

THE DEPUTY CHAIRMAN: Shri R. P. Sinha.

SHRI A. D. MANI (Madhya Pradesh): It is a matter concerning the reply . . .

THE DEPUTY CHAIRMAN: This is a Calling Attention motion. It is at the discretion of the Chair when to stop it.

SHRI BHUPESH GUPTA : ***

THE DEPUTY CHAIRMAN: Mr Bhupesh Gupta, you resume your seat.

SHRI BHUPESH GUPTA : ***

THE DEPUTY CHAIRMAN: Everything that Mr. Bhupesh Gupta has said after I called on Mr. R. P. Sinha to speak has to be expunged.

THE BUDGET (GENERAL) 1965-66— *continued*

SHRI RAJENDRA PRATAP SINHA : Madam, when the House rose for lunch, I was telling what steps the Finance Minister had taken in order to boost production. I was also saying what steps the Government had taken in order to attract capital into new ventures.

Madam, there is lot of criticism today of the Budget proposals of the Finance Minister from the business community, and their main grievance is that the Government has not given enough relief to the corporate sector in order to attract more capital to it. I was telling you, Madam, that the Finance Minister had taken more than one step in order to attract capital to the new ventures. I was saying that the Finance Minister had given tax holiday so far as the wealth tax was concerned if one invested in the capital of new ventures. He has provided for tax credit certificates on equity investment in new ventures up to a

*** Expunged as ordered by the Chair.

certain limit. He has given relief to the income accruing to a shareholder by the issue of bonus shares. Lastly, I would say that he has taken a very bold step in imposing additional wealth tax on urban property. He had explained that there was a good deal investment in urban property and he was taking this measure in order to divert investments from urban property to more productive sources. In spite of all this it has been suggested and put forward by the business community that the relief given to the corporate sector is not enough in order to build up the psychology of the capital market. Madam, I am rather surprised when they say that hopes were built and the hopes had been belied by this Budget. I do know who built the hopes. They built the hopes for themselves, and now in this way they wanted to pressurise the Finance Minister.

The other point I would like to urge is that the profitability of the corporate sector has been going on in spite of the high taxes because we have very high prices in this country and apart from that the gap between demand and supply is so big that we have a sellers' market. Therefore, the corporate sector is making good profit at the cost of the consumer. I was looking through the press reports and I find that the visiting American business mission have stated that the climate for investment in this country is quite good. But my friends in the Federation say that the climate is not good. I do not know who is correct. If a foreigner finds that the climate for investment is good and the leader of the mission has said that many more collaboration agreements would be signed in this year than whatever has been done before, why should our friends in the Federation think otherwise? My friends say that it is courtesy. I do not think that the American businessmen have come here to extend courtesy to the Finance Minister. They have come here to do hard business. I may read out an article—I would give it to my hon. friend from the Federation—published by a foreigner named Anila Graham on the climate for foreign private investment in India. The article very clearly says that the structure is quite attractive enough, that the profits are quite attractive enough for investment in India. As a matter of fact they have accused that the

Government has not taken enough steps in order to explain its policies to the intending investor outside. He has himself stated all this that the Government should take steps to tell the investing public outside what are the scopes of investment and profitability in this country. I will just read out—

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

"The fact remains that enough is not done to publicise the great attractions that India provides as a market for the foreign investor. There is an almost unbelievable ignorance in the minds of many would-be investors about the policy of the Government with regard to this subject and many popular misconceptions still exist in the minds of investors in the industrialised West."

Therefore what I am saying is that it is strange that a foreigner considers that the climate is good but our friends in the Federation are prophets of gloom.

When I was speaking last year on the Budget proposals I had stated that there was need for a thorough enquiry into the entire working of the stock exchanges in India. I would like the Finance Minister to make a study and give it to us as to what amount of capital for the new ventures comes from the stock exchanges, what amount is subscribed by the financial institutions and what amount is provided by the foreigners. I am pretty sure that the stock exchange affairs are so very badly managed and conducted that they are not playing the game. I have also written a letter to the Finance Minister pointing out many defects and many bungling going on in the stock exchanges. I would like a proper probe into the entire working of these stock exchanges. I understand that rule 8 of the Securities (Regulation) Act has not been followed. Rule 8 provides that a member of a stock exchange should have no other business. And if one has a business within three years of the promulgation of this rule he ought to cease connections either with that business or with the membership of the stock exchange. This rule was brought into existence several years ago. But still I find that the stock exchanges at Bombay, Calcutta, Madras

and Delhi are controlled by people who are not members of the profession only. To day we have more of speculation brokers than investment brokers. How is it that this rule 8 is not being properly enforced?

Next I would like to say something about the balance of payment crisis about which I spoke a little while ago. The Finance Minister has very correctly enunciated the principle of inviting foreign capital in this country. He has said that while this will act as a catalyst, our need of foreign exchange is such that it cannot be met only out of the surplus created in the economy, that is export. Our needs are far too much more than the surplus that we can create by export.

Sir, we have aid from friendly countries. We are very grateful to the friendly countries all over the world that they have come to help us in the development and growth of our economy. But we should always remember that we will have a very big gap of about Rs. 600 crores of foreign exchange in the Fourth Plan. It has not yet been considered as to how that gap should be bridged. Therefore it is imperative that we should encourage a larger and larger flow of foreign capital in this country.

Now I find that various other countries, even England, Germany, Japan, France and many other under developed countries, have received not only foreign assistance from friendly governments but also foreign capital, and that is why they have been able to develop their countries. If we look to the financial and economic history of the United States of America itself we will find that that country was developed by the foreign capital coming from the United Kingdom. Therefore we would like to see that we must have enough inflow of foreign capital in this country.

Now, Sir, we should have this foreign capital from all over the world wherever it may be available. But I find that a very interesting analysis has been done about the export of foreign capital from America. Up till 1963 in ten years' time they had exported Rs. 9,306 crores worth of dollars out of which only Rs. 5 crores came to India. Last year, in 1964 Rs. 1,750 crores worth of dollars were exported out of which India got only Rs. 15 crores.

[Shri Rajendra Pratap Sinha]

Now, we have to examine that when all these missions visiting this country think that the investment climate is good in this country, we must find out why capital is not forthcoming. I hope the Finance Minister will examine that and see that whatever surplus may be there, this last psychological hurdle is removed so that we may have an inflow of foreign capital.

Now, I understand that the G.D.R., German Democratic Republic, i.e. East Germany, had made an offer of Rs. 22.6 crores of Government credit to this country which we have not accepted. I do not know why. Probably for the same reason. I stress that the Government should encourage this inflow of capital from wherever it may come.

So, Mr. Vice-Chairman, I would like to conclude by saying that the Finance Minister has done his best in his proposals in the Budget to meet the difficult situation created in the economy last year. By his measures he has tried to contain inflation and thereby reduced the inflationary pressures of prices. He has given assistance to all sections of the community by lowering the tax rates so that the poorer sections of the community may not be harassed by high prices and may, on the other hand, save something and I hope the higher brackets will have more savings with the reduced prices which can be diverted for savings. Therefore, by this method he has stimulated growth and investment in the economy.

He has also taken steps to tap the unaccounted money which is creating a good deal of mischief in the economy. But here I would like to tell him that he will not succeed in removing these obstacles unless he keeps up the pressure by seizures and raids. Unless he creates a fear psychology in the minds of the people who hoard that they may come to grief if they do not disclose, this scheme will not succeed. Therefore, relentless efforts by raids and seizures must be continued even though there may be some excesses some time.

Lastly, I would say that the Finance Minister has also taken steps to arrange for finances required to meet the financial commitments of the Third Five Year Plan. Not only that, as I stated earlier, he has

overshot the mark, and now we shall be investing Rs. 8,400 crores, far above the originally planned amount of Rs. 7,500 crores. I would like to offer him my congratulations for raising the required amount of money in spite of the heavy needs and the expenditure on Defence. I would only urge upon him to have discussions with the State Governments so that they may also fall in line and their deficit budgets are revised which they have presented so that we may have balanced budgets in the States. Then alone this pressure on the prices will be reduced.

SHRI G. S. PATHAK (Uttar Pradesh) : Mr. Vice-Chairman, Mr. Dahyabhai Patel who unfortunately is not present at this moment in the House has made some criticism against the Government which appears to me to be most undeserved. He said that there were searches and moneys were taken by the income-tax officers but there was no limitation on an Income-tax Officer for assessment proceedings. Now, Mr. Vice-Chairman, if he had been in the House at the present moment, I would have pointed out a section in the Income-tax Act which places a limitation on the action of any Income-tax Officer in the matter of assessment. He also said that in the name of unaccounted money there were searches and he criticised very severely the searches which were being made. Now, in this House for several years we have been speaking about tax evasion, we have been speaking about persons who were engaged in anti-social activities, that is tax evasion, and who were prospering at the expense of the honest people. It was the clamour of many people outside the House also that no action was being taken by the Government to recover unaccounted money. It was complained that some searches were not proper. Now there is the Finance Minister. If any Member of Parliament feels that some illegality has been committed, there is some harshness attending some searches, then he can always approach the Finance Minister and apart from the Finance Minister, the courts are open. Therefore when proper action has been taken by the Government in order to do the right thing which was overdue, I submit, Sir, that that should not be a ground for complaint, that should be a ground for congratulations and the Finance Minister should be thanked for it.

Now, I must also mention one more fact which was mentioned by Mr. Dahyabhai Patel. He criticised the Home Ministry on its action with regard to the Orissa affair. I do not think that it would be appropriate for me to deal with that criticism in connection with the Budget at this stage but I can assure Mr. Dahyabhai Patel that in my thinking, that action was constitutional and legally correct.

Now, Mr. Vice-Chairman, when people were talking that we are the highest taxed nation in the world, when people were ascribing tax evasion to the heavy taxation, when there were rises in prices for a continuously long period, when pessimism was seizing the public mind as to the immediate future and when it was realised that the middle income group people were the hardest hit, this Budget came with relief—and welcome relief—to all concerned. A Budget always reflects the complexities of the problems with which a nation is faced. It meets the challenges offered by those problems, and this Budget appears to me to display the scientific skill and courage, yet caution and vision, of an able Finance Minister. We are passing through most difficult times in our economic life, and this Budget has inspired hopes and promises that there will be stable conditions.

Now, my predecessor, Mr. Sinha, has adverted to a number of reliefs which this Budget gives to the common man and the corporations. I will not repeat what he has said. Mr. Dahyabhai Patel, on the other hand, asked: Why not give more concessions? The Finance Minister could have contemplated that there would be more and more revenue and therefore more concessions could have been given. Risks could not be taken, Mr. Vice-Chairman. Caution has to be observed, and this Budget represents a view which alone could be taken in the circumstances in which we find ourselves. No further risk could be taken.

Now, so far as goods of common consumption are concerned, the Budget has given relief by the removal of the excise duty in some cases and by the reduction of the excise duty in certain other cases like certain classes of cloth. It is for the producers and the manufacturers to so arrange their affairs that the benefit should pass on to the consumer because this will be done under orders and rules. There is no change

made in the statute itself, and this benefit, if abused, is likely to be withdrawn.

So far as personal incomes are concerned, the proposals contained in this Budget have brought considerable relief. The super tax has been combined with the taxes. That has introduced simplicity in working, the rates have been reduced and there are other benefits which are proposed to be given, which will be welcomed by those who earn by dint of their labour. *Locus poenitentiae* has been given to the tax-evaders and if within the time proposed to be given a tax-evader makes a declaration accompanied by 60 per cent. of the income, then he is entitled to put the balance in the account books. I need not give further details. A sort of *locus poenitentiae* has been given to the tax-evader and he will be well advised to make a note of it and make such a declaration.

Now, Mr. Vice-Chairman, there are some other aspects to which I shall make a reference. So far as foreign debts are concerned, it is true that the figures are very high. I find that the total debt raised outside India is Rs. 2,763 crores.

SHRI C. D. PANDE (Uttar Pradesh): During the last ten years, I believe.

SHRI G. S. PATHAK: Total. Repayments have to be made and it is a matter of considerable difficulty and therefore also of skill to arrange repayments including repayments of interest and maintaining the requirements of the country's economy and bearing in mind the developments of industry. There is certainly a growing extent of external borrowings.

That has been stated and I am quoting from one of the books. But that is essential in the case of a developing country and this could not be avoided having regard to the industrial development in the country, having regard to the other requirements of the country and therefore it became necessary to grant concessions to people who are engaged in the activity of export of goods from the country so that foreign exchange might be earned and there might be some compensation in that direction. Promotion of export and production has been an object

[Shri G. S. Pathak.]

of anxious solicitude on the part of the Government for many many years. There have been concessions granted in the way of railway freights, in the way of taxation and this new system of tax credit certificates which we find in this budget, I feel, is a most beneficial system. Under this system, incentive is given to the people who are engaged in this activity. Incentive to production is also given when a manufacturer produces goods above a certain quantity in relation to a base period. Some concessions are given in that connection too. What we need now is that there should be a Government machinery inspecting the process of export and shipping because unless we ensure that the goods exported are satisfactory in the sense that they correspond to the orders given, that there are no deficiencies in the matter of packing and in the matter of shipping arrangement, we cannot have a proper market so far as export is concerned and this is a matter which requires the consideration of the Government, and whatever machinery the Government may employ, we must have our reputation unsullied in the foreign markets.

An endeavour has been made to simplify the taxation laws. I was concerned with the framing of the Income-tax Bill in the earlier stages in the Law Commission along with Mr. Chagla and we tried to simplify it as much as possible but there have been a number of amendments. I do not say that they were unjustified. The changing pattern of society, the changing conditions need amendments and amendments have also to be made in order to meet the new situations. But so far as the common man is concerned, the common businessman, the common merchant, I do feel it is not possible for him to understand fully the implications of the provisions of the Income-tax Act. In spite of our best efforts, in spite of the best efforts of the Finance Ministry, there are complexities . . .

SHRI M. RUTHNASWAMY (Madras): You ought to be thankful for that.

SHRI G. S. PATHAK: I am not to be thankful because I tried to simplify it. My effort had been frustrated and anyone who has to file his return, who has to deal with

the Income-tax law in relation to his affairs, has to consult somebody. I am talking of the common merchant, the common businessman. I would request, therefore, that the effort which is being made to simplify the taxation laws should continue and the Act should be intelligible to the ordinary person. I do appreciate that the Income-tax Officers are assisting the assesseees in this matter and in the Income-tax offices locally, they have appointed an officer called a Liaison Officer who assists the assesseees in this matter. But I do submit that this effort should be continued.

So far as defence expenditure is concerned, the figure is very high. It is Rs. 749 crores out of Rs. 2,116 crores, that is about one-third so far as revenue expenditure is concerned, and Rs. 12 crores out of Rs. 1,114 crores so far as capital expenditure is concerned. It is a matter of, what shall I say, misfortune. It is a matter of the deepest regret that compulsion of circumstances is forcing us to spend more and more on our defence budget. If a large part of this money had been made available for the purpose of ameliorating the conditions of the people, for the purpose of education, or for other purposes of the nation, that would have been a very happy state but we are faced all-round to-day, practically we are surrounded, by external dangers. There is a continuous threat from China and Pakistan. We have been told in this House by the Defence Minister that there are huge concentrations of the Chinese army at the borders. We see that the Chinese influence is increasing in the peninsula of Indo-China. We find that China is aiding North Vietnam, not in men but certainly in material and we are very close to Indo-China which is to-day the scene of a hot war. There is an alliance between Pakistan and China, and Pakistan will not wake up to what could be meant by such alliances and would forget the lessons of history—there were war alliances between Hitler and Poland, there were war alliances between Russia and Hitler and yet these alliances were merely a process, a part of the policy of expansionism. Now, with all this, we find that we have got to face the situation, we have got to be vigilant, we have got to make sacrifices in the interests of our security because we have got to preserve our way of our life.

At one thing, Mr. Vice-Chairman, I was surprised when I was reading these papers. At one place I find it said: "The requirement of the Indo-Tibetan border police force is likely to be less in the Revised Estimates due to non-availability of suitable technical personnel to man the force." This gave me a little surprise. The Government realised that there must be the Indo-Tibetan border police; the necessity of it was realised, but to say that we could not find technical personnel to man the force and therefore this scheme could not function, I cannot understand.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): What are you quoting from, Mr. Pathak?

SHRI G. S. PATHAK: I am quoting from a 'Home Affairs' book at page 275—there are various books which have been given along with the Budget.

SHRI P. N. SAPRU (Uttar Pradesh): About preventive detention?

SHRI C. D. PANDE: About manning the police force on the border.

SHRI G. S. PATHAK: I will answer you later.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): But you have got five minutes more only.

SHRI G. S. PATHAK: Then let me deal with the Education Ministry. If you will give me more . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I am giving you five minutes more.

SHRI G. S. PATHAK: Well give me ten minutes and I will finish.

Now, Sir, we have heard so many speeches on the question of Hindi in this House. My feeling is that this problem

should be lifted from the local political sphere; it should be treated as a national problem; it should be treated in the spirit in which the Constitution treated it; it should be extricated from the political complexities of the South. Now we must remember what the Constitution contemplated. The Constitution contemplated that Hindi should represent the common language, should represent the composite culture of the nation, and the obligation to ensure the development of the Hindi language was laid upon the Union of India, and I would remind the House of article 351, that its vocabulary, so far as possible, has to be based "primarily on Sanskrit and secondarily on other languages", that expressions have to be taken from all the languages. Now this was the scheme when it was laid down in the Constitution that Hindi will be the national language. Mr. Vice-Chairman, unity and fraternity was the basis. Now this problem is being involved in so many other problems. There is no question of Hindi being forced on anybody; because Hindi is a part of the Constitution the Constitution is not being forced on anybody. The pace may be forced . . .

SHRI DAHYABHAI V. PATEL: It is being subverted.

SHRI G. S. PATHAK: The pace of Hindi in its undeveloped form can be said to be forced but how could Hindi be said to be forced on anybody?

SHRI DAHYABHAI V. PATEL: The Constitution was subverted and therefore the highest illiteracy will be in Bihar.

SHRI G. S. PATHAK: Now from a similar book relating to the Education Ministry all that I find is that there is a scheme for the appointment of Hindi teachers for the non-Hindi areas. Beyond this I do not find anything although the amount is now increased to one crore of rupees.

THE MINISTER OF EDUCATION (SHRI M. C. CHAGLA): There are the various schemes which I have mentioned to the Consultative Committee only

[Shri M. C. Chagla.]

two days ago. If my hon. friend wants it, I will let him know what we are doing in the non-Hindi States.

SHRI G. S. PATHAK: I am speaking from the material supplied to me. I you have done anything else, then I would expect the material to be supplied to Members. Now I am not blaming the Education Ministry . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He has explained it in the Education Consultative Committee, the different schemes and the measures that he has taken.

SHRI G. S. PATHAK: If it has already been mentioned in your books which have been made available to me, I stand corrected, but if it has not been mentioned, then it should have been mentioned. Anyway now I do not want to take much time of the House on this question. I may be wrong, I may have overlooked some passage somewhere because I had to go through whole volumes—and there are many volumes. Now my thinking is that either there should be a department or a wing of the Education Ministry, or there should be a separate Ministry for Hindi, because I find that you have now Rs. 68 crores.

SHRI M. C. CHAGLA: We have got a Hindi Directorate in the Education Ministry.

SHRI G. S. PATHAK: Rs. 68 crores odd is the budget allotted to the Education Ministry and therefore Hindi should be developed. The quota system would be unconstitutional, the idea should be discarded straightway; the question of conducting the examination in all the languages is absolutely impracticable. It will split the country into many parts; it will mar the psychology of the people; it will destroy the unity of the people, and therefore all such matters, I submit, should be carefully considered by the Education Ministry—I have no doubt they will consider them. And it may be that the Government may consider the possibility of

appointing a committee which is contemplated in section 4 of the Act of 1961, the Official Languages Act. That committee was intended to be formed after 1975, but by a resolution that committee could be formed even now, and as the system is proportional representation, that committee will be fairly representative of all the people in the country, and those in the South, West and East, they will have a fair representation in that committee too, and therefore the remedy lies in implementation. Remedy does not lie in altering the Constitution. Remedy also does not lie in altering the laws, unless you find that it is the defect in the laws which has led to this situation. If it is not the defect in the laws but non-implementation, then the remedy is implementation. It is not correct, in my submission, to alter the laws so that the people might be pleased—if I may use that expression. Laws should be altered where there are defects in the laws, but if laws have only to be implemented, then implement them. We have got the experience of, say, the Dowry Act. I opposed that Bill on the ground that it will never be followed—it is never followed in any marriage. The answer of the Government was that it will have an educative value, and the only education that we got was how to show disrespect to our laws. Now therefore I submit that in case you really find that it is on account of the defect in the law of 1961 that there has been non-implementation, that you have not implemented the law, you may have the assurances repeated in a Resolution of both the Houses, which will be binding upon the Government.

4 P.M.

SHRI P. N. SAPRU: How can such a thing be binding on the Government? My hon. friend is a very very distinguished lawyer and he would know that an assurance given in the House has no more value than an expression of the opinion of the House.

SHRI G. S. PATHAK: If the Government is responsible to the House, if there is a declaration made by the House in properly couched language, then the Government cannot disregard the Resolution of the House. If it does so, then it does so at its peril. You cannot change laws for

reasons which are not appropriate having regard to the principles of legislation. Thank you.

PROF. M. B. LAL (Uttar Pradesh): Mr. Vice-Chairman, in the Finance Minister's speech, socialism is conspicuous by its absence, not to speak of correlating economic and fiscal policies with the professed socialist objective, even it is not referred to as an ultimate objective of State policy. The professions of the Government thus stand completely exposed.

In my speech on the President's Address, I did invite the attention of the Government to the failure on its part to chalk out any programme for the promotion of a socialist society in this country. The Prime Minister chose to be silent on the issue in his speech which he delivered yesterday. In my opinion, that further confirms that the professions of the Government with regard to socialist objectives can hardly be relied upon.

SHRI P. N. SAPRU: My distinguished friend is a very great student of political philosophy. He was one of our most distinguished teachers of political science. Will he be able to explain to us what is the distinction between a socialist society and . . .

SHRI C. D. PANDE: It is not a classroom here.

SHRI P. N. SAPRU: He mentioned that there is distinction between socialism and democracy. Will he be able to explain?

PROF. M. B. LAL: I am sorry. I made no reference to democracy and I may also point out that in the Finance Minister's speech there is no reference even to democracy and no attempt was made by the Prime Minister to . . .

SHRI C. P. PANDE: You are a great jurist and he is a great professor.

SHRI P. N. SAPRU: If you will permit me to say . . .

PROF. M. B. LAL: If they are interested I can deliver a speech in this House on the correlation between democracy and socialism and I will try to explain in what way in India the cause of democratic socialism can be promoted.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Dr. Sapru, Prof. Lal has written a pamphlet recently on democracy and socialism.

SHRI P. N. SAPRU: I stand for democracy and I stand for socialism, but what I would like to know is what this phrase "socialist order" means first.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I cannot ask him, Dr. Sapru.

SHRI P. N. SAPRU: It is one which was used by Prof. Lal and it is confusing, so far as I am concerned

PROF. M. B. LAL: I am extremely sorry, Sir, but I am not going to oblige the hon. Member and say what socialist order means, because these words have been used by so many writers in the world and I am sure Mr. Sapru must have come across that phrase. I know he is only saying this just to somehow create certain difficulties for me and to sidetrack me in certain directions.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You have full freedom to go as you like.

PROF. M. B. LAL: Sir, in the Budget speech considerable stress has been laid on the proposed reduction in the excise duties. It is said that this is being done for the first time after many years. It is surely to be regretted that in the last Budget while the corporate sector was presented with bouquets of concessions, no attention was paid to the difficulties with which the common man was faced, due to the high

indirect taxation, and no concession was given in the Budget with respect to indirect taxation. Sir, even this year's proposed reductions in excise duties are to a large extent a jigsaw puzzle. Firstly, the Government is not sure if the benefit of that reduction would pass to the consumer. Therefore, the Government says that these reductions would not be by law but by Government notification so that if the Government feels that the consumer has not benefited by the reduction, these excise duties may be reimposed. Secondly, it is difficult to understand why cigars are preferred to cigarettes in the matter of giving concessions.

SHRI N. SRI RAMA REDDY (Mysore): Cigars are smoked by pensioners.

PROF. M. B. LAL: I do not, Sir, know much about South India, but in North India, cigarettes are more commonly used by common men. While cigarettes continue to be taxed, cigars are exempted from tax. It seems to me that men of my stature who use cigars are to be benefited. Here, for the benefit of the House I may point out that I use neither cigarettes nor cigars.

SHRI C. D. PANDE: You are a good socialist.

PROF. M. B. LAL: Certain of these steps are accompanied with some such countervailing measures so that there is ultimately to be practically no reduction in the prices. The reduction in the Union excise duty is accompanied with increase in customs and the net result of the changes in the indirect taxations is that there would be greater realisation of revenue next year through indirect taxation than there was in the year 1964-65.

My hon. friend, Mr. Dahyabhai Patel, invited our attention to the correlation between the direct and indirect taxes. I am sorry he is not present in the House but for the benefit of the House, I may point out, Sir, that in the year 1950-51, direct taxes, that is, Income-tax and corporate taxes, yielded Rs. 173 crores while the indirect taxes composed of Excise Duties

and Customs Duties, yielded Rs. 224 crores. In 1955-56, the revenue from direct taxes became less; it was reduced to Rs. 168 crores while the revenue from indirect taxes increased to Rs. 312 crores. In the year 1961-62, while direct taxes yielded Rs. 332 crores, indirect taxes yielded Rs. 701 crores. In the year 1964-65, direct taxes yielded Rs. 556 crores while the indirect taxes increased to Rs. 1106 crores. Sir, thus we can gather that during this Plan period there has been increase both in the direct and indirect taxes but the old balance that existed in 1950-51 is considerably disturbed and there is a much greater burden on the consumers in the form of indirect taxes than it was in 1950-51, or, there is a much greater burden on the consumers in proportion to the propertied men who pay direct taxes. Sir, under the present Budget, the corporate sector and persons in the high income group are the chief beneficiaries. Last year, the corporate sector was presented with a bouquet of concessions in many ways. In this Budget also, no less than ten concessions are granted to the private sector under the cover of some modification of the present structure of corporate taxation. There have been changes in the personal income-tax but these changes have benefited members of the higher income group mostly. The benefit to the middle income group is very small compared to the concessions at the very top brackets where senior executives stand to gain considerably from the tax limit which is proposed to be adopted. Last year, Sir, the Finance Minister expressed himself strongly on the subject of perquisites and hinted that he would be raising them on a rational basis in future. We do not find the fulfilment of this promise in this Budget. On the other hand, so far as one sector is concerned, that of foreign capital technical experts, there has been an expansion in the other direction. Sir, these fiscal concessions to persons of the higher income group touch the very centre of socialist ideology for which the Congress has professed such devotion. It seems that to the Finance Minister it matters little who owns the capital. To socialists it is an important question. Socialism stands for the conversion of private capital into social capital. Any person who makes no difference between private capital and social capital may be a good industrialist but he cannot be

[Prof. M. B. Lal.]

a socialist. Sir, I feel that there is a certain retreat from Avadi and Bhubaneswar. Sir, the income-tax exemption limits, in my opinion, need to be raised. The value of money is much less today than it was when the Income-tax Act was passed and I feel that when the Government is in a position to grant concessions in taxation those whose annual income is Rs. 5,000 and less should be exempted from the payment of Income-tax.

Sir, while some attention is paid to the dispersal of industries and some special concessions are granted in the Budget for this purpose, no attention is paid to the growing concentration of private industrial sector in the hands of some capitalists. If we study the statistics of private companies and public companies, we will notice that while the number of public limited companies is decreasing, the number of private limited companies is increasing. We are told that a great majority of private limited companies are by and large family concerns. This shows that the economic power in the private sector of industries is being increasingly concentrated in some industrial houses. I beg to submit further, Sir, that sufficient attention is not paid to the development of small industries. In the Memorandum on the Fourth Five Year Plan prepared by the Planning Commission, it is pointed out :

"While the indications of progress are clear, it cannot be said that the development of small industries sector has been placed on sufficiently broad, secure and enduring foundations. Among the major lacunae, deficiencies and limitations, the following may be mentioned : (i) the coverage of small industries under the development programme is still rather limited; (ii) shortages of raw materials have emerged as a serious retarding factor in the expansion of several industries; (iii) elements which contribute to the intrinsic strength of small industries viz., the adoption of appropriate technology and of proper management methods, have not always received sufficient attention; (iv) certain essential facilities, particularly research, have not been organised on any significant scale for the small industries; (v) the progress in building up ancillary industries has

been slow; (vi) success in promoting industries in the rural areas has been very limited; and (vii) the wage levels in traditional industries continue to be low and are sustained in appreciable measure by subsidies, rebates, etc."

I hope the Government will pay due attention to the difficulties and deficiencies pointed out by the Planning Commission and every possible efforts will be made to see that there is good progress so far as small-scale industries are concerned.

Sir, I feel that the price policy of the Government continues to be biased in favour of the industrial sector. The Planning Commission proposes to plan for 12 per cent profit for public sector goods and to raise prices of many commodities produced in the public sector undertakings. When 12 per cent is going to be charged by the Government so far as public sector undertaking goods are concerned, it will be difficult for the Government to deny to private industrialists something more than 12 per cent profits. This is rather a serious matter. It will not be possible for us to deal with the problem of high prices if we confine our attention to the prevailing high prices so far as foodgrains are concerned and are not sufficiently attentive to controlling industrial prices. Sir, with regard to prices of agricultural products we notice that they are constantly increasing even when the harvest is good and the Government claims to try its best to control these prices. There is a confession in the Finance Minister's speech to which I wish to invite the attention of this House: It is said:

"Under normal circumstances, the improvement in agricultural production should have led to a decline in prices from the high levels already reached. The prevalence of inflationary pressures at different levels in the economy and speculative withholding of supplies have, however, prevented prices from falling to the extent that they should have."

Here there is a confession that today high prices prevail because the Government has failed to control speculative withholding of supplies and also because the Government has resorted to inflationary budgeting. There is another important confession in

the Finance Minister's speech. Here it is said:

".....a part of the market loans floated by Government has had to be subscribed by the Reserve Bank. To this extent, a part of our long-term borrowing represents deficit financing rather than mobilisation of the voluntary savings of the people. This form of deficit financing must also be necessarily reduced, and indeed eliminated, if we are to make a decisive impact on the forces of inflation in the economy."

I am glad to know that ultimately the Government has realised the evils of deficit financing and of inflation and wishes to control inflation and deficit financing in all forms. That is what is said here:

".....our borrowing programmes in future, both at the Centre and the States, will have to be based on a strictly realistic assessment of the flow of genuine savings. Greater efforts must be made at the same time to mobilise larger amounts from the people by way of small savings and subscription to market securities."

Thus the Government seems to favour the stoppage of inflation through borrowings from the banks. I hope the Government will exercise strict control over the borrowing from banks by private industrialists, also. All this is promised in the Budget speech. But, Sir, I wish to know one thing. The Planning Commission has prepared a big Plan and there is a gap of Rs. 3,000 crores in the proposed Fourth Plan outlay. How is the Government going to fill this gap if the Government does not wish to resort to some sort of deficit financing or some sort of inflation at some stage or other in the Fourth Plan period?

Before I resume my seat, I wish to invite the House's attention to foreign exchange difficulties. There was a time when we were in a good position in regard to foreign exchange. If we had tried to be careful of our foreign exchange from the beginning, I am sure we would not have been faced with the difficulties with which we are now faced. But it seems that when we are in some tight corner we pay some

attention to conservation of foreign exchange and when we find that we are not in such a tight corner we do not pay much attention to the question of the preservation of foreign exchange. We know very well how in the last year of the First Plan and the first two years of the Second Plan period we issued licences so liberally that soon afterwards we were in foreign exchange difficulties and economic experts like Mr. C. D. Deshmukh were led to confess that we wasted foreign exchange to the tune of Rs. 100 crores due to improper control of imports. I hope our present Finance Minister will not follow the policy which he followed in the last year of the First Plan and the first two years of the Second Plan period and will see that the country is not faced with foreign exchange difficulties.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I do not think he was Finance Minister then.

PROF. M. B. LAL: I hope that he will not follow that policy but he will follow some other policy now.

SHRI P. N. SAPRU: He was Commerce Minister then.

PROF. M. B. LAL: Anyhow, as Commerce Minister he allowed these licences to be issued and created difficulties. I hope as Finance Minister he will see that the Commerce Minister does not follow that policy.

SHRI BABUBHAI M. CHINAI (Maharashtra): He can't.

PROF. M. B. LAL: If there is no co-ordination between the Commerce Minister and the Finance Minister and if the Finance Minister endorses the policy followed at that time, if the same tactics are allowed to be followed today, we will be again in the same difficulty in which we were at that time. I hope that the Commerce Minister and the Finance Minister will realise that they have a joint responsibility

for conserving foreign exchange for the economic development and for the economic stability of the country.

SHRI P. N. SAPRU : For the matter of that, the entire Cabinet.

PROF. M. B. LAL : Of course but the two men who deal with this matter have to look after it much more.

In the end I wish to say a few words about foreign capital. It is not possible for us to deny to ourselves the use of private foreign capital but I feel it is also duty to see that our economy is not converted into a colonial economy.

I agree with my friend, Mr. Chinai, who some time ago issued a warning that while certain foreign capitalists are trying to have majority shares in undertakings and wish to have direct dealings with the Government, the Government would continue to pursue its own policy. I feel that in this respect the old industrial policy on this question has not been consistently followed by the Government. I have not got statistics with me, but I can prove it from statistics. I hope Mr. Chinai's warning will be duly taken care of by the Government and it will see that our Indian economy remains in the hands of the Indian Government and Indian capitalists and is not converted into a colonial economy.

SHRI N. SRI RAMA REDDY : Mr. Vice-Chairman, I congratulate the Finance Minister on presenting a unique Budget. His Budget reveals dexterity in monetary and financial handling of the situation. For the first time in many years there is not only no deficit financing, but there is a small surplus. On top of this, many tax concessions have been given to promote savings, production and also exports. Therefore, I say this is a unique Budget. The Finance Minister has shown that he has the courage of intelligent, far-sighted and reasonable men anxious to hold the ship of State to its true course so far as the financial, economic and commercial development of the country is concerned.

Now, Sir, the Budget has got to be commented upon on the basis of the revenue Budget and the capital Budget. The total revenue for the current year, i.e., 1964-65, revenue receipts at the present level of taxation are Rs. 2228 crores and the expenditure, according to the revise estimate, is Rs. 1999 crores. This leaves a surplus for the current year of Rs. 229 crores. As against this, in the Budget for 1965-66, the revenue receipts will be Rs. 2347 crores and expenditure Rs. 2116 crores, thereby leaving a net surplus of Rs. 231 crores. The net surplus of Rs. 231 crores is almost the same as it was last year. But if we look at the expenditure side, we find that expenditure on revenue account has increased by Rs. 117 crores this year. This is an aspect to which proper attention should be given. Of course, there is the defence expenditure. I understand the defence expenditure has increased by Rs. 32 crores. That leaves us with Rs. 85 crores extra expenditure in the revenue Budget. I should think unless we produce more surpluses in the revenue Budget our economy will not be quite sound. Last year the hon. Finance Minister promised to bring about a saving of nearly Rs. 70 crores, which unfortunately to the sad disappointment of everyone of us he has not achieved. He says that the utmost he could do is to save only Rs. 40 crores as against Rs. 70 crores. Therefore, I say that serious efforts have got to be made to produce more surpluses in the revenue Budget.

Now, Sir, talking about the capital Budget, the total outlay during 1964-65 is Rs. 1984 crores. For the year 1965-66 it has been stepped up to Rs. 2174 crores. There is a net surplus of only Rs. 4 crores. Thus for the first time in many years, though the surplus is said to be very nominal, a surplus Budget has been produced. That is why our Finance Minister has been congratulated by thousands of people and I add to the chorus of congratulations my own humble tribute to the Finance Minister.

Now, in his speech the hon. Finance Minister has said that it is not merely getary policy is not simply or even primarily a matter of balancing receipts and expenditure. I totally agree with him. Our

[Shri N. Sri Rama Reddy]
economy has been under considerable pressure, especially from the time the Chinese aggression took place mainly on account of military expenditure, which the country has been called upon to bear. Notwithstanding these pressures, which are sure to continue—for how long, none can predict—a wise Finance Minister should attempt to make the best of a bad bargain and must produce a Budget which satisfies the modern concept of Budgets. The Finance Minister has pointed out rightly that bud-balancing receipts and expenditure. It must satisfy the country in a much more dynamic way.

Then, there are several problems, namely, the problems of production, prices, savings, investments, exports and the balance of payments position, which have an intimate and direct bearing on the Budget. They are all inter-related and are subject to chain reaction. They cannot be treated in isolation. Therefore, these problems have got to be solved in the Budget. I would like to say a word or two on each one of these aspects. Taking first production, it can be divided into agricultural production and industrial production. With regard to agricultural production it is very unfortunate that agricultural production has fallen far behind the Plan target during the first three years of the Plan. Of course, talking of these entire growth during the Plan period, in the First Plan period there has been a 2.8 per cent increase year after year, during all these five years. Now, talking of the Second Plan, agricultural production increased at the annual rate of 4 per cent, but what is the fate of the Third Plan? In the first year the growth rate has been only 1.2 per cent. In the second year agricultural production had fallen by 3.2 per cent. In the third year it has increased by 25 per cent and in the fourth year, according to the estimates, it is said that the rate of growth in agricultural production is 4.5 per cent.

This quixotic growth in agricultural production should be put an end to and a more uniform and higher rate of growth must be achieved, if the country's economy is to be placed on a dynamic, self-generating and self-accelerating basis. The fact that increased outlays on agriculture—this point has got to be particularly remembered

by the hon. Finance Minister—have not resulted in increased production is a matter of great concern indeed. One should not forget that this state of affairs will continue to plague our economy, if immediate steps are not taken. We can allow the present stagnation in agriculture to continue only at our peril.

What about the outlays on agriculture? We have spend during :—

1961-62	..	Rs. 175.9 crores
1962-63	..	" 212.1 crores
1963-64	..	" 254.7 crores.

In addition, during the first two years of the Plan short and medium term credit increased from Rs. 203 crores to about Rs. 267 crores and long term credit from Rs. 38 crores to Rs. 60 crores.

The performance in 1964-65, if anything, on the outlays should be much more. I do not know, we do not have the figures, it must be much more, but all the same the production remains very stagnant. Immediate improvement of agricultural production is a "must".

In the Economic Survey presented by the Finance Minister certain measures for affecting immediate improvement in agricultural production are envisaged. Increase in outlay, minor irrigation, increased import of fertilisers, price support programme, Food Corporation, and a few other measures are indicated by the Finance Minister. While reserving my comments on these measures, I would suggest that the State Governments must be cautioned and made to take greater interest in achieving the targets, because every State Government has produced a deficit Budget and the Finance Minister has got a job to do that way. But the outlays have not yielded him the results. Of course I should like to advise the Finance Minister to demand greater co-operation from them with regard to the implementation of the agricultural production programme in the country. Whoever does not fare well, he has got to be dealt with. There must be some sort of check on every State with regard to these things. Otherwise the States are not performing their duties satisfactorily, according to my humble opinion.

[~~Shri~~ N Sri Rama Reddy]

Having said that much with regard to agricultural production, Mr Vice Chairman, let us see what is the fate of industrial production. Industrial growth also is not up to the mark. During 1961-62 the growth has been said to be only 6.5 per cent, 1962-63 8 per cent, 1963-64 9.4 per cent, and 1964-65, during the current year up to the first eight months the growth is said to be only 6.4 per cent. What has been the target, the Third Plan target? It is 11.1 per cent. The annual rate of growth should have been 11.1 per cent. As against this, this is the performance during the four years of our working of this Third Plan. In keeping with the Plan targets the increase up to November 1964 in industrial production ought to have been 14 per cent, but it is hardly 27.5 per cent. So, it is not very correct to say that industrial production has kept pace with the targets of the Third Plan. The measures proposed according to the Finance Minister are some institutional arrangements like the establishment of Unit Trust, the new scheme of tax relief for investments up to specified limits, price control over 16 commodities, decision to issue letters of intent to prospective private foreign investors. These are some of the notable features to accelerate industrial growth. I welcome these measures very heartily. I would go further and say that the Finance Minister has produced an investment—and production—oriented budget. This is what the country is very glad about, and rightly the Finance Minister can take pride in the budget he has produced. That is my honest opinion, Mr Vice-Chairman. Relief in personal tax at all stages is a very welcome feature, though it is said to be very marginal. Certainly it is. But a reversal of the trend has taken place for the first time. This is what the country is very happy about. The concessions would go a long way to remove stagnation in equity market. Tax credit for corporate tax and rebate in excise duty for additional production will help accelerate growth. Anti-inflationary measures adopted are not at the cost of development. Therefore, I am very happy about this Budget Plan outlay is Rs 241 crores higher than last year. The restoration of exemption in wealth tax for subscription to

equity capital for the first five years would apply to new concerns. A lot of reliefs and incentives to private foreign investors has been given and this is a very good feature and a novel feature too that has been introduced into the Budget. I am one of those who believe that the rate of growth of an economy is necessarily limited by the availability of real resources, and so I welcome private foreign capital as also foreign technicians. All these measures taken together are sure to broaden the base of industrial production, and it is my hope that the last year of the Third Plan would achieve the 11 per cent increase envisaged in the Plan.

Now what about the prices? What is going to be the effect of this Budget on the prices? The first question which we should consider is: Will the budget succeed in holding the prices, in improving the balance of payments position and in making for the growth of the economy? This is a very important question that we should ask ourselves. The first symptoms of its tendency to hold the prices have been made very clear already. There was no scramble to buy consumer goods before the budget announcement nor did the prices increase after the budget. This gives us the confidence that the Finance Minister has produced a Budget which is going to hold the price line. No resort to deficit financing has been taken, and the surplus budget will certainly check inflationary pressures and have a salutary effect on prices. The concessions offered to holders of undisclosed wealth besides being a golden opportunity to such holders—here I would like to say that however unwelcome they may be, a certain situation has been created and we cannot go on harping on that situation and create in the country an unnecessary fear and all that sort of thing, it has got to be ended. He has taken courage in both hands and has come forward with a very good measure, a compromising measure though, and it was an absolute necessity. After all all those are our countrymen and we cannot go on harassing them and creating a fear psychology in the country. That is not correct. That is why I congratulate him on this account. He has taken a very bold step. The concessions offered to holders of un-

disclosed wealth besides being a golden opportunity to such holders to declare their wealth provide scope to depress prices—prices of all things will get depressed—since the operation of blackmarket money will be arrested, and I congratulate the Finance Minister. In this connection measures taken in the monetary field like increase in Bank Rate has had a salutary effect on prices. On the one hand it has given an encouragement to savings and on the other it puts a check on unhealthy investments. This is the state of affairs with regard to prices. What effect is it going to have on investment? It is also our expectation that real investment and savings will increase and the economy would be backed up by sturdy savings and bulkier investments to make the economy self-generating and self-accelerating.

The reduction of excise duties to the tune of Rs. 29.8 crores—and it is not a small sum—and relief in income tax will add a few more crores in the hands of the people, and it may well be that this goes to the savings of the country. The limit of 70 per cent. fixed for the total incidence of income tax on companies is reassuring not only to the domestic investor but also is an attraction to foreign investors as well. It is revealing to find that even after two Plans, our country is at the bottom of the scale in regard to domestic capital formation and domestic savings. For the year 1962—I would like to illustrate—capital formation in India was only 13 per cent. of the national income. Japan has achieved a capital formation of 38 per cent. of its national income; Sweden 23 per cent; U.S.A. and U.K. 17 per cent; even underdeveloped countries like Burma 15 per cent; while ours is the lowest of the available figures that I was able to get.

Now a word about exports and I have done. Export promotion depends upon these factors: higher and more efficient production; greater restraint on consumption; reducing pressure on imports by speedier implementation of agricultural plan and through basic industries like steel, fertilisers, oil and machine building; expediting aid negotiations and disbursement of aid already promised. Tax credit of 15 per cent. of the value of export offered in

this Budget is a far-reaching measure and should help in boosting exports to reach the target of Rs. 1100 crores per annum during the Fourth Plan.

Therefore, Sir, on every one of the counts that I have examined here I find that the Budget is extraordinarily favourable. The Finance Minister has given for the first time a surplus budget which is going to improve the economy of the country.

Once again I thank you very much for giving me your indulgence and I thank the Finance Minister also for his Budget.

SHRI D. THENGARI (Uttar Pradesh) : Mr. Vice-Chairman, Sir, I support the plea for the simplification of the taxation structure and of the law governing it. Regarding the foreign investors' role I should like to warn the Government that their collaboration should not be allowed to usher an era of dollar imperialism or rouble imperialism.

Regarding the searches and raids for unaccounted money, we welcome the gesture. It has helped a lot. For example, I know that if the results of the raids on the residence of the proprietors of the Edward Mills at Bombay are publicised, the workers of the mills would be able to secure all their legitimate dues. Consequently we welcome this gesture.

So far as the working class is concerned, I must say that the present Budget is not a workers' Budget. As a matter of fact workers constitute a major bulk of consumers and since every Budget is expected to be consumer-oriented, and since the working class does not stand to gain much through this Budget, I have to say that the Budget has not fulfilled its responsibilities towards the consumer.

The much-trumpeted reduction in certain excise duties has been preceded by an earlier rise in those duties and, therefore, this measure is only deceptive, if not fraudulent. Moreover, the Government itself is not confident that the benefit arising out of such reduction will pass on to the consumers. In this Budget we expected that more funds would be allotted for the benefit of workers, industrial, agricultural, forest, etc. Nothing has been said about

[Shri D Thengari]

the working class As a matter of fact, the Central Government has in its employ nearly 2½ million people Their plight has been completely ignored As we all know, the recommendations of the Das Commission have not been implemented fully and the plea of the workers for merging of dearness allowance with the basic salary has not been accepted

The agricultural labour has been ignored Actually they are receiving less than 60 paise every day Agriculture has not been given the priority it deserves Even tractors are not manufactured in our country

So far as the workers are concerned, there has been a demand for a Wage Board for the Railways and a third Pay Commission for the rest of the Central Government employees And since this demand has not been conceded the workers would not be enthused

Now, Sir I come to a certain major problem of our Indian economy Much has been said about the price wage price spiral I am convinced that consumers cannot stand to gain unless three objects are achieved (i) full employment (ii) evolution of a national wage policy and (iii) evolution of a national price policy If the trend of money wages is compared with the rate of growth of national income, I must say that the wages have not outstripped the rate of production Our basic problem is to provide a steady and equitable rise in real income without affecting adversely the price stability For this purpose we must have a clear analysis of the various causes that contribute to the changes in prices in a given period and the computation of differential weightage that these factors exercise It is wrong to think that such an analysis will be unnecessary if we resort to the way of controls because the utility of controls is only limited They do not eliminate the basic pressures leading to higher prices Broadly three factors are at work behind the screen viz, scarcity, inflation and profiteering In view of these factors we must work out the break up of a consumer price index number for working, middle or agricultural classes on a cause-wise basis The present

pattern of expenditure of these sections of population is distributed over such essentials of life that all scarcity in these commodities is fairly represented in consequential imports

It is essential for the stability of economy that we evolve a national wage policy We are on the threshold of the Fourth Five Year Plan and the wage policy during the Plan period must be determined

Sir, here I would like to point out to an observation in a recent report produced by the Organisation for European Economic Co operation entitled, 'The Problem of Rising Prices'. It says :—

'The enunciation of a wage policy would itself constitute an enormous step forward to combat inflation and it would be a step that would attract others in its train ... It would lead to a greater understanding of the working of the economy and of the considerations that must underlie public policy'

Now, while determining our national wage policy we must consider two aspects

(1) A cause-wise response of money wages to the results of index breakdown as proposed earlier, and (2) A determined rate of growth in real wages on the basis of planned productivity The effect of scarcity on the price situation should be absorbed equally by all as a national concern Some qualifications can be proposed such as protecting the lower grades at minimum level at the expense of the higher ones and giving a proportionate right to workers in the ownership of capital to the extent that the investment policy is responsible to the creation of scarcity As regards neutralisation of the effects of inflationary policies pursued by the Government, the decisions will have to be taken from time to time with a special reference to the defence requirement On the other hand there need to be no compromise on profiteering though a reasonable return on capital up to a determined maximum of total allowable gain should not be in dispute.

As regards the problem of sharing the gains of productivity the following formula suggested by Dr P S Lokanathan the

Founder Chairman of the National Productivity Council, deserves serious consideration. He states :—

“Where the wage is below the minimum wage, the management should get zero per cent. and labour 100 per cent. Where the wage is between the minimum and the fair wage, the management should get 20 per cent. and labour 80 per cent. Where the wage is at or above the fair wage level, the management should get 50 per cent and labour 50 per cent.”

By working in this fashion we can work out a national wage policy and a national price policy and ensure fullest employment.

We can be assured of the real satisfaction of the average consumer. I wish we had a consumer-reoriented Budget, employment-oriented planning, production oriented prices and consumption-oriented incomes. If we fail to achieve this it will be said of us that “great issues came to them for being solved, but they did not deal with them greatly.” Thank you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : The House stands adjourned till 11 a.m. tomorrow.

The House then adjourned at five of the clock till eleven of the clock on Thursday, the 11th March, 1965.