLACED IN LIBRARY. See No. LT-3965/65 for (i) and (ii)]

NOTIFICATION *Re* ISSUE OF 7 PER CENT. GOLD BONDS, 1980

SHRI RAMESHWAR SAHU: Sir, I also beg to lay on the Table a copy of the L16RS/65—4.

Ministry of Finance (Department of Economic Affairs) Notification No. 4(2)-W&M/65, dated the 27th February, 1965, regarding the issue of 7 per cent. Gold Bonds, 1980. [Placed in Library. See No. LT-3964/65.]

THE APPROPRIATION BILL, 1965—continued

MR. CHAIRMAN: When the House adjourned on the 9th, Shri Bhagat had finished his speech replying to the debate.

The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR SAHU) : Sir, I move :

"That the Bill be returned."

The question was proposed.

SHRI BHUPESH GUPTA (West Bengal) : Sir, yesterday, an unfortunate remark was made by Mr. Sinha. He is not here. We criticised the Home Ministry in the course of the debate and he has brought in personalities. Sir, it is not a question of personalities. We criticise the policies of the Government, especially of the Home Ministry in this matter. Sir, when the Budget comes in naturally we criticise the Ministries and the various departments of the Government. That is what we do. It may be right or wrong. That is for the Government to answer but a private Member came and said all kinds of things, some of which have been reported in the

[Shri Bhupesh Gupta.] paper. It is very very unfortunate but I wish to make it very clear that our criticism against the Home Minister does stand also against the Ministry and the Government. In this connection, I would like to say, when we sanction money, that Mr. Krishnamachari, the Finance Minister, should be a little more careful in granting money to the Home Ministry, not for all the departments, because, Sir, they take a lot of money in the name of secret funds about which account is not given even, I believe, properly to the Finance Minister. A lot of money is being taken in the name of secret funds and wasted by this Government in order to maintain all kinds of agencies which are not in a position to produce good reports.

MR. CHAIRMAN: Mr. Gupta, I am absolutely unaware of what you are talking about,

SHRI BHUPESH GUPTA: This is the third reading, Sir.

MR. CHAIRMAN: You should have told me. How can I regulate the proceedings if some of them

SHRI BHUPESH GUPTA : Kindly listen to me, Sir.

MR. CHAIRMAN: You are speaking on the motion ?

SHRI BHUPESH GUPTA: Yes. It is your motion, Sir. You put it. It is not the Home Ministry thing. That one item is there. Perhaps you are thinking that I was getting up and speaking something else, perhaps the other thing. Here it relates to a demand for the Home Ministry. I do not blame you, Sir, for it at all but then it happens that we have to repeatedly say this thing.

The Home Ministry takes money, as I was saying, for the secret fund. Moneys are taken in order to produce all kinds of reports but, as you know, when it came to the C.B.T. matter, they could not do it

and when it comes to getting a report about certain other things, they behaved in a different way, and produced a different report. I do not know how much it cost them for the preparation of this report.

SHRI A. B. VAJPAYEE (Uttar Pradesh) : Not much.

SHRI BHUPESH GUPTA: I do not know. Let the Finance Minister find out. I am sure if the Finance Minister had written this Report, it would have been at least intelligent. I may disagree with him. I tell you, Mr. Krishnamachari does not like me perhaps because of my outspoken views but I concede that he is an intelligent man.

As far as the Home Ministry is concerned, intelligence is at a heavy discount; neither does it know how to speak.

SHRI A. B. VAJPAYEE: You have changed your opinion about Nandaji ?

SHRI BHUPESH GUPTA . What is opinion ? You will change your opinion about me when I criticise you and when I support you will have another opinion. Opinions are liable to change just as the weather is liable to change. When it is raining I put on an overcoat and open my umbrella and when the rain stops I shut my umbrellta and put off my overcoat.

MR. CHAIRMAN : It is a very hopeful situation.

SHRI C. D. PANDE (Uttar Pradesh) : You agree you are a weather cock ?

SHRI BHUPESH GUPTA: As far as the hon. Member is concerned, his opinion cannot change because he is beyond that. Therefore, I say this should be looked into. We made serious allegations against the Home Minister and the Home Minister should have replied to those charges that we have made. The Finance Minister cannot possibly reply. As far as the finances

arc concerned, in this very House—I think you, Sir, were a member of the House at that time—we exposed how certain funds were taken from the Finance Minister by the Home Ministry and utilised in bringing out a paper called 'Freelance' in Calcutta, a daily paper, which was ostensibly progressive but was running under the Home Ministry and money was being squandered. I gave all facts and I can tell you that the late Home Minister said, 'Neither am I going to deny it nor admit it' just as the Home Minister said 'I would not look at the C.B.I. Report' as the newly-wed bashful Bengali ladies do not look at the elder brother of their husbands.

SOME HON. MEMBERS : How do you know ?

SHRI BHUPESH GUPTA: I may not be married but I have get sisters-in-law and I happen to be also elder to some.

Therefore I say that the Home Ministry which is based on waste, lies, falsehoods, distortion, political vendetta and electioneering should be taken care of by the Finance Ministry and the Finance Minister should see that the finances are not abused for producing some atrocious documents which are sometimes produced. As far as the Cabinet Secretariat is concerned I made certain remarks yesterday.

Simr LOKANATH MISRA (Orissa) : Can I speak for a few minutes, Sir?

MR. CHAIRMAN: Yes; any Member wanting to speak can speak.

SHRI LOKANATH MISRA: This is third reading and that is why

AN HON. MEMBER : Again C.B.I. ?

SHRI LOKANATH MISRA: No; not C.B.I. I would like to point out how the money is being mis-spent by the Home Ministry.

MR. CHAIRMAN : Did you speak in the debate?

SHRI LOKANATH MISRA : No, Sir.

Sir, it came to my knowledge that the Consultative Committee for Kerala was convened in Delhi. The Home Ministry sent invitations to the different Members of Kerala . . .

SHRI MULKA GOVINDA REDDY (Mysore): Members of the Committee.

SHRI LOKANATH MISRA: Yes; the members of the Consultative Committee were asked to come down to Delhi because the meeting was to be held in Delhi but the Home Minister had to change his programme because of the Kerala elections. And since he flew to Ernakulam or some other place in Kerala, the meeting in Delhi was cancelled and for that the members were given their T.A. for coming to Delhi and going back to Kerala. This is how the Home Ministry is squandering money. I do not know if the Finance Minister would be in a position to check the Home Minister because he is No. 2 and the Finance Minister is No. 3. All the same this is an aspect which has to be looked into. The Home Ministry cannot be allowed to squander money like this. There must be some check and it is only the Finance Minister who can put a check on this squandering of money. Thank you.

SHRI EBRAHIM SULAIMAN SAIT (Kerala) : Sir, that is correct because I am one of the Members of the Committee At the last minute we get telegrams cancelling the meeting in Delhi.

AN HON. MEMBER : Did you come to Delhi ?

SHRI EBRAHIM SULAIMAN SAIT: I did not come but all those who came by train had reached here. Because I was coming by plane I was able to cancel the booking at the last minute. This is criminal waste.

MR. CHAIRMAN : Any other information that has come to the knowledge of any Member? Would the Minister like to say anything ?

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARI) : Sir, the hon. Members seem to be in a very good mood. I should like to mention one fact to them. The Home Ministry happens to be the Finance Ministry for the Finance Ministry and so the Finance Ministry has to be rather careful.

SHRI BHUPESH GUPTA: I see that they are afraid of it. Now that is a dangerous thing which he has said.

MR. CHAIRMAN: Mr. Gupta, that will do.

The question is :

"That the Bill be returned."

The motion was adopted.

THE BUDGET (GENERAL), 1965-66

SHRI DAHYABHAI V. PATE'L (Gujarat) : Sir, while I would congratulate the Finance Minister on producing a Budget without a deficit in this country after many many years I do not see much of the relief that could very well have been given to the poor tax-payer in the country. The Budget for 1965-66 is expected to result in a surplus to the Exchequer to the extent of Rs. 10 crores but if you take into account the new tax measures the Budget proposals will yield an additional revenue of Rs. 16 crores, in respect of customs Rs. 14.5 crores and wealth tax Rs. 7.5 crores and a loss of Rs. 22.38 crores on Union Excise (Rs. 7.98 crores) and corporation tax (Rs. 14.40 crores). The overall surplus will thus be reduced to a nominal Rs. 4 crores.

I will discuss for a minute how the money is proposed to be raised. The total

receipts of Rs. 4294 crores will be on revenue account to the extent of Rs. 2347 crores, and on capital account Rs. 1947 crores. The revised estimates for 1964-65 are Rs. 2228 crores and Rs. 1859 crores respectively. The revised estimates of revenue estimates in 1964-65 were higher than the Budget estimates by Rs. 106 crores, and capital receipt smaller by Rs. 51 crores. Customs revenue was larger by Rs. 49 crores and income and corporation taxes by Rs. 0.66 crores. There was thus the element of under-estimation in the revenue yield which has become a normal feature of budgeting in recent years. In spite of the Finance Minister's assurance in the Budget speech for the year 1964-65 that he had tried to be as liberal as he could in estimating receipts and as strict as possible in providing funds for expenditure, taking into account the fact that actuals had in the past shown large increases in receipts and savings in expenditure. In the current Budget it can therefore be assumed that some degree of underestimation will persist. In other words, the actual surplus is bound to be much larger than anticipated.

Coming to taxation, the total tax revenue of the Centre including the States' share of taxes will increase from Rs. 1812 crores to Rs. 1954 crores, while non-tax revenue is expected to decline by Rs. 24 crores. The additional revenue of Rs. 142 crores is expected to be raised to the extent of 42 per cent from direct taxation. As a result the proportion of direct taxation in total taxation will increase from 34.8 to 35.4 per cent.

The total capital receipts in 1965-66 will be actually smaller than the revised estimates for 1964-65. In the present Budget a larger part of the capital expenditure will thus be financed from taxation and a smaller part from borrowings than in the Budget for the previous year. Public debt raised in India is envisaged at Rs. 270 crores as compared to the Budget estimate of Rs. 300 crores in the year 1964-65.

This is probably because a part of the debt actually raised in 1964-65 was subscribed by the Reserve Bank and as such was in the nature of deficit financing. Foreign assistance is estimated at Rs. 669