

gether with the Auditors' Report on the Accounts.

- (ii) Review by Government on the working of the Company

[Placed in Library. See No. LT-3978/65 for (i) and (ii)]

I. THE COFFEE (SECOND AMENDMENT) RULES, 1965.

II. THE TEA (AMENDMENT) RULES, 1965.

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI S. V. RAMASWAMY): Sir, I beg to lay on the Table:

- (a) A copy of the Ministry of Commerce Notification G.S.R. No. 170, dated the 18th January, 1965, publishing the Coffee (Second Amendment) Rules, 1965, under sub-section (3) of section 48 of the Coffee Act, 1942. [Placed in Library. See No. LT-3979/65.]

- (b) A copy of the Ministry of Commerce Notification G.S.R. No. 253, dated the 10th February, 1965, publishing the Tea (Amendment) Rules, 1965, under sub-section (3) of section 49 of the Tea Act, 1953. [Placed in Library. See No. LT-3980/65.]

MESSAGE FROM THE PRESIDENT IN REPLY TO MOTION OF THANKS

MR. CHAIRMAN: I have to inform hon. Members that the following message has been received from the President:

"I have received with great satisfaction the expression of thanks by the Members of the Rajya Sabha for the Address I delivered to both the Houses of Parliament assembled together on the 17th February, 1965."

RESIGNATION OF MEMBERSHIP BY SHRI A. M. TARIQ

MR. CHAIRMAN: I have to inform Members that Shri A. M. Tariq, a Member representing the State of Jammu and Kashmir, has resigned his seat in the Rajya Sabha with effect from the 4th March, 1965.

LEAVE OF ABSENCE TO SHRI TARA SHANKAR BANERJEE

MR. CHAIRMAN: : I have also to inform Members that the following letter dated the 2nd March, 1965, has been received from Shri Tara Shankar Banerjee:

"As I am suffering from blood pressure, I have been advised by my physicians not to leave station but to remain in rest. So I pray that you will be kind enough to grant me leave to abstain from the present Session of the Rajya Sabha and I hope that I shall be excused for my unintentional absence."

Is it the pleasure of the House that permission be granted to Shri Tara Shankar Banerjee for remaining absent from all meetings of the House during the current session?

No hon. Member dissented.

MR. CHAIRMAN: Permission to remain absent is granted.

THE BUDGET (GENERAL), 1965-66
GENERAL DISCUSSION—continued.

SHRI M. GOVINDA REDDY (Mysore): Mr. Chairman, the Budget has brought us a profound sense of relief, a sense of relief for the reason that it is balanced, again a sense of relief that no considerable tax burden is imposed afresh, a sense of relief again that some needed reliefs are given, a sense of relief again that the routine Budget has changed and that the Finance Minister has given an original touch to it.

[THE DEPUTY CHAIRMAN in the Chair]

The points which, in my opinion, disclose that original touch are that having in view the imperative necessity of curbing the growth in population, he has very ingeniously introduced some measures which either do not encourage the growth of families or which give relief for providing for the employees of industrial concerns arrangements in family planning.

Again an original touch is given in visualising the great danger of concentrating industries in cities, which in turn has given rise to many problems, manifold problems of a very difficult nature. So, he has again, with great intelligence, tried to discourage this phenomenon by providing an inducement for such of those industrialists who want to re-invest, after selling their investment and property in the cities, in rural areas by giving them reduction on that amount of reinvestment in taxation. Again an original touch is seen in his very vigorous measure of trying to curb excessive investment in cities. We have seen to our great inconvenience, to the great inconvenience of the building departments of Government, that very great building activity is going on in cities in the private sector with the result that iron and steel are short, cement is short, and most of the Government projects are delayed because they themselves cannot procure these and other essential items for building. That is because those who have money do not mind paying very high prices for these materials in the blackmarket, and they can afford to pay high prices in blackmarket and build because they collect fabulous rents from tenants. This has been discouraged by introducing a taxation system on urban property. There are others which I need not refer to. But I congratulate him for the original way in which he has dealt with the Budget.

Now, Madam, I come to the reliefs given in indirect taxation. I am glad for one thing that the Finance Minister has recognised the necessity of giving relief in the field of indirect taxation. He has said in his speech that while the two essential objectives of indirect taxation are, firstly, to raise revenues and, secondly, to make it

serve as an instrument of price policy, the impact of these duties on individual budgets has to be kept in view. I am very glad that for the first time recognition has been given to this that people are put under great strain by the rise in excise duties and the consequent rise in the price of articles of consumption. While congratulating him and thanking him for the reliefs that he has given, I would like him to go further into this side of the matter. The reliefs he has given do not pertain to articles of general consumption, though whatever reliefs he has given are quite welcome. In fact, when we heard him read his speech, we went home with the impression that all our pockets had something good by way of relief, but when we went home, we found that our pockets were either empty or there was just a peanut there. The only articles of general consumption that get relief here are vegetable oil and coarse or medium cloth. It is not that I mean to under-rate the relief given in respect of printing and writing paper, cycle tubes or cycle parts or footwear, these are not articles of general consumption. Or let me confine the field to the necessities. Here it is that the Finance Minister should engage his attention in trying to find out ways and means of giving relief. I want him to think of the necessities which are imposing a very heavy burden on the people. He himself says that the excise duties have increased from Rs. 145 crores in 1955-56 to Rs. 773 crores in 1964-65. That means, in a period of nine years, in less than a decade, the increase is more than five-fold in excise duties alone. If the increase in the excise duties is more than five-fold, then the income of the individual must also keep pace in that proportion. It is not so. We have to take into account the rise in prices in other commodities. Has he taken that into account? How are we to account for the fact that an individual family's budget has to spend more than five times, more than what he was spending for his necessities? Well, there is considerable hardship in families which have limited incomes and they are 99 per cent in India. And when there is this spiral of rising prices, at least the Finance Minister should try to think of giving more relief. I know that he is functioning under the imperative necessity of an overcharged planned economy. I know that he cannot

[Shri M. Govinda Reddy.]
be over-generous but at least for the time being he can give relief. Government have not been able to restrain the rise in prices. I think at least for this temporary period when the prices have unaccountably risen very high, he has to give relief. This may not be a permanent feature but at least as a temporary feature, he will have to think of coming to the relief of the general population. I am sorry that he has said—

"I feel that in our present circumstances where high prices have put a strain on a section of our people..."

I have quoted from his speech. I want the Finance Minister to correct himself. It is not a section of the people but it is the bulk of the people on whom the strain is put. If this fact is recognised by him, I am sure he will find the necessity of giving more relief. He is kind and good, I know that. And he cannot give way to his general impulses, that also I know. But he should be more liberal. And if he cannot find any other means, let him try and close holes in the pockets of his colleagues and prevent wastage and save and give relief. I am glad to say in this connection that the Home Ministry and the Cabinet in general have thought of cutting down the administrative expenses. They have appointed Committees to go into administrative reforms. That is a very needed measure which many Members of this House and of the other House have been advocating from time to time. I am glad that Government have at last taken this step. I am sure that will go a long way to reduce the administrative expenditure. Whatever it is, he must find ways and means, discover ways and means, and come to the relief of the general bulk of the people. I am not exaggerating the suffering of the people. It is creating despair, in one word I say. I move with the masses, I move with the people and everybody who moves with the masses feels the strain. So, at least for a temporary period, until we bring down this rise in prices, he must give more relief. And for that any statutory reduction of rates is not necessary, he can issue notifications. The Government have powers to do that. I

would like him to do so. Very humbly I plead that he should give his attention to this.

The next point that I would like to come to is the question of foreign exchange. I know that the foreign exchange position is becoming more and more difficult. There has been an evil prevailing in the form of over-invoicing and under-invoicing. This evil has resulted in the leakage of foreign exchange and also in giving encouragement to smuggling. In Japan, I am told, there are some firms who have got a method of verifying the invoices and selling the goods at correct prices and those firms have got different branches in the international field, firms like Toyo Menka Kaisha, Goshi Kabuska Kaisha and Mitsues. These firms have got their branches and they send from time to time the prices prevailing in the international markets so that the invoices are checked in relation to the prices. Similarly, our Government must have a machinery to know the prices prevailing in the international markets from week to week so that they may check this evil of over-invoicing and under-invoicing and this leakage of foreign exchange.

Then the other suggestion that I would like to make is in regard to giving licences only to actual users. Now, there is a great evil prevailing in the licensing market where the licences are got from the Government and are available, and sold, for users. Somebody buys the licence and makes use of it. This is a great evil. I know, the Government are certainly aware of this position. They have to take measures to check this evil. I dare say that they are taking measures but I do not know what measures they have taken. They will have to take measures to check this evil because there is a great black-market prevailing in the matter of licences. It acts not only as an evil in giving full scope to blackmarketeers but also as a restraint on the *bona fide* industries in increasing their production. And when the licence is got in the blackmarket naturally the cost of investment in the industry also goes up; and the cost of production also goes up.

In this connection, I would also like to point out another evil that prevails, the evil of allocation of raw materials to industries. I mean, some of the raw materials which are imported or allocated by licences. Some time ago, there was an attempt made to find out whether any import licence should be given for raw materials at all. I presume that it is only for such raw materials as are not found within the country that the licences are given. But when the licences are given, care should be taken to give those licences to the actual users. I may bring to the notice of the Minister one instance. There are several. This belongs to the Technical Development Branch of Supply and Industry Ministry (Food and Oil Division). Here there is a licence given in free market for buying raw chemicals. These raw chemicals are converted into impregnating varnishes and enamelling chemicals. Now, there are four firms, I think, in Bombay. One is Beck & Company, the other is Hindustan Transmissions, the third is Devidayals and some other concern.

THE DEPUTY CHAIRMAN: Your time is over. How much more time would you take?

SHRI M. GOVINDA REDDY: I will take five minutes.

Out of these four concerns, Rs. 14 lakhs are given to Beck & Co., 50 per cent. of whose capital is owned by Germany, whereas the other three concerns which are cent. per cent. Indian are given Rs. 1.33 lakhs each. Now, Beck & Co. are not actual users in the sense that they do manufacture enamels but do not consume enamels themselves whereas the other three concerns are consumers of these enamels and will have to buy from Beck & Co., enamels they are short of. I do not know on what basis this amount of Rs. 14 lakhs is given to them.

Again, the allocation as between the other three also does not depend upon their installed capacity or upon their present producing capacity. Again, there was an additional quota by the D.L.F. sources of Rs. 4 lakhs. Out of this also Rs. 1.90 lakhs is given unasked to Beck & Co. and Rs. 1.33 lakhs to the other two. There

must be some basis. Either this allocation must be on the installed capacity or on the firm being the actual user. The fact is that the Industrial Adviser concerned there has been issuing licences on the basis of favouritism. And, obviously, since no reason can support this, we must presume that there must be some other reason which attracts him to Beck & Co. I will leave at that. So, this must be looked into.

There are many complaints of this nature. But since you have cautioned that my time is over, I would like to make one more suggestion and leave out the rest. Now, we have been suffering from food shortages. An important officer of the Agriculture Ministry had stated in September, 1964 that nearly Rs. 100 crores worth of crops were lost in pest and weeds. If that is so, we are spending more than Rs. 450 crores or so on food imports. We should take care to see that we manufacture pesticides within the country. If we manufacture pesticides within the country, it would be quite possible to minimise this great loss.

That is all, Madam. I had many other points. But since there is no time I have to stop here. Thank you.

SHRI D. L. SEN GUPTA (West Bengal): Madam Deputy Chairman, the Budget, as it is, is an inconsistent one. The figures in the Budget do not tally with the facts. If we look at the Budget, we at once see that there is a very big item on account of Defence.

THE DEPUTY CHAIRMAN: Just a moment. The House will rise at 1.30 P.M.

SHRI D. L. SEN GUPTA: Now Defence is really very important, particularly when there is a danger of aggression from China and Pakistan. We hear that India is not in favour of atom bombs because India does not consider it so very vital though China which is our professed enemy has got the secret, has got the science and has developed it to a great extent. I do not contemplate an atomic war, and for atomic war if we at all depend on America and Great Britain for help, what is the sense in having such a fat Defence Budget? True, I understand the thesis

[Shri D. L. Sen Gupta.]

that the Government should go all out for peace with China, with Pakistan and with the rest of the world. That is India's tradition. But with that Indian tradition this Defence bill does not fit in.

I can refer to a short news but a very, very important one, appearing on the front page of the Delhi edition of the 'Statesman' of the 3rd March. Though the news is very short, it is pregnant with meaning and danger. This news is quoted from the Military Review, a U.S. Army journal, dated the 1st March, 1965. According to that Army journal, Chinese 20—30 million strong militia "could lead to military disaster in case of a war with Communist China". This 20—30 million strong militia is a startling figure if we accept China as an enemy country. As against that, our Defence budget is incompatible. Either go all out for war effort or do not have such a fantastic Defence Budget. It is inconsistent. I charge the Government with inconsistency.

Coming to the next item, we suffer from difficulties of foreign exchange. Ours is an agricultural country, not an industrial country. If India can be described, as is described in our National Anthem:

जलाम् फलम् मलम् जशं लाम् शम्भुम्
इति मन्त्रम् ।

That is India. But what have we done? We have neglected our land resources. We have neglected our human resources. We have no planning. Our land goes uncultivated. Our human resources go unemployed. I am giving certain figures taken from the data supplied to me in reply to my questions in last September only. We have in India registered unemployed 25,42,283, not a small number. And there are many unregistered unemployed, and their number will be double this figure. We can naturally conclude that we have unemployed human resources of about one crore. We have no planning for them. The Budget does not take note of them.

So far as our land resources are concerned, in 1963-64—that is also a data supplied to me by the Minister—in paddy

and wheat the land under cultivation was 12,65,37,000 acres. As against that—it is also an answer supplied to me by the Minister—8,48,95,000 acres of land remained uncultivated. In other words, almost the same area of land remains uncultivated. We go to America under the P.L. 480 plan. We go to Australia, a small country, for our wheat. It is reported in the 'Statesman' of 3rd March that our Food Minister, Mr. Subramaniam, is going to Australia for wheat. Nothing could be more serious than this. It says: 'Mr. Subramaniam to visit Australia—Mission to buy wheat'. That is the contribution of our Congress Government for the last 17 years, unchecked, uncontrolled by any democratic Opposition. Wheat we purchase, our foreign exchange goes. Rice we purchase, our foreign exchange goes. We spend for defence though we shall not do any work and we expect our people to remain sober, cool, dying of hunger and starvation, doing nothing. That is too much to expect from the hungry millions. We promised them socialism. We are nowhere near the mark. Only in February—on the 10th—our Prime Minister, Shri Lal Bahadur, opened a Delhi Plan, having a commitment of Rs. 3.35 crores for beautifying or magnifying Delhi, not simplifying. What for?—for big hotels, big parks, big libraries, big garages, etc. That is the plan.

SHRI N. PATRA (Orissa): He is building the capital of India.

SHRI D. L. SEN GUPTA: I know. You cannot starve the whole of India in order to glorify Delhi, that is not socialism. You have made it a city of Ambassadors, neglecting the rest of India. So that is the concept of socialism. That is how you keep the rest of India neglected. This morning, I told the Railway Minister to appreciate the sufferings of the Calcutta people. In Calcutta we are crying for a second bridge over the river Ganges. There is a narrow passage—that is the Howrah Bridge approach. In that approach there is often congestion and people with tickets in their pockets have missed their trains for no fault of theirs.

He pleads that there is no money. For the circular Railway in Calcutta there is no money. Though I am proud—I am not taking any provincial stand—West Bengal has a special claim too. India was divided at the cost of Bengal and Punjab so that India could be free. How have we reacted? The problem of the refugees is there in West Bengal. In Punjab it is solved, in Bengal it remains. West Bengal contributes by way of foreign exchange through tea and jute industries, possibly more than 50 per cent. foreign exchange that you are getting through other States in India. So far as Income-tax is concerned, that is more than 30 per cent. from West Bengal as compared with the rest but in respect of distribution, you go by the number of heads. You go by how much population is there in Bengal. You compare it and then distribute. When West Bengal is a border State, they have to look to the frontiers also through their own police. All these problems being there, you are looking not to the interest of Bengal. When the D.M.K. at one time asked for separation, you said: 'You are anti-national'. If tomorrow the Bengal people raise that cry, you will call them 'anti-national' but why do people go anti-national? If you neglect them all the time, there is bound to be this cry. Whether I raise the cry or any other person raises the cry, the cry is going to come. You have to take a rational view. You have to make a balanced budget. In making a balanced budget, you take all the States and all their problems and if we take the West Bengal problem, I can certainly tell you this. In India there are 25,42,283 registered unemployed people. From some answer I got this. In West Bengal, there are 4,88,787. In other words the unemployment in West Bengal is more than 25 per cent. of the total unemployed registered in India. In Bengal, in Durgapur and Calcutta, you find people from different parts are employed. Bengal does not grudge that. Bengal does not claim that only Bengalis should be employed there but all that I ask is to see about Bengal's problem. The unemployed in India are 25 lakhs and in Bengal it is not less than 4,88,000. Unless you solve this unemployment problem in West Bengal, where will the un-

employed people go? They will turn Communists, they will turn anti-social, anti-national elements out of frustration. You will then say: 'You are pro-China, you are pro-Russia, you are pro-America' and all that, but we are all pro-Indians. You make them anti-national by not looking to their problems and it is the task of the Government and the Government is not fulfilling it. We have our Plans. Who really benefits out of these Plans? I am giving some figures from a Reserve Bank Bulletin on industries, which is published periodically. Taking 1955-56 as the base, the bulletin says: if the public limited companies had 100 per cent profit in 1955-56, that profit has been 109.7 per cent. in 1956-57 and in 1962-63 it has been Rs. 194.6 per cent. or, in other words, in six years, from 1956 to 1962, the public limited companies are making double the profit. The private limited companies, taking the base at 100 per cent. in 1955-56, they were making 119.5 per cent. profit and, in 1962-63 their profits are still more, it is 258.8 per cent. I do not think socialism will come in this way. Your Plan benefits are only being derived by the public and private limited companies, not by the common man and you count the national income by distributing that to the whole nation, by dividing the number of men in this country. But that is not the way. If you want to look to the people's interest, the approach should be different, the approach should be from the main source and that is the land resources. That is our own. For that, we need not go to foreign countries. For that, we need not think of foreign exchange. For that, we need not be afraid of anybody. Why do you not create a national militia? Make everybody a compulsory member of an Indian militia and ask them to go to the land, to the schools and villages, where they are meant for. I do not want to take any more time.

श्री देवकीनन्दन नारायण (महाराष्ट्र) :
सभानेत्री जी, इस बजट का दो शब्दों में
वर्णन किया जाता हो, तो इस प्रकार किया
जा सकता है :

[श्री देवकीनन्दन नारायण]

Something to all, sufficient to none.

न कोई राजी, न कोई नाराजी ।

SHRI BHUPESH GUPTA (West Bengal):
What was the English?

श्री देवकीनन्दन नारायण : Something
to all, sufficient to none. जिस चतुराई

से हमारे अर्थ-मंत्री जी ने यह बजट बनाया और पेश किया, उसके लिये वे बधाई के पात्र है। आज तक बजट आने से पहले और आने तक एक दहशत जनता में पैदा होती थी कि कोई नया टैक्स आयेगा, बोझ आयेगा। परन्तु इस बार जिस होशियारी के साथ बजट रखा गया, लाया गया, किसी को कोई ख़ास दुख नहीं हुआ, नाराजी नहीं हुई। हुई होगी, तो राजी हुई, कुछ खुशी हुई। मैं इसमें ज्यादा नहीं जाना चाहता।

दो तीन बातों की ओर मैं माननीय मंत्री जी का ध्यान खींचना चाहता हूँ। सब को खुशी हुई होगी, कि फुटवीयर यानी बूट्स और जूतों पर से माननीय मंत्री ने टैक्स कम कर दिया, मुझे उतनी खुशी नहीं हुई। इसका कारण यह है कि इससे जो लाभ मिलने वाला है, वह खाली शू फैक्ट्रीज को मिलने वाला है, और जो हजारों लाखों छोटे दुकानदार हैं, चर्मकार हैं, उनको इससे नुकसान पहुंचेगा; क्योंकि वे कम्पेटिशन में पहले ही नहीं चल सकते थे, अब तो और भी नहीं चल सकेंगे। आप को पता होगा कि आगरा में करीब पांच हजार जूते बनाने वालों की दुकानें हैं, जिन के यहाँ दस दस, बीस बीस, चमार एकत्रित हो कर काम करते हैं, और रोजाना शाम को आगरे के बाज़ार में बड़े दुकानदारों को कम से कम दस बीस हजार के जूते बेचने हैं और वही प्रदेशों को भी भेजे जाते हैं। उन तमाम दुकानदारों की सभा हुई और उन्होंने

एक रेप्रिजेंटेशन आपके पास भेजा है, मंत्री जी, कि फुटवीयर्स के ऊपर से टैक्स निकाल डालने की वजह से उनको क्या नुकसान पहुंच रहा है, क्योंकि वे पहले ही कम्पेटिशन नहीं कर सकते थे फैक्ट्री वालों से, और अब तो करना और भी मुश्किल हो गया है। आप की यह पालिसी रही है कि आप गृह-उद्योगों को, स्माल इंडस्ट्रीज को, प्रोटेक्शन देंगे। मैं आप से जानना चाहूंगा कि यहां आपने प्रोटेक्शन दिया या और कुछ दिया? इसलिए मेरी प्रार्थना है कि जो टैक्स आप ने फुटवीयर पर से निकाल दिया, ठीक किया, परन्तु ये जो गरीब चर्मकार हैं, घर-घर अच्छे-अच्छे जूते और बूट्स बनाने वाले हैं, छोटे-छोटे फैक्ट्री वाले हैं, उनको कुछ न कुछ सब्सिडी आपको देनी चाहिये, नहीं तो वे धीरे-धीरे खत्म हो जायेंगे, और उन का धन्धा मारा जायेगा।

आपने कोर्स और मीडियम क्लायथ पर से भी एक्साइज ड्यूटी निकाल दी, बहुत अच्छा किया और इसके लिये आपको धन्यवाद। परन्तु हुआ क्या? आपने पक्का होगा कि कोर्स क्लायथ के दाम बढ़ा दिये गये हैं। एक हाथ से दिया और दूसरे हाथ से आपने ले लिया, और कहा क्या कि कोर्स क्लायथ के दाम इसलिए अब बढ़ाये जा रहे हैं कि कपास के भाव बढ़ गये हैं। मैं उस जिले से आता हूँ, जहां कपास की खेती होती है और जहां तक मुझे मालूम है कपास के भाव इस महीने में बढ़े नहीं हैं, बल्कि कपास के भाव कुछ घटे हैं। उस पर भी आपने कोर्स क्लायथ के दाम बढ़ा दिये और इधर कुछ रिअयत कर दी। तो इस तरह से एक हाथ से देना और दूसरे हाथ से लेना, यह ठीक हीं है।

इसके आगे मेरी और एक दो सूचनाएं हैं। मैं नहीं समझता कि इस देश में फाइन और सुपर फाइन क्लायथ क्यों बनाया जाता है। फाइन और सुपर फाइन क्लायथ के

लिए आपको प्रदेशों से कपास लानी पड़ती है और फारेन एक्सचेंज आपका जाता है। फाइन और सुपर फाइन क्लॉथ की हिन्दुस्तान में कोई खास जरूरत है, ऐसी बात नहीं है। समाजवाद की हम बातें करते हैं, रहन-सहन में भी हमें समाजवाद को लाना चाहिए। आप रशिया को देखियेगा, चीन को देखियेगा, जहां मोटा कपड़ा इस्तेमाल करते हैं, मीडियम कपड़े इस्तेमाल किये जाते हैं। फाइन और सुपर फाइन कपड़ा ५ टका लोगों के लिए आप बनाते हैं। इस लिए मेरी समझ में नहीं आता कि उसकी हमारे देश में क्या जरूरत है? फाइन और सुपर फाइन कपड़े के लिए बाहर से कपास लाने की, रुई लाने की क्या जरूरत है?

इसके बाद एक और मेरी सूचना है कि इस देश में कपड़े की जितनी वैरायटीज पैदा की जाती है, उतनी शायद दुनिया में कहीं नहीं होती होंगी। सैकड़ों वैरायटीज मिलों में पैदा होती हैं और रोजाना फैशन बदलते हैं। तो मेरी नम्र प्रार्थना है कि जिस तरह से रशिया में, चीन में या अमेरिका तक में वैरायटीज निश्चित की गई है और उन वैरायटीज से ज्यादा वैरायटीज वहां इस्तेमाल नहीं की जाती, उसी तरह से यहां भी प्रबन्ध किया जाये। हमारा गरीब देश है और इतना गरीब कि शायद ही ऐसा कोई गरीब देश अजबल दुनिया में दिखाई देगा और वहां आप इतनी वैरायटीज पैदा करते हैं और बाजार में सब वैरायटीज रोजाना जो बदलती रहती हैं, उनको देखने में ही ग्राहकों का काफी वक्त जाता है, पैसा जाता है, और इतने फैशन बदलते रहते हैं, कि सादगी से बहुत दूर हम चले जाते हैं। इसलिये मेरी यह भी प्रार्थना है कि आप देश के लिये कपड़े की वैरायटीज निश्चित कर लिये। उन वैरायटीज से ज्यादा वैरायटीज यहां पैदा न की जायें, और पैदा की जायें, तो वे एक्सपोर्ट के लिये पैदा की जायें।

इसके बाद, हिन्दी के निमित्त जो कुछ मद्रास में हुआ, वह हमारी शिक्षा-प्रणाली के दोष का एक प्रदर्शन है। आप जानते हैं कि विद्यार्थियों ने सब कुछ किया, या यों कहिये कि विद्यार्थी उसके अगुआ रहे। जहां तक मुझे मालूम है एक विशेष यूनिवर्सिटी के लड़कों में यह अग फैलाई गई—अन्नामलाई यूनिवर्सिटी। वहां के लड़कों को पहले भड़काया गया और जिन्होंने भड़काया, वह भी मैं आगे कहना चाहता हूं। वहां के लड़के हर एक शहर में पहुंचे और हर शहर के कालिजों में जाकर के वहां के लड़कों को भड़काया और तब यह आग चली। अन्नामलाई यूनिवर्सिटी के विद्यार्थियों को किन्होंने भड़काया? वहां के चालकों ने, जो धनवान् हैं, जो कैपिटलिस्ट हैं। यहां तक कि खुद भक्तवत्सलम् साहिब ने कहा कि मद्रास में जो कुछ हुआ, उसके लिये पैसा किसने दिया? धनवानों ने दिया, उद्योगपतियों ने दिया और कोयम्बटूर में और मद्रास में यह आग भड़काई गई। क्या यह हिन्दी के निमित्त हुआ? हिन्दी के लिये यह नहीं हुआ। मैं आपसे साफ कहना चाहता हूं कि जो कुछ हुआ, वह और कारणों की वजह से हुआ। पांडिचेरी से क्या सम्बन्ध था हिन्दी का? वहां तो कोई हिन्दी का सम्बन्ध नहीं था। पांडिचेरी में जो कुछ हुआ वह बहुत शर्मनाक था। एक इंटरनेशनल इन्स्टीट्यूशन, जिस से हमारी इज्जत बढ़ी है, जिस से हमारा नाम बढ़ा है, वहां क्या हुआ, वह मैं कुछ शब्दों में आपके सामने रखना चाहता हूं :

"Honesty Store was looted and burnt. An aerated water factory was fully looted and destroyed. A hand-made paper factory was set on fire. Insensate attacks were made on private homes, boarding and nursing homes and dispensaries. Nursing homes were forcibly entered into and beds and furniture piled on the street and set fire to, and the rest of the goods pillaged and destroyed. A

[श्री देवकीनन्दन नारायण]

children's boarding house was entered into and furniture destroyed and burnt. Many cycles and articles of furniture were taken out and burnt in the street. The mob vented its fury on the Ashram main building and the Ashram post office. Then the most ignominious attack was on the sacred precincts of the Ashram main building where the Mother Divine resides and where is the holy *samadhi* of Shri Aurobindo. Doors and windows were smashed and a stone reached the room of the Divine Mother Herself."

मैं जानना चाहूंगा कि जो कुछ इस पांडिचेरी में हुआ, वह क्या हिन्दी के निमित्त हुआ ? आश्रम से उसका क्या सम्बन्ध था और जिन्होंने यह करवाया, किस लिए करवाया ? मेरी सरकार से प्रार्थना है कि इसकी जांच होनी चाहिए, इसलिए नहीं कि गुनहगार कौन था और कौन नहीं था, इसलिए होनी चाहिए कि इसके पीछे कौन सी साजिश थी, क्या इसका कारण था, किन वजूहात से यह सब हुआ—आश्रम में हुआ या मद्रास में हुआ—क्योंकि मुझे शक है कि यह सब कुछ हिन्दी की वजह से नहीं हुआ, इसके पीछे बहुत गहरी बातें हैं और वे ऐसी बातें हैं कि वे नहीं पकड़ी गईं, वे बातें नहीं दबाई गईं, तो इस देश के लिए शायद बहुत खतरनाक साबित होंगी और इस देश को धक्का पहुंचेगा। हिन्दी का निमित्त हुआ यह बात सच है, परन्तु आज हिन्दी के विरुद्ध इंग्लिश का जो सवाल खड़ा हुआ इस तो जिम्मेदारों शिक्षा मंत्रालय पर कुछ कम नहीं है। मैं तो यहां तक कहूंगा, बहुत से कारण हो सकते हैं इसके, परन्तु एक कारण वह भी है कि हमारे माननीय मंत्री कुछ महीनों से, जहां गये वहां अंग्रेजों का पुरजोर प्रचार उन्होंने किया—इंग्लिश का जो कुछ पुरस्कार किया वह भी एक कारण है—क्योंकि अंग्रेजी के बिना उनकी निगाह में काम चल नहीं सकता। अंग्रेजी के पक्षपाती खुद माननीय मंत्री हैं, फिर क्यों न अंग्रेजी जोर पकड़े ? माननीय मंत्री ने

इसी जमाने में, शायद दिसम्बर में, अहमदाबाद में कहा था :

"For heaven's sake, do not introduce regional languages in Universities in place of English or the link language, as the medium of instruction."

माननीय मंत्री जब यह ख्याल रखने हैं . . .

SHRI B. K. GAIKWAD (Maharashtra):
Who said so : Which Minister ?

श्री देवकीनन्दन नारायण : शिक्षा-मंत्री ने, और कौन ? शिक्षा-मंत्रों ने एक कमिशन कायम किया है। मैं नहीं समझता कि उस कमिशन से क्या पैदा होने वाला है, क्या निकलने वाला है, क्योंकि देश की शिक्षा वहां की परम्परा से, संस्कृति से, जेहनियत से निकलती है, सम्बन्ध रखती है और जो हमारी जेहनियत को, संस्कृति को, परम्परा को जानते नहीं, हमारे विचारों के परम्परागत विचारों के, जो जानकार नहीं, वे बाहर के, परदेशी, क्या हमारी शिक्षा के सम्बन्ध में हमको सलाह दे सकते हैं ? और फिर आज तक हम कई बार इस बात को तय कर चुके हैं, पंडित जवाहरलाल यहां इस सदन में कह चुके हैं कि हर यूनिवर्सिटी में रोजनल लैंग्वेज ही मीडियम आफ इन्स्ट्रक्शंस होनी चाहिए। यह सब कुछ होते हुए और हम आज भी बार-बार शिक्षा माध्यम के सम्बन्ध में यही दुहराते रहे हैं :

"The regional language is going to be the university medium . . .

SHRI AKBAR ALI KHAN (Andhra Pradesh): For the time being.

श्री देवकीनन्दन नारायण : फिर भी हमारे शिक्षा-मंत्री ने जो कमिशन कायम किया है, उसको—नियुक्त किये जाने के बाद—एक रेफरेंस भेजा है कि वह इसमें भी हमें राय दें कि हिन्दुस्तान में शिक्षा का मीडियम क्या हो, अश्चर्य की बात है।

इसके बाद एक बात मैं, सभाने श्री जी, से कहना चाहूंगा कि बजट को देखते हुए मुझे कुछ दुःख होता है। हम बहुत सी बड़ी बड़ी बातों का जिक्र करते हैं पर गांवों की ओर देहातों की ओर, गरीबों की ओर नहीं देखते। आपको पता नहीं आज हजारों गांवों में पीने के पानी की व्यवस्था तक हम इन 17 वर्षों में नहीं कर सके हैं। हजारों, कम से कम एक लाख, गांव ऐसे हैं जिनमें पीने का स्वच्छ पानी नहीं मिलता।

प्रो० मुकुट बिहारी लाल (उत्तर प्रदेश) : थर्ड फाइव ईयर प्लान में उसकी योजना है।

श्री देवकीनंदन नारायण : हां, फाइव ईयर प्लान में है, पर 15 वर्ष में कुछ नहीं हुआ, अब क्या होगा, हो जाय तो मुझे खुशी होगी। हम आम जनता को अन्न नहीं दे सकते हैं, कपड़ा नहीं दे सकते हैं, पानी तो दें।

[Time bell rings]

इसके बाद . . .

THE DEPUTY CHAIRMAN: Your time is over.

श्री देवकीनंदन नारायण : 17 वर्ष हो गए। हम इस देश में समाजवाद की बात करते हैं, समता की बात करते हैं समता फ़कत फ़ैचाइज में ले आए हैं, सब को एक सा वोट है, लेकिन प्राथमिक शिक्षा तक इस देश में ला नहीं सके, फ्री प्राइमरी कम्पलसरी एजुकेशन इस देश में हम अभी तक नहीं ला सके। तो मैं आपकी मार्फत प्रार्थना करूंगा मंत्री महोदय से कि आप सैकड़ों करोड़ बड़ी बड़ी योजनाओं में खर्च कर रहे हैं तो कुछ करोड़ उन गरीबों के लिए, उन देहातों के लिए, उनके उद्योगों के लिए, उनकी शिक्षा के लिए, उनके पानी

के लिए, उनके अन्न के लिए खर्च कीजिये। यही मेरी आखिरी आपसे प्रार्थना है।

श्री रामकुमार भुवालका (पश्चिमी बंगाल) : उपसभापति महोदय, हमारे वित्त मंत्री ने जो यह 1965-66 का बजट रखा है उसके लिए मैं उनका स्वागत करता हूं, उन्होंने बहुत ही बुद्धिमानी से इस बजट को रखा है इसलिए मैं उनका बहुत स्वागत करता हूं। थोड़ा सा हमारे इंडिविजुअल टैक्सों को, व्यक्तिगत टैक्सों को घटाया, उससे लोगों को राहत मिली, कुछ थोड़ी चीजों पर एक्साइज ड्यूटी घटाई उससे कुछ राहत मिली, कितनी मिलेगी यह तो मैं डिटेल् में नहीं कह सकता लेकिन जरूर कुछ मिलेगी। लेकिन उन्होंने 10 दिन पहले इस सदन में 10 परसेंट एक्साइज ड्यूटी इम्पोर्ट में बढ़ाने की बात की और साथ साथ बैंक रेट भी बढ़ाया तो 10 परसेंट इम्पोर्ट पर बढ़ाने का नतीजा यह हुआ कि इम्पोर्टेड चीजों के पहले भी दाम बहुत ज्यादा लगते थे अब और भी ज्यादा बढ़ गए, कारखानों को पहले भी हमें चलाने में तकलीफ होती थी लेकिन अब और भी ज्यादा तकलीफ हो गई है। यह मेरी धारणा है कि इससे चीजों के दाम बढ़ाने की आशा है, हमारे देश में जो उपभोक्ताओं को चीजें जिस दाम में मिलती थीं उनके दाम और भी बढ़ने की आशा है। दूसरे, यह जो 1 परसेंट बैंक रेट बढ़ाया उसका परिणाम बहुत ही खराब हुआ क्योंकि व्यापारियों को जब तक रुपया बैंकों से नहीं मिले व्यापार आगे नहीं बढ़ता। अभी बैंक वाले 9 परसेंट, 9½ परसेंट लेते हैं जब कि शेयरों से 6 परसेंट 6½ परसेंट डिविडेंड की ईल्ड आती है, उस हालत में शेयर बाजार कैसे चलेगा, शेयर बाजार धीरे धीरे गिरता जा रहा है, शेयर के भाव 10, 12 या 15 परसेंट बजट के बाद से गिर गए हैं। रुपये की छूट हुए बिना व्यापार चलता नहीं है और रुपये की छूट बैंकों से ही होती है क्योंकि व्यापार में

[श्री रामकुमार भुवालका]

आपस का लेनदेन अब बन्द सा हो गया है लेकिन बैंकों से रुपया मिलने की हालत भी इतनी टाइट हो गई है कि वह सिक्कीरिटी पर भी रुपया देने को तैयार नहीं है। ऐसी हालत बंबई, कलकत्ता और बड़े बड़े शहरों की हो गई है। 10 दिन पहले जो हमारे वित्त मंत्री ने इस हाउस में यह एलान किया उसका मैं समझता हूं कि कोई खास कारण था। उसको बजट के समय बता सकते थे, लेकिन इस एलान का मतलब यही है कि बजट में इसके न आने की वजह से बजट जरा अच्छा दिखेगा।

व्यापार बहुत सीधे तरीके से चलता है, जिसमें कुछ अय होने की सम्भावना रहती है उसे करने को व्यापारी समाज हमेशा सोचता रहता है और जिसमें आय नज़र नहीं आती उसमें ध्यान देने को भी राजी नहीं होता। यह व्यापार का तरीका है, हमारे वित्त मंत्री को खुद इसका अच्छी तरह से अनुभव है, वह यह बात जानते हैं कि पूंजी का अभाव हो जाने से कोई आदमी व्यापार कैसे कर सकता है। पूंजी का अभाव इस वक्त व्यापार में इतना ज्यादा हो गया है कि कुछ पूछिए नहीं, व्यापारियों में लेनदेन नहीं के बराबर है। आपने जो व्यक्तिगत इंकम टैक्स में घटाया है उसने सब को थोड़ी सी राहत मिली है और इसके लिए मैं फिर उनका स्वागत करता हूं लेकिन मैं आपको थोड़े से आंकड़े बताता हूं कि हमारे देश में और दूसरे देशों में क्या टैक्स रेट है। 1 लाख रुपये की इंकम पर वया परसेंटेज होता है। हमारे यहां पहले 1 लाख रुपये पर 57.1 था वह अब 47.9 और एनुइटी डिपाजिट के सहित 60.4 है लेकिन यु० एस० ए० में 22.8 है, कनाडा में 27.1 है, जापान में 38.2 है, यू० के० में 32.1 है, मलाया में 19.6 है, ब्राज़ील में 10.8 है, पाकिस्तान में 50.9 है, बर्मा में 50.2 है।

श्री चन्द्र शेलर (उत्तर प्रदेश) :
जितनी चोरी होती है वह भी बता दीजिए।

श्री रामकुमार भुवालका : ऐसी हालत में यह जो बजट हमारे सामने रखा गया और उसमें टैक्सेशन घटाया गया उसके बारे में भी मैं आपको बताऊं कि कितने किस्म के टैक्स अब भी लगते हैं। जहां तक मुझे याद है सूचा तो याद नहीं है। इनकम टैक्स, सुपर टैक्स, सर टैक्स, वैल्यू टैक्स, गिफ्ट टैक्स, एक्सचेंज टैक्स, डैथ टैक्स, शेयर डिविडेंड टैक्स, शेयर बोनस टैक्स, कैपिटल गेन्स टैक्स, एक्साइज टैक्स, सेल्स टैक्स, इतने टैक्स लगाए गए हैं जितने कि मुझे याद हैं, और बताने में मैं अभी असमर्थ हूं।

SHRI T. V. ANANDAN (Madras):
Still there is unaccounted money.

श्री रामकुमार भुवालका : इसके अलावा, कुछ वस्तुओं पर जो एक्साइज ड्यूटी घटाई गई है उससे मेरा खयाल है कुछ लोगों को राहत मिलेगी। इसी तरह से बहुत सी चीजें ऐसी हैं जिन पर एक्साइज ड्यूटी बढ़ गई है और इसकी वजह से उनके दाम बहुत बढ़ गए हैं और माल मिलना ही मुश्किल हो गया है।

253 करोड़ रुपये का जो यह सरप्लस बजट रखा गया है इसके लिये यह सदन वित्त मंत्री जी को बधाई देना है कि इतने वर्षों में अबकी पहली बार सरप्लस बजट रखा गया है। लेकिन उसके साथ साथ अगर शेयर डिविडेंड टैक्स और बोनस टैक्स को घटा देने तो बाज़ार में नई कम्पनियां बनने की, नए कारखाने बनाने की सुविधा होती। मेरा खयाल है कि नई कम्पनियां बनाने और नए कारखाने बनाने वालों को राहत पहुंचाने के लिये इस बारे में बहुत ज्यादा सोचने की बात है नहीं तो

उनका बनना मुश्किल है क्योंकि बाजार में इक्विटी शेयर नहीं बिकते। अभी जो नए कारखाने इन दो वर्षों में खुले हैं वे कोई गिनती के दो, चार, पांच खुले हैं। उनमें गवर्नमेंट और उसी प्रकार की अन्य फाइ-नान्स कार्पोरेशन भी अन्डरराइटिंग करती हैं, इसके कारण कारखाने आगे बड़े इस-लिये मैं निवेदन करूंगा कि वित्त मंत्री जी इस बात पर विचार करेंगे कि शेयर बोनस टैक्स और डिविडेन्ड टैक्स घटाए जाएं।

अब मैं आपके सामने छिपे हुए धन की बात रखना हूं। छिपे हुए धन के बारे में इस बजट में काफी कहा गया है। इनकम टैक्स अमेन्डिंग बिल भी उसी संबंध में अभी पास हुआ है। मेरे खयाल से वित्त मंत्री श्री कृष्णमाचारी कोई दूसरा रास्ता उसके लिये अपनावें तो अच्छा है क्योंकि प्रेम से, प्यार से और आसानी से जो काम हो सकता है उसे पहले करना चाहिये। वित्त मंत्री ने जो आधार रखा है 60 परसेन्ट का उसमें बहुत रुपया आएगा, ऐसी धारणा मेरी कम है। जोर जबरदस्ती से कभी सफलता मिली है, ऐसा मेरी समझ में नहीं आता। हां, प्यार से और समझाने से बहुत से कामों का आसानी से होना संभव है। सारे देश में तीन प्रकार के व्यापारी हैं जो इनकम टैक्स देते हैं जैसे एक तो निम्न वित्त का व्यापारी है, दूसरा मध्यम वित्त का व्यापारी है और तीसरा उच्च वित्त का व्यापारी है, जिसके पास बड़े बड़े कार-खाने हैं, कारोबार हैं। इन तीनों तबकों के व्यापारियों के प्रतिनिधि लोग बुलाए जाय और उनके साथ समझौता करके काम किया जाय तो मेरा खयाल है बहुत सा छिपा धन आ सकता है। उदाहरण के स्वरूप, अक्टूबर 1962 में जब चाइना का इन्वेजन हुआ था उस टाइम में किसी ने जोर जबरदस्ती नहीं की और लोगों ने सहर्ष दान के रूप में सोना, धन और द्रव्य अनेक प्रकार से दिया जो कि दुनिया में

पहले कभी देखने में नहीं आया। हमारे कलकत्ते में महीनों तक यह दान देने के लिये क्यू लगा होता था।

श्री चन्द्र शेखर : गरीबों ने ज्यादा दिया।

श्री रामकुमार भुवालका : गरीबों ने भी दिया, सबने दिया। देश में गरीब आदमी भी हैं, पैसे वाले भी हैं।

श्री चन्द्रशेखर : भुवालका जी जैसों ने नहीं दिया है।

श्री रामकुमार भुवालका : बहुत दिया है। एक फर्म ने नब्बे, पिचानवें लाख रुपया चाइना के इन्वेजन के वक्त में दिया। और कुछ आदमियों ने 10 लाख, 20 लाख, 30 लाख 40 लाख तक दिया है। लेकिन इसके साथ साथ मैं यह नहीं कहता, गरीबों ने ही दिया है। सबों ने दिया। सोना, चांदी, रुपया देने में किसी ने कोई कसर नहीं की। कोई जबरदस्ती रुपया बमूल नहीं किया गया—प्यार से, प्रेम से, देश को पुकार से मिला। तो इसलिये प्यार के साथ देश की पुकार के नाम से कोई चीज रखी जायगी तो उसका असर जरूर होगा और लोग जरूर देंगे। महात्मा गांधी का उदा-हरण हमारे सामने है। वे सन् 1915 में ट्रान्सवाल से आए और दुःख के साथ कहना पड़ता है कि 1948 में उनकी डैथ हुई। उन्होंने तैंतीस वर्षों में कभी किसी से कोई दुःख पहुंचाने वाली बात नहीं की। लोग भी उनकी बात को, जो भी वह कहते, उसको मानने थे। वे जेलों में रहे और कितनी तकलीफें भोगीं लेकिन कभी उनको ऐसा मौका लोगों ने नहीं दिया कि उन्होंने कोई बात कही जिसको लोगों ने नहीं माना हो। अभी हमारा देश स्वतन्त्र है तो कोई बजह नहीं कि लोग छिपा हुआ धन नहीं देंगे, लेकिन रुपया देने लेने का तरीका होता है। अभी जो हमारा अभियान चलता

[श्री रामकुमार भुवालका]

है उसमें बहुत कुछ रुपया नहीं आया। इसके बारे में रोज पूछा जाता है और बताया जाता है कि मामूली धन मिला है। और भी तरीके हैं रुपया आने के, जैसे कि छोटे छोटे गांवों में हमारा जो हाउसिंग का प्रोग्राम है उसको चलाएं, हाउसिंग में टैक्सों के जरिये रुपया आएगा। मकान बनाइये, छोटी छोटी इन्डस्ट्री बनाइये, और टैक्स लगाइये। जैसे भी हो रुपया निकालना चाहिये। एक ही बात पकड़ कर बैठ जायें उससे कुछ ज्यादा राहत मिलेगी ऐसा मैं नहीं समझता।

सारे देश में विश्वास का अभाव हो गया है क्योंकि हम यह चाहते थे कि हम सबको ईमानदार बनाएंगे, हमारी तरफ से यह नारा था, लेकिन बजाय इसके कि हम सबको ईमानदार बनाएं हम अपराधों को खो बैठे, ऐसा मैं सोचता हूं। जैसा कि अभी हाल में ऐलान किया गया कि जो खबर देगा उसको दस परसेंट कमीशन देंगे लेकिन हुआ क्या जब एक दो आदमियों ने ऐसा किया तो उसका नतीजा यह जरूर हो गया कि किसी का विश्वास कोई नहीं करता। यह समझने हैं कि न मालूम यह आदमी कैसा है।

श्री चन्द्र शेखर : अच्छा है विश्वासघात तो होगा।

श्री रामकुमार भुवालका : ऐसे बहुत से काम हो सकते हैं जिनसे रुपया बाहर निकल सकता है। अभी जो बजट आया है इसमें बहुत सी बातें ऐसी हैं जो सचमुच देश के लाभ की हैं, इसमें कोई संदेह नहीं है। कपड़े में ड्यूटी घटी और उसके दाम कम हो गए लेकिन फाइन कपड़े के दाम बढ़ गये हैं। लेकिन जैसा कि देवकीनन्दन नारायण जी ने कहा, वह सच बात है, कि जब तक देश भर के गरीबों की देखभाल हम नहीं करेंगे तब तक हमारा देश आगे नहीं बढ़ेगा। यह मेरी धारणा है।

इसके अलावा वित्त मंत्री जी ने बड़ी कोशिश करके यह बजट बनाया है और जैसा कि देवकीनन्दन जी ने कहा इतनी होशियारी के साथ वजन सबके ऊपर रखा जिससे वजन मालूम ही नहीं पड़े। मुझे पता लगा कि प्राविडेंट फंड में जो 10,000 रु० की छूट है उसको 12,500 तक कर दिया है। लेकिन टैक्स में आधी रकम सवा छः हजार ही बाद की जायेगी। मैं वित्त मंत्री जी से निवेदन करूंगा कि देश में जितना भी ज्यादा कारोबार बढ़ेगा उतना ही रुपया टैक्स के जरिये आपके पास आएगा, अगर कारोबार नहीं बढ़ेगा तो रुपया नहीं आयेगा, टैक्स नहीं आएगा। इसलिए मैं निवेदन करूंगा कि छोटे छोटे शहरों में ज्यादा से ज्यादा कारखाने बनाए जायें।

THE DEPUTY CHAIRMAN: The House stands adjourned till 2.30 P.M.

The House then adjourned for lunch at twenty-nine minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock, the DEPUTY CHAIRMAN in the Chair.

SHRI P. K. KUMARAN (Andhra Pradesh): Madam Deputy Chairman, last year was a year of very high prices, especially food prices. The prices of food-stuffs went so high that it materially affected the living standards of the common masses of the people. The wholesale price index reached 159.2, the food prices index reached 167.2 and the consumer price index reached 164 points. This naturally had a very depressing effect on the living standards of the masses, especially the masses in the villages. Many people had to forego their essential necessities due to the resultant crisis which was reflected in subsequent events and even now we are facing the results of such high prices. At the same time, the profits of industrial and commercial undertakings reached a new high. Many commercial and industrial undertakings raised their profits from 50 per cent to more than 100 per cent. Big Business in the country heaped profits of

lakhs and lakhs of rupees. This was at the same time witnessed by a fall in the wages—I mean the real wages. It is true the index of money wages had risen from 113 in 1955 to 138 in 1961 but at the same time the index of real wages had fallen from 124 to 115 during the same period and since 1961 there has been a steady rise of more than 30 points in the consumer price index while there has been no rise in the wages of the working class or even of the middle class employees as a whole worth mentioning. As far as dearness allowance is concerned, that did give a little bit of cushion here and there but only 41 per cent of the factory workers have their dearness allowance linked with the cost of living index. So, on the whole there is a real fall in the living standards of the people. The middle class employees have lost real wages. According to a recent estimate, the lowest paid Central Government employee has lost his real wages by 14 per cent. As far as the higher income group is concerned, as the dearness allowance is applied to higher and higher grades the compensation given is lower and lower and hence the depression in their living standards, the erosion in their real wages, is far higher than in other sections. The life of large masses in the countryside, of poor peasants, agricultural workers, etc. whose annual income was hovering round Rs. 300 per annum, that is, less than one rupee per day, also went down and they had to go without many necessities. Over and above, we had some eight to twelve million unemployed workers who were practically living on the meagre earnings of these employees. This is the position today, the last year of the Third Five Year Plan, seventeen years after freedom, the seventeen years during which we were supposed to have been working towards a socialistic pattern of society.

Now, it is not that our economy is not growing at all. During the First Plan, we concentrated on agriculture and we did succeed to a certain extent in increasing production though the targets we set for ourselves were not reached. During the Second Plan, we laid the foundation for the public sector industry and we have built up a sufficiently strong base for our industry though achievements could not reach up to

the aims that we had set for ourselves. During the Third Plan period also, we did strengthen the base of our industry and production in public sector has started giving us fruitful results. And at this stage we find that the eyes of the private sector, the eyes of the capitalists of India, have fallen on the public sector. A subtle orientation has been taking place in favour of private sector in the economic policies of the country and as days pass on we find that a determined effort is being made to convert the whole public sector into some sort of a hand-maid to the private sector. In the name of foreign exchange and in the name of technical know-how, foreign private capital is being given a larger and larger hand in the public sector. The other day, addressing the International Chamber of Commerce, our Prime Minister stated that private collaboration has got to be encouraged, that there are good points in it and that the undeveloped countries have got a lot to benefit from such collaboration. Then, after some days, speaking in the Lok Sabha the other day, he categorically stated that even majority participation was likely to be given. And that was echoed by a representative of the American Mission here. He said in Bombay, 'Yes, there are hopeful signs from India'. From all these things it is very clear that the Government is very seriously considering the prospect and the possibility of giving more and more handle to the foreign private capital to enter into the public sector of our country. Today the food position in the country has stagnated although this year the Government says that the prospects are likely to be good. But for the last three years there has been complete stagnation which resulted in our importing large quantities of food. This has also weakened the economy of our country.

Now, our Finance Minister, Mr. Krishnamachari, claims that he has presented a very balanced Budget, if not a surplus one. If a Budget is balanced it is clear from the facts and figures; I do not know why he has said 'if not a surplus one'. Actually, in my opinion, this is not so. He was able to do this largely because of a sudden increase in the P. L. 480 deposits of about Rs. 191 crores. Also the income from public sector has increased to Rs. 160 crores

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which is about Rs. 45 crores more than last year. It is these factors which have enabled him to present before us a balanced Budget. With all this advantage he could have given some relief to the common people but he did not do so. He could have lifted the excise duty on consumer goods so that the prices may stabilise at a reasonable level which is within the means of the poor millions of our country. He could have given more funds for universal education, free medical facilities, unemployment and under-employment relief, increase in pension and provident fund benefits, etc. These are the social security measures by which the people in the lower income group can be given relief from out of the benefits of the State undertakings as a result of the growth of the economy of the country as a whole and these measures are strictly within the structure of the economy in which we are functioning. But he did not do so. His milk of kindness has flown towards the upper classes. The Big Business is getting several kinds of assistance, development rebate, tax certificates and other forms of concealed and open assistance which is generally given to the corporate sector. And the concessions to upper classes not only continue but they are increased in several cases. It is true that some concessions are given here and there and excise duty on a few items of consumer goods has been reduced. Income-tax also has been reduced to a certain extent, but how is it given? The other day I was reading a letter to the editor of a paper—I do not remember the name of the paper—where an ordinary reader has compared the concession given by the Government. He has described the concession given in the highest income group as equal to the cost of an Ambassador motor car, while the concession given to the lowest rung is equal to the cost of two underwears or two banians. This is exactly how the concessions are given. When you are in a position to give concessions, the concessions should have gone to improve the living standards, improve the working conditions, improve the facilities, ameliorate the sufferings of the masses who did not get any benefit during these seventeen years. For the highest income group, he has reduced the income-tax from 88.25 to 81.25 per cent on unearned

income and on earned income he has reduced it from 82.5 to 74.75 per cent. At the same time, we find a peculiar offer to blackmarketeers, people who earned black money, which is supposed to be—different estimates are there—around Rs. 3,000 or Rs. 4,000 crores. They are given an offer that if they come forward and make a confession—the confession is truly in the old Catholic fashion, known only to the high priest of the economic department, the State Bank—then they will be given concession. Instead of 75 or 74 per cent they need pay only 60 per cent. After this confession, there will be a further concession and they will have to pay only 57 per cent as taxes. The remaining 43 per cent of their money becomes whitewashed, becomes purified, becomes real gold. This is a peculiar offer. It shows that whatever be the sin one commits, if such a confession is made, the whole sin is washed away. Not only that. Here they were robbing the country, robbing the people and the whole nation by making high profits. Instead of prosecuting them, he is condoning them. This is an offer which is not at all correct and should not have been made.

The whole Budget seeks to help the private monopoly capital at the expense of the State and the people. The way the new tax concessions are given, and also the contemplated policy of the Government in the matter of the public sector and in the matter of all the new taxation measures, it gives us a suspicion, nay, ready proof, that the whole policy which we have been following during the last three years, which we have been following during the life-time of Pandit Jawaharlal Nehru, is sought to be reversed. Foreign private investments, as I told you, are likely to be encouraged. I do not rule out the necessity of foreign aid as such. Foreign aid is necessary to facilitate the growth of our economy at strategic points. It is also necessary to avoid excessive strains for short periods on our economy. But foreign aid or foreign collaboration should not be treated as a convenient substitute for measures to be taken independently inside the country for improving the economy of our country. If we continue at this rate, then our economy only becomes dependent on foreign interests and the economic indepen-

dence, which we are trying to achieve, will never be achieved. The Government says that we are seeking foreign private investment to tide over shortage of foreign exchange. The advantage, they seem to think, is that if we take foreign loan that will have to be repaid, but foreign private investment means that only profits will have to be paid and that too only when the investment begins to yield a larger proportion of profit we need repatriate it. But our experience in this regard is not very good. Recently, I had gone through an article in the Reserve Bank of India Bulletin where foreign collaboration in chemical companies was dealt with. There, the yearly remittance of profit works out at 24 per cent. while the foreign loan debt service, incurred due to the foreign loan, works out only from 7 to 12 per cent. Again, from 1955-61, foreign private capital that has flowed into India is calculated at Rs. 211 crores. Of this Rs. 82 crores was retained profits, that is, profits which these foreign concerns made in India and reinvested here. They did not bring it from outside. So, the actual inflow was Rs. 129 crores, but repatriation of profit made in India by them amounted to Rs. 73 crores. So, the net inflow was only Rs. 56 crores, that is, for the period 1955-61 it amounted to less than Rs. 10 crores per annum

But then you may ask why the Indian Big Business is anxious to see that the Government invites foreign collaboration. They are very much interested because in order to attract foreign capital here some concessions will have to be given, some tax concessions and some other facilities have to be given. Otherwise, they say that they will not come. Having given concessions to them, Indian capital, Indian Big Business, can claim that you cannot show discrimination between foreign capital and our capital. So, give us also the same facilities.

Another factor is, big concerns may be making some products which are world famous, which have some patent rights. In collaboration with them our people will get the benefit of their fame to introduce their products here. It may be good, but anyway, getting foreign capital is in the interests of Indian capital also. But in my view we should not get foreign private

capital. We can take Government-to-Government loan. For example, our loans from rupee exchange countries, e.g., Soviet Russia and other Socialist countries—we can take loans from them—are linked with our exports to them. But here in the case of private capital from foreign countries, the capital comes from international companies. They will have similar commitments in other countries. It is not in their interests to see that the products which are produced in collaboration with them are exported. They come here because of the sheltered market they have here. A closed market prevails for them in India. It is not to enable us to make exports to other countries. American capital does not want any finished products from India. They have got other arrangements with other countries. So, as far as possible, unless the foreign collaboration coming inside the country is stopped, it will have a very bad effect on our economy. The private capital also thinks that if large private capital comes in, the fear of sudden repatriation will make the Government embark on policies which are helpful to private business. But this danger is also there. That will also be indirectly helping the private capital. That way I say that as far as possible, if there is necessity at all, we should go in for Government-to-Government loan, not for foreign private investments.

Of late there has been a lot of discussion in the press and the Government spokesmen have also been discussing that the industries which we have so far built up, heavy industries, have no employment potential, and so we must divert our attention to villages and we must have small industries like handloom and other things which are based on agriculture so that we can employ more people. Madam, I do not agree with that argument. The heavy industries may not be in a position to give much direct employment, but depending on the heavy industries a number of ancillary and subsidiary industries grow around, and these subsidiary industries which are directly linked with modern technology have the capacity of employing more and more people. It is thought that keeping ourselves to small industries and preventing our country from going into modern

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technology can meet the problem more effectively than investing in heavy industries and allowing other consumer industries based on heavy industries to spring up. That also is a thing which the Government is considering. That is wrong and that should be given up. Our industries during the last three or four years have been growing. The economy is growing at about $3\frac{1}{2}$ per cent to 4.4 per cent or so. There is the necessity of reinvestment in our Plan priorities and also the necessity of feeding our population which is growing at about 2.5 per cent or 2.6 per cent per year. The extra demand created by the extra population as well as the necessity of reinvestment leaves very little margin if our economy grows only at this rate. So, steps have got to be taken to see that our national economy, the rate of growth, is raised to 6, 7 or 8 per cent. That is the minimum that is required. Unless our Plans are reoriented and our taxation policies and economic policies are also reoriented towards this objective, we will be in a bad position. But objective, we will be in a bad position. But to help the growth of the economy, the agricultural sector has got to be developed. So far, the agricultural sector has been operating as some sort of a lag, some sort of a pull on the growth of the industrial sector. It is necessary that to help the agriculture develop, we should give a remunerative price. But then a conflict comes. A remunerative price for agricultural products, especially food products, means a higher cost for foodstuffs than what was prevailing some one year back or so. In that case what is the solution? We cannot keep the old system, the colonial price level system as far as food is concerned and other articles of modern production cannot have the level which is prevailing in the world now. So, the only way is to increase the purchasing capacity of the masses. That can be done only by a wholesale revision of the wage system in the country and also helping the peasants, agricultural workers to have more income. That has got to be done by a revision of the wage system. Minimum wages were fixed in many industries, in agriculture and such allied industries some five years back. Although there is a clear provision in the

statute that the minimum wages should be revised every five years, so far the Government has not taken any steps to revise the minimum wages. The minimum wages have got to be fixed on the basis of the price which is likely to stabilise. A stabilised price structure on the agricultural front is necessary and on that basis things should be made available to the masses of the people. So a wholesale revision of the wage system is necessary.

On the other hand, Madam, what is the trend which is openly coming out? So far, since 1955 up to 1963 there have been some 2000 foreign collaboration agreements. In 1964 there have been some 410 agreements. This is growing, and now Missions after Missions from West Germany, United Kingdom, America and so on, are pouring into the country for more and more agreements. If we permit this trend, then our economy will lose its independence and very shortly a time will come when the representatives of America, West Germany and Britain staying in the Ashoka Hotel or the Imperial Hotel will be deciding the vital policies of our economy, and then it will not take very long when the power of the Government shifts from the Central Secretariat to Roosevelt House in Chanakyapuri. Mr. Krishnamachari seems to think that foreign collaboration is the remedy for the economic well-being of the country. That is a very wrong conception. That will take our country again into the grip of what is called neocolonialism. Once our economic independence which is slowly developing is lost, political independence also will be lost.

With these words I resume my seat.

SHRI BABUBHAI M. CHINAI (Maharashtra): Madam, every year, on the last day of February, the Budget of the Government of India is presented.

SHRI BHUPESH GUPTA: This time it was not the last day.

SHRI BABUBHAI M. CHINAI: It was the last working day. I stand corrected. During the past few years this event has come to be looked upon by the public with anxiety and apprehension. No wonder, for have not taxes been increased annually in the name of the Plan or social justice?

Whatever the reason, taxes have been piled on all sections of the community.

This year, our able and versatile Finance Minister preceded the presentation of his major Budget by two little budgets, one on the 24th December when he announced certain concessions to encourage private investment in equities of selective new industrial ventures, and the second on the 17th February when he effected a blanket increase of import duty of 10 per cent on all goods with a few exceptions. The major budget itself can claim a long list of concessions to the harassed assesseees, such as, halving of excise duties on articles of common consumption, some reduction in personal taxation at all levels of income, provision of allowances for incapacitated dependent children and the like. The corporate sector, too, it can be claimed, has been given some relief on a selective basis, such as provision for a scheme of grant of credit certificates to companies engaged in manufacture or production of any of the articles listed in the first schedule to the Industries Act, as also provision for a scheme for grant of tax credit certificates to exporters in relation to their exports and tax credit certificates to manufacturing units in regard to excise duty, and an increase in development rebate for priority industries. All these reliefs, however, are very selective and are presumably intended to increase production of certain industries.

Now, Madam, I propose, if I may, 3 P.M. to look at all the three Budgets together and assess their impact on the economy with special reference to growth potential. In so doing, I will apply two tests which the Finance Minister himself has propounded. The first is—

“Whether in regard to taxation, industrial licensing or price controls, our general policies must be consistent with our desire to harness every possible source of dynamism and enterprise whether domestic or foreign, public or private, to the task of rapid economic growth.”

The second is—

“Equally important is the degree of stability in our taxation policy . . . as it has a bearing on long-term decisions in regard to savings and investment.”

I put it to the Finance Minister that his statement that his Budget proposals have been designed to serve the end of stability has itself caused disappointment. Let me explain. He has not reduced the high rates of Gift Tax and Estate Duty. On the other hand, he has increased the Wealth Tax on urban property. As for the taxes affecting the corporate sector, the Dividend Tax, the Capital Gains Tax, the tax on bonus issues with some slight amendment, still continue. Is it to be inferred that basically all these imposts without any kind of reduction will continue during the Fourth Five Year Plan period? I believe that this reaction has not been a little responsible for the slump in the stock exchanges. There are other reasons too, of which the main one is the sudden and general increase of 10 per cent in the import duty, along with the restrictions on credit and increase in the interest rate. Money has become more scarce. Even first-class companies are finding it difficult to raise funds to meet their current liabilities stemming from Governmental imposts. The Finance Minister, I am afraid, has not fully appreciated the consequences of the general increase in import duty. In some cases, the effective rate has gone up to 55 to 66 2/3 per cent and these cases concern machinery and industrial raw materials, very important things for industrial growth. Moreover, the small-scale industries too have to bear the burden. I, therefore, suggest that he so-called regulatory import duty should be applied on a differential basis, having regard to the essentiality of imports and further a scheme must be devised to give a rebate to the small-scale industries.

With regard to the various tax credit certificate schemes, income-tax and surtax on companies, excise duties and exports, their utility and effectiveness have been modulated by a large number of restrictions. In regard to income-tax and surtax on companies, I do not see as to why the income-tax and surtax rebate can be utilised only for repayment of borrowings from financial institutions which will be notified by Government or for the redemption of debentures. Why cannot the rebate be available for other purposes? Again, in regard to excise duty exemption, it should be related to production to take care of

[Shri Babubhai M. Chinai.]
units which export—very important for the country—also getting the benefit. In so far as newer engineering industries are not subject to heavy excise duties, the proposal cannot be taken advantage of by them. So, some other scheme has to be evolved. In regard to tax concessions for export, it is very important that the present export incentive schemes are not withdrawn. Over a period of years now, these incentive schemes have been developed, taking into account the difficulties of the different items of export, difficulties encountered in different markets and so on. However worthwhile a general tax incentive may be, it cannot really replace specific incentive schemes. I do trust that the Finance Minister will keep this in mind. In short, my submission is that the Finance Minister should revise the tax reliefs so as to be larger in scope and less technical in approach and method.

While making this plea, I am keeping in mind the basic necessity for stimulating economic activity all round. For the past three years, the pace of our progress has not been to an extent to meet either all our expectations or requirements. We cannot afford any longer to let the present state of affairs continue.

I referred earlier to the stringency in the money market which is confronting industry. Would it not be possible to let the receipts of the Annuity Deposit Scheme amounting to about Rs. 65 crores—if not the entire receipts, at least a part of them—to be channelled to the private sector? I am sure that the Finance Minister can devise, if he so wants, an appropriate machinery for the purpose. By so doing, the assesseees will get a better return. Today, the 4 per cent interest the assesseees are supposed to get, let it be remembered, comes out of taxation. After all, we have a precedent. The LIC invests part of its funds in industry. Similarly, the conditions relating to the investment of provident fund moneys can also be liberalised. While saying this, let me make it clear that the safety of investments must be given paramount consideration.

While making all these proposals, the uppermost thought in my mind is the urgent necessity to revive the investment

climate, make possible the rapid growth of industries and create greater employment opportunities.

SHRI BHUPESH GUPTA: A good climatic condition you are having, a monsoon of favours.

SHRI BABUBHAI M. CHINAI: Only when this is done, or when we are on the track towards this end, can we hope that the common objective of improving the standard of living of the people can be accomplished. If the right atmosphere is not created forthwith on the eve of the Fourth Plan, the nation cannot march towards the goals with confidence and trust. Every day that is lost will further dilute our objectives, or postpone the achievement of desired results. There is also the danger that too much delay might throw up bigger problems, socio-political, which will queer the pitch for economic development, and I hope that our Finance Minister will not give any chance to our friends like Mr. Bhupesh Gupta.

Having regard to all these factors, I appeal to the Finance Minister to have a second look at the Budget.

SHRI C. D. PANDE (Uttar Pradesh): Madam, I have heard the debate so far with much interest and I find that there is a lot of praise for the Finance Minister. I also join in giving him the credit for bringing a Budget which is a surplus Budget.

SHRI BHUPESH GUPTA: You have been a friend of the Finance Minister.

SHRI C. D. PANDE: I am a friend of his but you will see that I will not deflect from my duty. He has given widespread relief as far as the salaried classes are concerned. As far as the middle classes, the upper middle classes, are concerned, the relief given in direct taxation is a considerable one and we thank him for it.

SHRI RAJENDRA PRATAP SINHA (Bihar): What about the higher brackets?

SHRI C. D. PANDE: Yes, but not in the corporate sector where savings are made. I will come to that later on. But

as far as the direct taxes on income are concerned, the relief is considerable and we are thankful to him for this because this was overdue. But I am constrained to say that I will not be in a position to give that much of praise as my friend, Mr. Rajendra Pratap Sinha, or Mr. Pathak, has given to the Finance Minister because I feel that much better could have been done in the present circumstances. There is one thing that is very bad about our Budget and that is, for the last two or three years, in practice we provide for an under-estimation of income.

Our Budget shows far more income than the estimates. The result is that last year we had a surplus of Rs. 253 crores. That is unprecedented anywhere in the world. To have a surplus of 253 crores of rupees in a Budget of Rs. 1,600 or 1,700 crores is not good budgeting. It should have been more or less within the estimates. I can understand your having Rs. 10 crores this way or that way, but to have a surplus of Rs. 250 crores is unthinkable to a man who is supposed to be knowing finances of this country only too well. But what has he done? In spite of our provision for more income, every year the expenditure has gone up. Budgeting for something and its coming to something else is equally undesirable. Our income has again exceeded in the course of the year. Therefore, I appeal to him to be careful not to have unprecedented surpluses in the years to come.

One thing more which I object to is that in the course of the last two or three weeks he has resorted to changes in the financial structure without coming up with a financial Bill before this House. I refer to the case of duty on imports. A general increase in duty of 10 per cent on imports on the eve of the Budget is unprecedented. He should have waited at least for ten days. What was the hurry? Was it not possible to wait till today to add that measure to the financial Bill?

SHRI BABUBHAI M. CHINAI: There would have been a hue and cry if he had not done that. It is a very fine thing that he did.

SHRI C. D. PANDE: You have your own views and I have my own views. There would have been no hue

and cry. What is the justification that he has given? The justification given by the Finance Minister is that there is great stringency of foreign exchange. I do not understand how he will get more foreign exchange by increasing the duty on imports, because our imports are already scrutinised, controlled by the Government. Every item is scrutinised every quarter or every half-year. And whatever the imports, say, Rs. 1,050 crores, you cannot reduce them whatever duty you may impose, unless you want to destroy the economy of this country. I could have understood if the idea was only to restrict the imports by means of this additional duty. Therefore, when you know that imports will not be reduced any further, how will you save foreign exchange? If you add a duty of Rs. 100 crores to the total imports of Rs. 1,000, to that extent things will be made costlier in this country. But not one crore of rupees will be added to the foreign exchange. Not a single item will be curtailed by your duty. The only thing will be that the cost will go up.

SHRI P. N. SAPRU (Uttar Pradesh): How will you improve your exports?

SHRI C. D. PANDE: I fail to understand why you have not understood. We were trying our best to export. But if you go on increasing the cost of the things produced in this country, can you imagine that you can export?

SHRI P. N. SAPRU: That is exactly what I was saying.

SHRI C. D. PANDE: Thank you, Therefore, it was most inopportune, it was not urgently called for. It could have waited for another three to four weeks and this Budget would have been quite different. The country would have known that instead of eating up the surplus of Rs. 253 crores, we have done away with surpluses and we have added Rs. 90 crores to that expenditure.

"It is said that taxation is going down. It is not so. On the other hand you have taxed the country to the extent of Rs. 90 crores only two or three weeks back.

[Shri C. D. Pande.]

Another thing to which I object is the constant and continuous amendment of the financial laws. The Income-tax law was amended only three days back. We have added some more amendments to the already voluminous financial Bill. We change the Wealth Tax Act and the Companies Act almost every third month. You may say that since people have been escaping from different holes, therefore, it was better to plug those holes. But let me tell you that in the economy of this country you cannot go on playing this cat and mouse game any longer. You have to trust the people.

SHRI BHUPESH GUPTA: What is that game?

SHRI C. D. PANDE: Cat and mouse game. This game cannot be played any longer. They are your own people. In a country there are bound to be all shades of opinion. Certain people may be very bad because they get out from a loophole wherever they find one. Therefore, you say plug the loophole. But by this mentality you are degrading your own people in the eyes of the world and that way you will never succeed in creating any trust and regard for your businessmen abroad. You cannot expect the people coming here to be attracted to invest in this country by these methods.

SHRI RAJENDRA PRATAP SINHA: May I know if the hon. Member wants that the loopholes should never be plugged?

SHRI C. D. PANDE: They should be changed but they should be changed occasionally and carefully. But at the same time you should know that throughout the world there are certain loopholes.

SHRI BHUPESH GUPTA: The hon. Member knows that we are loophole men. That is how we have come here.

SHRI C. D. PANDE: Madam, if your people are so degraded, if your businessmen are so dishonest, you cannot expect any collaboration from outside. But they are not so. If you make them look so, it is

very undesirable. It is a disgrace for the country. We should avoid that sort of situation. If a collaborator from abroad finds his counterpart's house being searched here, the morning papers having announced his name, do you think it is something healthy for this country?

SHRI T. S. PATTABIRAMAN (Madras): Have the foreign collaborators complained anything to that effect when they were here?

SHRI C. D. PANDE: I say do not bring down the prestige of your people in the eyes of the world. There are criminals and offenders everywhere. It is nothing peculiar to this country. (*Interruption by Shri P. N. Sapru*). Anyhow, let me have my say. I am not going to yield. Do not try to bring down the image of your people in the eyes of the world.

SHRI T. S. PATTABIRAMAN: Should we leave the tax evaders?

SHRI C. D. PANDE: Since there is tax evasion, would you say that everybody is a tax evader? Because there is loophole somewhere, therefore, should you go on amending your Acts every day?

SHRI G. H. VALIMOHMED MOMIN (Gujarat): But the raids have succeeded.

SHRI C. D. PANDE: But at what cost? You can reply later on. If you have organised hundred raids and you get Rs. 2½ crores, I tell you it is not worth the trouble. It is not worth the loss that you are put to.

SHRI T. S. PATTABIRAMAN: It has fetched Rs. 58 crores, according to the Finance Minister. You are saying only Rs. 2½ crores.

SHRI C. D. PANDE: If you have searched 500 people and recovered this amount (*Interruption by Shri Dahyabhai V. Patel*) Mr. Patel, I do not want your help either. If you have searched 500 houses, you have brought down so many reputations. You have put so many people in jail and then if you have got Rs. 58 crores, then this Rs. 58 crores is not worth having. You have

brought the name of India down in the eyes of the world. . . .

SOME HON. MEMBERS: No, no.

SHRI C. D. PANDE: in the eyes of the business world. Those who come here for business, they look to the reputation of their counterparts in this country. To that I am referring.

SHRI RAJENDRA PRATAP SINHA: Counterparts in the other parts of the world are . . .

SHRI C. D. PANDE: Why are you getting angry, Mr. Sinha?

SHRI BHUPESH GUPTA: Export them into the Swatantra Party.

SHRI C. D. PANDE: I will leave this question alone. Now I will come to the main point which the Finance Minister should consider. Of course, he has given relief in income-tax.

DR. SYED MAHMUD (Bihar): I object to it because the Finance Minister himself said that the relief is very limited and he is calling it considerable.

SHRI C. D. PANDE: In the Income-tax, relief is considerable for all slabs. Even people having up to one or two lakhs have got reliefs. It is welcome but he should not consider that the corporate sector is beyond the pale of sympathy because, we have a mixed economy. We should have as much sympathy with the private sector as with the public sector. Therefore if the private sector suffers, everybody indirectly suffers. Do not think that the people engaged in business directly, friends like Mr. Babubhai Chinai, only are suffering. They are not the only persons whom we should consider. I should say whether he gains or loses, that is immaterial but if we destroy the economy in the private sector, it is a national loss.

SHRI RAJENDRA PRATAP SINHA: Who is destroying?

SHRI C. D. PANDE: We are ignoring that side in the sense that you feel that this sector does not deserve any help. (*Interruptions*).

SHRI CHANDRA SHEKHAR: Black-mailing should be allowed?

SHRI C. D. PANDE: There is no . . .

SHRI BHUPESH GUPTA: The hon. Member is a 19th Century Tory . . .

SHRI C. D. PANDE: I am being interrupted and my time should be compensated. The Finance Minister makes a very fine plea that this concession will lead to the formation of capital. I say that this is far from the possibility.

SHRI T. S. PATTABIRAMAN: Will the hon. Member clearly tell the facts as to how many private people have gone out because of taxation in the past five years?

SHRI C. D. PANDE: I will tell you.

SHRI BHUPESH GUPTA: He has more sentiments than knowledge.

SHRI C. D. PANDE: Whatever relief has been given. . .

SHRI DAHYABHAI V. PATEL (Gujarat): Let the Congress people themselves settle it.

SHRI C. D. PANDE: Whatever relief has been given, it is expected, will raise the funds for capital. Is it not so?

SHRI BHUPESH GUPTA: How many companies are there . . .

SHRI C. D. PANDE: Any relief just given to me or Prof. Wadia or even Mr. Chinai will not lead to capital formation.

SHRI BABUBHAI M. CHINAI: I do not get any relief.

SHRI C. D. PANDE: I mean any individual, it will not go to capital formation because to incomes in the lower group, up to Rs. 50,000 or Rs. 60,000 even, whatever relief is given, it goes for consumption goods. If I am given a relief of Rs. 500, I will purchase a refrigerator but if there is a relief in the corporate sector, then that money is ploughed back. Whatever industry has been established in the last fifteen years has come out of the reserves built so far and individual contribution is negligible. I have never purchased a single share. I do not know what a share scrip is like. Any relief given to me will not go

[Shri C. D. Pande.]
for capital formation but any relief given to the corporate sector would have directly led to the mopping up of inflation. There is a slight prejudice or differentiation between the two. The Government Loans or securities bear certain interest. That interest is supposed to be earned income. It is five or six per cent. but if a shareholder gets any dividend out of shares, that is supposed to be unearned income. I do not know how there is a difference between money invested in the Government papers and in the shares because if I have done anything in regard to Government Security and if it is earned, it is equally earned when it is profit from the shares . . .

SHRI RAJENDRA PRATAP SINHA:
What is the average earning in share scrips?

SHRI C. D. PANDE: It is seven per cent. and the bank rate is also six to seven per cent.

SHRI RAJENDRA PRATAP SINHA:
Four companies have given 20 per cent. dividends. We are not guided by the price of the shares.

SHRI C. D. PANDE: I am guided by the average profits in the country. The average profit on shares is six to seven per cent.

SHRI BHUPESH GUPTA: No.

SHRI RAJENDRA PRATAP SINHA:
The average is eight per cent. What is the rate of interest on Government Securities?

SHRI C. D. PANDE: It is five per cent.

SHRI RAJENDRA PRATAP SINHA:
Then it is double.

SHRI BHUPESH GUPTA: You have not been properly briefed.

SHRI C. D. PANDE: What is the difference between earned and unearned? The amount is very immaterial.

SHRI BHUPESH GUPTA: Very material.

SHRI C. D. PANDE: What is the characteristic difference between earned and unearned? That is what I say. If you can show me that here you have done something to earn and there you have not, then I will say that I am defeated. I am only making a distinction between what is earned and what is not earned. Investment in this or that is equal. I have neither earned here nor there. If it is earned, it is earned on both. If it is unearned, it is unearned on both. After all it is a question of logic. Loud interruptions do not make for argument.

SHRI BHUPESH GUPTA: Company pays.

THE DEPUTY CHAIRMAN: Mr. Pande . . .

SHRI RAJENDRA PRATAP SINHA:
He may be given more time.

THE DEPUTY CHAIRMAN: I wanted to know how long you will take.

SHRI CHANDRA SHEKHAR: He may be allotted fifteen minutes from Mr. Dahyabhai Patel's Party time.

PROF. M. B. LAL (Uttar Pradesh): Do I take it that the Congress Members are not prepared to allow another Congress Member to speak?

SHRI DAHYABHAI V. PATEL: Has the expropriating tendency of the Congress come to such an extent as to take away my time? I thought that was what Mr. Bhupesh Gupta was doing.

SHRI BHUPESH GUPTA: They are giving you (Interruptions)

SHRI C. D. PANDE: I want to say a few words about planning.

SHRI BHUPESH GUPTA: Half an hour more because we like it.

SHRI C. D. PANDE: Planning has come in for discussion off and on. There is always a criticism that though we call it planning, it never works according to plan. I am referring to certain big industries like the industry of steel or Heavy Electricals

or things which involve big capital and which necessarily take a long time. Mr. Reddy is here and he knows that a steel plant takes a long time, namely, five, six or seven years but it must end sometime, it must come into some production so that you can say that your returns are coming, you are getting something out of it. Last year when planning was surveyed it was said that from the big industries in the public sector we would get Rs 438 crores but the latest figure now shows that we have Rs 100 crores instead of Rs 438 crores. How long can you say that this industry is so big that it takes a long time to come to normalcy and profits will come after a long time? The steel plants were started in this country in 1955-56. When they were brought into operation in 1959-60, I went to Rourkela and Bhilai in 1959 and I saw they had come to a certain stage and we thought within a year they would give us good returns but instead of giving any good return so far, they are not making even the depreciation fund available to the Exchequer. This question must be engaging the attention of the Finance Minister. Mr. Finance Minister.

HON. MEMBERS: Order, order.

SHRI C. D. PANDE: I am sorry, I was asking for his attention. Though I addressed him, I asked for his attention. Whereas last year he told this House that from the public sector big industries we would get Rs 438 crores, to-day by the latest review we are told that the income—not the income, not profit but Depreciation Fund—had been collected to the extent of Rs. 100 crores. Therefore he should assure this House about these. I do not want to belittle them because such big industries cannot be given by our businessmen. I am sure Mr. Babubhai Chinai or anybody in this country cannot give such big industries because they cannot afford to lose money, they have no capacity and they have not got the stamina even. The Finance Minister should look into it. If, suppose, the industry is established in 1959, it takes five years for certain and then an other three years more for production but give us a final day when we can expect profits from Heavy Electricals, from the Steel industry, from fertilizers, from cement plants. I have one figure

SHRI BHUPESH GUPTA: Your figures are all wrong.

SHRI C. D. PANDE: There is the Bhopal Heavy Electricals. Then in the Heavy Electricals alone the annual loss is Rs 5 crores and 80 lakhs, and it is printed in the report itself that this will continue for five or ten years more. So, whenever you plan, it seems your plans go wrong in point of time. (Interruptions) It is reported here that the loss of Rs 5 crores per annum will last for three or four years more. (Interruptions) You ask the hon. Minister. Let him deny. You can verify whether Rs 5 crores a year has been written off or not, and if this loss of Rs 5 crores and 80 lakhs could be converted into a profit next year, I shall be very glad. But from what is printed here it is likely that it will be a loss for the coming many years. Therefore, to meet the huge Plan expenditure you have to see that the big industries in the public sector make a contribution by earning huge profits at least in course of time, and if it does not materialise in the long run, the Finance Minister will be really sorry because, after all, he has to plan. As at present it will not happen that the entire industry comes into the public sector in the foreseeable future. It may come some day. Therefore, if this dismal picture is to continue, then no Finance Minister can work in this country. After all, the sources left otherwise will be drying up and then they will be thrown out of it. A day may come when the public sector will be the sole producer of the goods and will be in sole possession of the industrial production. And if that sector does not grow and provide funds, the Finance Minister will be in great difficulty. Therefore I am sure that his attention must be engaged on this question, to what extent he should expect a return from them, 5 per cent, return or at least no loss from such industries.

SHRI BHUPESH GUPTA: No profit no loss.

SHRI C. D. PANDE: I will be satisfied even then though it will be locking up a capital of some Rs 3000 crores without any profit, without yielding even an interest of 4 per cent or 5 per cent. That cannot also be sustained. But even that is good enough.

[Shri C. D. Pande.]

if there is no loss. Therefore, planning requires that the time planned for a project is correct. Instead of, say, five years, no industry should be allowed to take eight years or nine years, which, for example, is what I see in the Heavy Engineering Industry, Ranchi. From 1955 the thing is hanging fire. We hear that this is being done and that is being done. But so far nothing tangible has been done. In that industry at Hatia, Rs. 150 crores have been invested. And if that sum remains locked up and it does not yield any interest or any profit—it seems to be the picture for the coming 2, 3, 4 years—I should think that you attach no importance to planning. You planned for a return of Rs. 438 crores but the return after so many years has been a meagre sum of Rs. 100 crores. This is no planning. The time set must be planned well and it must be adhered to. Now if, for example, you say that Bokaro plant will go into production in 1969, it must be in 1969; it may even be in 1970, a year more. But it should not be in, say, 1972 or so.

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARI): May I interrupt the hon. Member although I had no desire to intervene now, but I do so to tell things about the private sector? I would like to say also, although he knows a great deal about the private sector, that there are big enterprises in the private sector which have paid no dividends at all in the first eight, nine or ten years, and, secondly, I like to say also that I was responsible at the time for the expansion and modernisation of TATAS and I was assured then that the plant might perhaps go into full production by October, 1959, and I think that probably now they have gone into full production, and they are. I may tell you, very efficient people.

SHRI C. D. PANDE: I hold no brief for the private sector. If they have failed. . .

SHRI ARJUN ARORA (Uttar Pradesh): He wants neither the private sector nor the public sector. What does he want then?

SHRI C. D. PANDE: Mr. Arjun Arora should know what I want. I want an

efficient public sector. I want that the promises given or the calculations made by the Finance Minister or the planners should come true. It is no excuse that Mr. Tata or Mr. Birla has taken more years than were provided for. If you provide for five years, well, let it be six years—we may wait for one more year—but you cannot take unconscionably long time.

I went to Rourkela in April 1959. The blast furnaces were in operation at that time—of course not all the blast furnaces—and now it is 1965 and there is no full production—after going into production in 1959. Mr. Reddy will tell me how this is justified, that it could not attain normal production even in 1965, till the other day. There may be normal production today but there is not at all any profit made . . .

SHRI BHUPESH GUPTA: Is 'earning' your only consideration and not the steel that comes out of that? What is that? Is it not useful for the country?

THE DEPUTY CHAIRMAN: Allow him to continue.

SHRI C. D. PANDE: It is very good; I am not against it, but what I say is that they should adhere to the Plan in terms of time and money and also in terms of profit, and if that is so, the Finance Minister will have derived a great deal of money from the public sector undertakings, and the public sector will have more and more industries brought into it, and in future the people will say, "Do not give anything to the private sector; give it to the public sector." That is my wish and I am sure he will see to it.

[THE VICE-CHAIRMAN (SHRIMATI TARA RAMACHANDRA SATHE) in the Chair]

PROF. B. N. PRASAD (Nominated): Madam Vice-Chairman, we have heard the very enlivening speech of the speaker who preceded me. It has given so much amusement to all of us, and I am sure it has also enabled us to wake from the after-lunch drowsiness.

SHRI BHUPESH GUPTA: Next to Charlie Chaplin, Laurel and Hardy.

PROF. B. N. PRASAD: It is for you to remark, not for me. First of all, I should like to join the number of previous speakers in paying my tribute to hon. the Finance Minister . . .

AN HON. MEMBER: He is not present.

PROF. B. N. PRASAD: Well, he is present; you have got to see.

As I said, first of all, I should like to join the number of previous speakers in paying my tribute to hon. the Finance Minister for the dexterity, ingenuity and originality which he has displayed in framing this Budget. It is optimistic and bold and we are glad that it is a surplus Budget. It has got a number of salient and appreciative features, the primary objective of his Budget being to raise the capacity for individual savings and to improve the performance of industries. This is a notable objective. His determination to take additional measures to mitigate substantially the mischief of unaccounted incomes and wealth is indeed praise-worthy. His policy of discouraging deficit financing is to be very much appreciated. The relief he has given to the public by removing the excise duty on footwear, cycle parts and other articles of common use is very much welcome. The overall picture of the Budget is certainly far better than that of the last year. As such I should like to congratulate the Finance Minister and support the Budget.

We realise that in a poor country like this there are difficulties in raising money for a multiplicity of expenses. The Finance Minister thinks there is scope for additional resources, that mobilisation is not yet exhausted. I quite agree with his views. It is not unlikely that he will be able to find a number of sources, new and old, for raising more revenue for utilisation. Incidentally, I may point out one source, and this is to convert a negative source into a positive source. It is now well known that appreciable portions of

the funds granted to the various Ministries and organisations are not utilised in the best possible manner, and a huge amount is almost wasted. Apart from the huge wastage we know that in very many cases the institutions and organisations receive information regarding the grants made to them very late, sometimes in February and March, and they are required to spend the amount by the end of March. This results in hurried and useless purchases and the amounts of grant do not fully serve their purpose. Thus if the Finance Minister finds it possible to save such huge amounts from being wasted, he will be able to have a substantial amount to be utilised for useful purposes.

Our resources being of a limited type, we have naturally got to give a good deal of consideration to priorities and proportions in making the allotments. We all know that we have got to cut the coat according to the cloth, and therefore, it would be worthwhile to examine the various types of allocations made in the Budget. From this point of view, an analysis of the Budget proposals might be useful. If we take the proposed relief in personal taxation, we find that although literally speaking we can say that there is some reduction, this reduction, in reality, is only a drop in the ocean. The tax rates are still higher in our country than anywhere else in the world. The Finance Minister's argument in defence of the tax rates being higher than those prevailing in the United Kingdom and the U.S.A. is not convincing. It is only in India that prices of foodstuffs, clothing, housing, consumer goods etc. have shot up so high and so suddenly. The people having fixed salaries particularly are very hard hit. If we consider the details of domestic expenditure even of a person whose salary is Rs. 2,000 or more, per month, we know that after the deduction of the taxes he finds that a very insufficient amount is left to meet his and his family's expenses. So there hardly arises any question of savings on which the Finance Minister laid so much emphasis in his speech. It is, therefore, only fair and proper that there should be given to these people adequate relief in personal taxation.

[Prof. B. N. Prasad.]

We also find that the tax structure is rather complicated. The tax structure should be made more simple. It should be simplified so that its calculation may be made by the thumb-rule and not by intricate arithmetic. This will help the assessee and the Income-tax Officers to make ready calculations and it will also save time and also lessen tax evasion. He has come with a provision regarding concealed incomes. The provision asking the concealers to deposit 60 per cent of their concealed income, irrespective of its actual amount, does not seem to be appropriate and fair. The reason is that there may be concealers whose normal taxation may be over 60 per cent. But if they take advantage of this concession they will pay only 60 per cent and not more, and not all that is due from those concealers. This will benefit the richer concealers compared to the smaller ones. The rates of such taxation should be broadly based on a percentage basis on the deposits actually made.

Then there should be a sort of tax stability in the taxation policy. The Finance Minister has announced that all new investments made in new companies would be exempted from Wealth Tax for five years. But is there any guarantee that he would not repeal it next year? Such a provision existed when the Wealth Tax was imposed, but it was repealed later. So I say we should have an atmosphere of having a stable policy in such matters.

There are various items over which one can speak, but in view of the time available and my interests, I would rather confine my attention to one item, namely that of education. I need not use many words here to emphasise the basic importance of education. And the importance of education in a country like ours which is a developing country in the modern sense, is all the more. We find from the Budget figures that the total amount under this head is Rs. 50,84,42,000 only out of a total revenue of Rs. 2,353 crores. That is to say, it comes to about 2.3 per cent only. If we look into the actual break-up under the heading Education, we find that even this paltry amount does not cover the proper items of education only,

because I find from the Explanatory Memorandum given with the Budget, on page 164 that under this amount are included a number of items which cannot be said to belong properly to the item of Education. There are, for example, these items. I shall read out a few of the headings. There is the Tibetan School Society which is given Rs. 48 lakhs or so. There is the School of Planning and Architecture, and there is the National Institute of Foundry and Forge Technology. And then there is the Central Institute of Printing and also Bharat Scouts and Guides. All these items have been given several lakhs and it may all come to several crores of rupees. And all these items are included under the heading of so-called Education. We can realise that in a country like ours where only Rs. 50 crores are allotted for Education and that too has to cover so many items, then the actual amount of money that is really allotted to the item of Education comes to less than 2 per cent of the revenue.

SHRI M. SATYANARAYANA (Nominated): Education is a State subject.

PROF. B. N. PRASAD: I am coming to that. Some say that Education is a State subject. It is a very good plea to cover the matter under a technical point. But education is an item of much wider importance. I may just recall that some years back, perhaps in the year 1950, there was appointed the Kher Ways and Means Committee for education, and if I am not making a mistake, the Chairman of this august House was also a member of that committee. And the recommendation of that committee was that the Central Government should allot 10 per cent of the revenues on items of education. That being so and that being one of their important recommendations, we find that a recommendation of that type does not appeal to our hon. Finance Minister. I should, therefore, say that the amount for Education must be suitably increased.

The Finance Minister has mentioned in the context of direct taxes the names of the U.K. and the U.S.A.

THE VICE-CHAIRMAN (SHRIMATI TARA M. RAMACHANDRA SATHE): You have got only one minute more.

PROF. B. N. PRASAD: I should like to request him also to compare the figures of percentages of the amounts provided for education in the United Kingdom with those in his own Budget. I would now very briefly mention a few points. Although, technically speaking, primary and secondary education may not be considered to belong to the Central sphere, the primary and secondary teachers after all belong to our country. A crisis has set in about which I need not go into details. The whole country is almost in a very critical condition regarding this point. I should personally think, whatever may be the technical difficulties, the hon. the Finance Minister must make it a point to find some money to help these primary and secondary school teachers.

I should like to emphasise one further point, relating to the promotion of scientific research. This is of fundamental importance in all phases of progress, intellectual, cultural, agricultural and industrial and all incentive, stimulus and amenity should be provided for the promotion of scientific research. The Finance Minister has imposed an additional ten per cent import duty on all imports. It will be very desirable and helpful if he could exempt articles required for scientific study and research from this import duty. It will not make any substantial difference in the revenue but it will go a long way to promote the cause of research on scientific matters. I should earnestly appeal to him to give consideration to this matter.

There is just one more point to which I should like to draw attention. I understand that during the time of the former Finance Minister, donations given by philanthropists and businessmen specifically for research purposes were exempt from all taxation. I hope our present Finance Minister will also continue to allow such exemptions for the promotion of research.

I should like to conclude by hoping that the hon. Finance Minister will give greater consideration to education. I am sure that if he is as generous to education as he is to other items, he would be able to find more money for education, especially for research. I also hope he would be able to exempt scientific articles from the ten per cent import duty recently levied. Thank you.

DR. SHRIMATI PHULRENU GUHA (West Bengal): Madam, I rise to accord my support to the Budget proposals as presented by the Finance Minister. I welcome the opportunity to make a few remarks on the Budget. It is gratifying to note that the Budget has provided for a surplus this time. I welcome the tax on urban landed property. It is not necessary for me to go into the details of taxation. The Finance Minister should expect appreciation and I congratulate him but I would like to bring certain points, Madam, for which no appreciation is possible. Madam, I want to draw the attention of the Finance Minister and of the House to a fact which is very disturbing. There is no mention of compensation for the displaced persons from East Pakistan. It is expected that the dealings of the Government would be equal with all people, whether they are displaced from the East or from the West. It is said that as the displaced persons from East Pakistan have property in their name, there is no question of compensation payable to them. It is really surprising to hear this type of remark. I would like the Finance Minister to find out the circumstances under which these people have had to leave East Pakistan, whether there was any scope for them to dispose of their property, whether they are Indian citizens now, whether they have any income from the property in East Pakistan, whether the property left by these people is enjoyed by the people of East Pakistan and the Government or by these people and whether this property is in their name in reality or in name only. I would further request the Government to have a proper enquiry into this and in this enquiry social workers working among the displaced persons from East Pakistan should be associated. The Government

[Dr. Shrimati Phulrenu Guba.]

of India should also take up this matter urgently with the Government of Pakistan. Madam, I feel justice is being denied to them.

Madam, I would like to mention a few points with regard to the Department of Social Security. When this Department was formed last year, everybody was happy, particularly the social workers, and we were looking forward for some lead from this organisation. As a matter of fact, this Department now is nothing but a combination of some departments from the different Ministries. I am extremely sorry to say that there is no lead from this Department yet. I hope at least now this Department would give a lead to the country towards social security measures. We know that the resources are very very limited and we also know that the demand for social security is very great but, Madam, it is expected that this Department will draw up a master plan. A long-term plan must be put before the country, taking into account the social and economic conditions of all sections of the people of the country. The progress of work in this Department should be judged in the light of the total minimum needed for the country. If there is no overall plan for the minimum standard for social security, how can we consider the progress of this Department?

I would like here to point out another fact regarding the status of the Central Social Welfare Board. It was said that statutory power would be given to the Central Social Welfare Board but now we are told that the *status quo* would be maintained. The *status quo* can be maintained for the time being but the people working there should know the scope of work for the future. The *status quo* can also bring in stagnation. The Government have to decide on this issue and I feel that Government cannot vacillate on this issue for years. Excuse me, Madam, if I were to point out to you that Government cannot decide its policy regarding the Central Social Welfare Board because the Central Social Welfare Board and State Social Welfare Boards

are run mainly by non-official agencies and mostly by women. The officials are hesitant to part with their powers particularly to non-officials and women. The old mentality is still there permeating—and I think so—without their knowledge. The plans and programmes for social welfare cannot be implemented without peoples' participation. Credit must be given to the Central Social Welfare Board which has harnessed thousands of non-official workers to implement the programme of social welfare drawn up by the Government. It is the duty of the Government now to give proper status to this body and to get more participation by non-official agencies, organisations and workers. It is no use asking for peoples' participation without giving recognition to non-official agencies and non-official workers. We hope that the action of the Government will be in line with its mind. I may also say, "Please trust the non-officials and the non-officials will reciprocate." Madam, I cannot but

4 P.M. mention another serious problem.

In some business houses some young officers are appointed with very high salaries. Their salaries do not have any bearing with the salaries of their counterparts in other establishments. Some firms do not allow their officers to stay with their families, I mean, in the Indian way and Indian thinking. Even when these officers stay in the same towns where their parents are staying, they are not allowed to stay with their parents by the firms. Again, these officers have to take permission when their parents come to stay with them. The parents cannot stay with their sons without the permission of the firm and that is also granted for a limited time. A serious social implication is involved in some of these appointments. I would like to draw the attention of the Government to the fact that this system is against the very tradition of Indian culture. So I suggest that the Government should take action in such a way that no firm is allowed to have such rules for their officers.

I may humbly submit, Madam, that there is scope for cutting down the expenditure of the administration in general. The overall cost in public under-

takings is quite often very high. The cost has to be considered in the context of the overall picture of the people living in the country. If a very major gap is created between the haves and the have-nots, then it would jeopardise our national economy itself.

Madam, the Government has increased its allocation for family planning. It is very good but it must be remembered that the results do not depend on how much money is spent but how it is spent.

Then there is corruption and black-marketing in the country. There is a great deal of talk about it also. We demand that proper action should be taken by the Government against any person who will be found guilty of corruption or connected with black-marketing. But I think we have also some duty. Our duty is to educate the public not only by words but by example. The public should be taught not to respect persons on account merely of the fact that they are rich. Unless we do it ourselves it will not be so easy for the Government alone to deal with the situation.

I must submit, Madam, that in any democratic society social equality is necessary and priority must be given to education. According to the latest data 71 per cent of the men and 91 per cent of the women in rural areas are illiterate. How can we expect them to have either the culture or the social development that will release their inherent talent for the promotion of social, cultural and economic development of the country? Madam, if you wish your future generation to be educated, you must educate the women. We may congratulate the Government for having developed certain sectors of education like technical education, establishment of national laboratories providing a large number of scholarships, research grants, etc. but I may submit, Madam, most humbly that no country can have a very rosy future if the teachers of the country are neglected. Please look at the salary of the primary and secondary school teachers and also of lecturers of Degree colleges. It may be said that education is a State subject but we all know that unless there is help from the

Centre on this account it is not possible for the States to do much in this sector. It may be noted that the first class students are not coming in large numbers to the teaching profession. It is not the money factor alone that counts; the position of the teacher also counts. I may say, Madam, that the teachers are not given proper position in the society. The administrator usually takes the upper hand over the teaching community because the power lies with the administrator. For sanction for educational equipment and books, the list has to be submitted by the teaching community to the administrators for approval. May I ask, Madam, who has the better knowledge in regard to books and educational equipment, the teacher or the administrator? This position can easily be judged by this one example only. Excuse me if I point out to you that the professors in the universities have little scope to look up for higher recognition because the present tendency is to appoint Vice-Chancellors from among retired Judges or administrators who have had no connection with education or the students. It must be remembered that the job of a Vice-Chancellor is not only administration; he must have intimate knowledge of students. Proper handling of students requires long-standing experience which cannot be achieved without an intimate knowledge of, and working among, students. To my mind, the basic idea behind the selection of Vice-Chancellors is not helpful for the development of universities. If Government think that the services of a retired Judge or an administrator must be utilised for the benefit of the country, please use his talent for the allied field of work for which he has been trained. I am sure the retired Judges and administrators will also be very happy to work in the field which is known to them. Please do not push a Judge or an administrator into a university. Do not think that the problem of a university is only administration. It shows how the mind of the Government is working. I would request the Government that if they want the proper functioning of the universities, they must change their present tendency and I feel that a re-thinking is absolutely necessary.

[Dr. Shrimati Phulrenu Guha]

Madam, with these few remarks, I support the Budget whole-heartedly and thank you, Madam, for having given me the time.

SHRI M. RUTHNASWAMY (Madras): Madam Vice-Chairman, if the socialist heart of my friend, Prof. Mukut Behari Lal, has been hurt by the Budget, I may lay the consoling unction to that heart by referring to the chief traits in the Budget, the leading ideas in the Budget. I think socialism is called social objectives by the Finance Minister in his speech. There are all the leading traits of socialism in the Budget, an attempt at lowering the incomes of the rich, provision for planning of all kinds, especially family planning to which priority is given in the President's Address and even in the colder address of the Finance Minister. But I must say that there is a greater sense of realism, a greater flexibility, a greater sympathy to production in the Budget of this year.

From a statement of the leading ideas of the Budget we may be able to record our opinion on the Budget. One of the first of the leading ideas is that taxation must aim at securing a surplus. The idea behind that is that taxation is a form of saving. Now, if you are going to mop up the savings of the country, the saving possibilities of the country through taxation, you leave less room for actual savings by the individual citizen. In fact, the small savings for the latest year amount to only Rs. 403 lakhs, Rs. 403 lakhs of the latest year saved by a population of 450 millions. The Economic Survey itself acknowledges that "saving in private investment in priority industries has been held back in recent years."

Another leading idea and a new idea is the discouragement of investment in urban property. I wonder if this is the thin end of the wedge of imposing a ceiling on urban income and it has also to be considered whether this will involve a discouragement of industrial and other housing activities. After all, only Rs. 1.5 crores is to be realised from this form of taxation.

Another leading idea of the Budget is the aid given to other countries amounting

to about Rs. 46 crores. Is this for prestige or is it as a kind of enlightened self-interest? When all the money that is available, that can be saved, has to be put into production in the country, I wonder why we are trying to imitate highly developed countries in offering economic aid to other countries.

Deficit financing persists still because the Finance Minister himself has acknowledged that long-term borrowing is a form of deficit financing. And not the least of the leading ideas of the Budget is the action taken against tax evaders and other forms of hidden wealth. The most attractive feature of the Budget is the number of reliefs given. Relief given in a Budget may be of two kinds, one, *ad misericordiam*, in order to help poor people and the other in order to encourage production. In the sphere of indirect taxes relief is given to cyclists, users of coarse cloth, footwear, users of printing and writing paper. Now, I wonder what proportion of the population will use printing and writing paper, coarse cloth or even cycles. Some time ago, it was estimated that the total number of cycles in the country is only four million. Especially to an agricultural population these reliefs do not amount to much.

In the sphere of industry we find that there is an increase in the duty on copper, copper alloys, steel ingots and a number of basic materials for industrial production. Will this increase industrial production? Taxation has affected industrial production. There is no reduction in the dividend tax. It is no doubt true that certain tax benefits and tax credit certificates are given. To that extent these are helps to industrial production.

A series of income-tax reliefs are also given, especially in the higher grades of income. The rate of income-tax on unearned income has been stepped down from 88.25 to 81.25 per cent. and on earned income from 82.5 per cent. to 74.75 per cent. No doubt these are reliefs, but, as Mr. Dahyabhai Patel pointed out, they are marginal reliefs, just like the headmaster in a school reducing his caning from twelve strokes to, say, ten strokes. No doubt it is relief, but what degree of relief?

The Finance Minister has also said that in our country people deriving an income of Rs. 1 to Rs. 2 lakhs enjoy or exercise more economic power than people in highly developed countries getting the same rate of income. But then look at the number of people earning such incomes in this country and in advanced countries. The number of income-tax payers is not more than a million in this country, whereas in the United States of America and England they run to 40, 50 or 60 millions. And if this high rate of taxation among the higher income groups is considered to be a means of producing social and economic equality it is like reducing the heights of Mount Everest, the Kinchinjunga and other high mountains in the Himalayas and distributing, say, the one hundred thousand feet over the one million odd square miles of territory in this country. The level of the country will not be appreciably raised. But we must welcome also the reliefs given to foreign companies, to foreign technicians. All these are aimed at increasing the industrial development of the country. Increase of revenue is also aimed at through prevention of loss and here we come to the methods used to attack tax evaders and hoarders. The methods used by income-tax and other officers look perilously like third degree methods used by the police, if not a reign of terror, a reign of fear among industrialists of all kinds, of all degrees. There is a small-scale engineering firm in Madras whose proprietor I know. He has told me recently that he does not keep any cash in his firm or in his house because he has heard of the raids organised by income-tax officials upon the offices of industrial firms and even the houses of industrialists. There are other methods which can be employed. Why does the Finance Ministry not have its own Detective Services as they have in the U.S.A.?

AN HON. MEMBER: It has.

SHRI M. RUTHNASWAMY: There is a Preventive Customs Service, but there must be a specialised Detective Service. Alexander Hamilton, First Secretary to the Treasury of the U.S.A. who was also one of the founders of the Constitution, among the first things he did, was that he instituted and established a Coast Guard which

would prevent smuggling and the loss of revenue through smuggling. I have written on the importance of establishing a Coast Guard in our country, spoken about it at frequent times and even written to the Finance Minister about it. I hope he will take steps to establish this very necessary Service to prevent the loss of customs revenue. There is a Special Treasury Enforcement Service in the U.S.A., a Secret Service of the Treasury divided into a number of Departments: Division of Investigation of the Bureau of Customs; Federal Bureau of Narcotics and Drugs; Coast Guard; Internal Revenue Service, and so on. The Treasury employs about 3,000 men specialised in intelligence service and detective service. Our Customs and Income-tax officials are not specialised in detection. They may be very good administrators of Customs and the income-tax revenue. It is not fair to them to put them on to this work of detection. Just as the Police has a special Department of investigation, the Central Bureau of Investigation or the C.I.D., so also the Finance Ministry must have its own specialists and trained detective services. It is only then the Finance Ministry will be able to prevent the great loss of revenue that occurs through these tax evaders, the hoarders of wealth and the smugglers.

Then there is the income that may be derived from reduction in expenditure. Administrative expenses are going up. In the present Budget, the Finance Minister has promised us an increase of Rs. 9 crores in administrative expenses. No doubt that Rs. 20 crores are allotted for social and developmental services; but compare that with the Rs. 38 crores that have to be spent on the debt services of the country. Our national debt is growing by leaps and bounds. The total debt of the Central Government in 1950 was Rs. 2,520 crores. It is now in 1964-65 Rs. 9,726 crores. The total debt of the Central and State Governments has risen from Rs. 2,714 crores in 1950 to Rs. 10,775 crores in 1963-64. If the prosperity of a country is to be judged by the debt it incurs, we must be one of the most prosperous nations in the world. All this is due to the fact that the Finance Minister is faced with the problem of not only raising revenue to enable him to help the administration of the country being

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 carried on, but he has also as a member of a socialist Government to realise certain socialistic objectives. On the one side, he has to find money for the socialistic plans, for financing heavy industries in the public sector, and on the other hand, he has to find money, absolutely necessary money for the defence of the country. And then the foreign policy of his Government which prevents the Government from seeking military aid and alliance makes the country dependent upon itself for its defence. Even Rs. 726 crores will not be enough if India is to defend itself adequately. Twice that number or three times that number would be necessary. Naturally, the Finance Minister is torn between these two objectives of ensuring the defence of the country on the one side and of realising the socialistic objectives of his Government on the other side. That is his misfortune and unfortunately it is also the misfortune of the country.

SHRI M. SATYANARAYANA: Madam Vice-Chairman, I rise to make my observations on the Budget presented by our able Finance Minister. The Finance Minister's name in this country will go down in history as one of the ablest hypnotists. He has been trying to hypnotise by using various types of methods for uplifting the economy of this country.

If we look at the figures of the Budgets presented in this House during the last fifteen years, we find that the budget figures have swollen ten to twelve times, and when one looks at the figures now, one feels that we have reached a stage when it is not possible for us to go beyond the figures that we have reached. What was formerly Rs. 350 crores to Rs. 400 crores has risen today to nearly Rs. 2,500 crores and more. There does not seem to be any end to this enlargement of figures. But what do these figures indicate? These figures indicate the type of activity that has been going on in the country for the purpose of enabling the people to live in comfort and peace and to keep their body and soul together. Whether this is going on or not in various sectors and on all fronts of our life or whether only a few people are being benefited, still the starvation deaths are there, the poverty is there, the back-

wardness is there. All this is being debated and a number of people have spoken on this subject. I used to think that man was very important. A stage came when machine became much more important than man. Now the greatest unimportance that one can think of attaching to is money. Man has been defeated by machine. Machine and man, both of them, are being defeated by money. The whole economy of this country, if I am permitted to say so, is only money-centred economy. The whole activity in this country, whether it is social or cultural or political or industrial, whatever it is, is all money-centred. It is in this context that I regard the present Finance Minister as one of the hypnotists who has not only got the necessary intelligence but also the imagination and the capacity to absorb all shocks that a man is capable of absorbing and also to give as many shocks as he can which the body can stand. I really praise him as one of the ablest Finance Ministers for undertaking a task which other people would shudder to undertake. Today, we are not at all criticising him for giving us, as indeed he has given us, a surplus Budget. It is not at all an accident. He has been planning for it and he has planned very successfully. During the last two or three years, he had been planning to give us a surplus Budget so that the people in the country would think that they need not at all pay any more taxes. But the difficulty is, what we have not been able to see, he has been able to conceive, and collect as much money, as much income and as much resources by which he could make the present Budget a balanced one. But while using his wand of this magnetism or hypnotism, I would like him to pay special attention whether he has been able to use his plans in a way by which the whole country as such will be benefited or only a few areas will be benefited. When you look at the problem in this country whether it is in the industrial sector or in the trade sector or in the coastal areas or in the central areas or in the coal mine areas or in any other areas, you will find that this economic activity is concentrated only in a few areas. It is not at all helping to enable men in the different regions to get the percolation of this money as a kind of power to ensure that their body and soul can exist. I would quote figures

for the purposes of elucidation of my point. Generally, it is understood that whatever is done in this country, it must be beneficial to everybody, and people living in the villages, people living in the towns, people living in the industrial areas, people living everywhere, should get the same benefit. For the purpose of avoiding a longer time being taken on this, I would straightway quote figures which I have got with me. If you just take the *per capita* incomes of the different regions, you will find that there is a tremendous amount of disparity. According to the figures supplied by well-known institutions devoted to economic research, Delhi's *per capita* income is Rs. 781.61, for Maharashtra it is Rs. 468.54, for West Bengal it is Rs. 464.62, for Punjab it is Rs. 451.31, for Gujarat it is Rs. 871.61, for Maharashtra it is Rs. very much below these figures. The all-India level is at Rs. 371.19, while Andhra Pradesh gets Rs. 287, U.P. gets Rs. 297 and Kerala gets Rs. 301.4. Bihar has the lowest figures. The Bihar *per capita* income is Rs. 220, while the working forces, that is the economically active population, in the lower income *per capita* group is very much higher there than anywhere else. What does it indicate? It indicates that the lower *per capita* income group contributes the larger number of people. In the result, they get a lesser purchasing power. I say that in a planned economy these disparities are inevitable because we will have to generate wealth and afterwards the wealth has to get itself distributed in a planned way. But what is our Planning Commission doing for the purposes of finding out whether the people get the necessary purchasing power? It is not the human energy that gives money, or that gives food, but it is only the purchasing power, the money power, that gives food. It is not possible for the people living in the remote villages to procure food unless they get employed. This employment should be made available to such of those people who are living in the various sectors of the country, in the various fields of the country. If we look at this problem, the problem not only becomes very difficult but it also makes it a challenge to us so that we may be able to avoid these regional disparities. If we do not avoid these regional disparities, we will get ourselves landed into difficulties.

The reason for that is that we have now recognised, rightly or wrongly, States on a linguistic basis. Each State has got a linguistic conscience, each State has got an economic conscience, each State has got a social conscience. The position is that today each State is looking only to the Centre for the purpose of amelioration. For the purposes of wealth, if they want to prosper or if they want capital, it is not possible for the States to think that they can depend upon their own resources. And their resources are very meagre. Whatever resources are there, they have already been captured by the Centre. The Centre has now become the master of the whole economy of this country and the States have now reduced themselves to a very minor and a very low position. If this is allowed, there will be greater difficulties in this country and those difficulties should be removed only when we have got a parity economy, parity economy in the sense that wherever a man lives—whether he lives in the village or in an industrial area or in an affluent area or where there is the machinery industry, even a man who lives in the village also—he should be able to get for the output that he gives, for the energy that he gives, for the time that he lives, the same type of subsistence allowance as a city man gets. This kind of differences and disparities in the States, disparities in several areas, disparities in the social groups, will ultimately bring this country into a kind of disruption and trouble.

Madam, I would like to say that the concentration of industries in a few areas is largely responsible for this. Take for instance the recent troubles in Madras, I do not know whether the troubles were due to the language problem or they were due to any other reason. I do not want to go into the merits of it although I am associated with the language problem for a long time and I have got plenty of it. My own feeling about the whole thing is that all these troubles had happened at a place where the industries and the prosperity are not at the lowest the concentration of the population, the unrest among the people, the indiscipline among the people and the disparities between one group and the other, all these have en-

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couraged the people to become unruly and undisciplined and made them ultimately resort to such activities by which the State property was destroyed, human bodies were molested and a number of other things happened, of which we have full knowledge. This kind of disparity and this kind of concentration have to be looked into not only by the Finance Minister but also by the Planning Commission. About planning we have been thinking for a long time. I do not know what we have been planning for. I have my own misgivings about it. One of the most important aspects of it is that before one plans, one must know what one possesses. Unless we have a correct list of all our resources, it is not possible to dress them, mould them and make images and use those images for the purpose of planning, so that those images may act as inspiring forces. This has been our drawback and our trouble and we have to convert this trouble, because we have fixed up our objectives at a very ambitious plan. This ambition is quite good as far as our objectives are concerned. But it must also be related to reality. Without having regard to realities, if we go about only with our ambitions, it is not possible for us to have those achievements. They should not lead to disappointments and frustrations and these frustrations will bring a tremendous amount of agony which we will not be able to face in spite of having a very strong Government.

Therefore, I would like to draw the particular attention of the Finance Minister to the regional disparities and request him to have the money-motivated economic activities spread over as much as possible.

With these words, Madam, I support the Budget.

SHRI G. H. VALIMOHMED MOMIN:
Madam Vice-Chairman, I rise to express my sense of appreciation and relief at the surplus Budget proposals presented by our able Finance Minister. When I see the context in which these Budget proposals have come, it appears to me that the words of appreciation and the expression of relief are too poor. He has acted as a doctor,

he has acted as a surgeon, he has acted as a physician, he has acted as a psychiatrist and he has acted as an administrator. Examine the context. We were badly in need of food. It must be provided. We were badly in that psychological atmosphere under which particularly the middle classes and the lower income group people were suffering because of the high prices. He set it straight. He has also looked like an industrialist to the Congressman. He has met both the sections—one with a sense of ideology like the Communists and the other the vested interests, represented by the Swatantra Party. He has cleared through all this and taken the wind out of the sails of all his adversaries. He has created a climate in this country that even under such strenuous circumstances he is prepared to put a surplus Budget in a way that he would not take money from those who need not pay it but he would take it from those from whom it must be taken

Madam, our needs on the food front, expenditure on Defence equipment and Defence has gone up thrice. Economic commitments have been there because we want to build up a socialistic structure. In the public sector we have already invested crores. Therefore, he has so evenly put his Budget proposals that he has provided incentives. He has given concessions. He has given relief to the poor people, as I said. He has also given up deficit financing. He has also given facilities in the shape of concessions. He has simplified the tax structure. So, the argument that the Government is either ruining the industries or ruining the low-income people or the middle-class people, the Finance Minister has marvellously, dexterously met.

Madam, whenever a criticism is made from three fronts, be it the vested interests, be it the socialists,—they may be S.P., S.S.P. or the P.S.P. whatever it is—they themselves may be confused and that is why they do not see socialism. On the contrary, they see socialism conspicuous by its absence in these Budget proposals. Or, they may be Communists, they wait for a time that this ruling party with an able Prime Minister, an able Home Minister, an able Finance Minister and other colleagues do come out with such proposals that a confusion is created, a havoc is

created and then they can fish in troubled waters. To all this he has given a definite reply, "Nothing doing. I will take the money from wherever I can take". And, Madam, as a businessman, probably—I do not know him personally—I am told he is associated with a commercial trust—his eyes went to Bombay. People, after investing Rs. 2 lakhs, Rs. 3 lakhs or Rs. 6 lakhs, were making Rs. 36 lakhs by investing in buildings in the name of construction. The Finance Minister said that this money which they have made should be used towards investment in industry so that employment could be given, industries could be built up and the country could advance.

He has also conducted raids and seizures. And he has also permitted time very wisely. If he had said that the disclosures would be open for all time, probably the people would not come forward. He has given them a date-line that if they came forward within that time, out of their black money, whatever it is, 60 per cent. would be his and 40 per cent. they would be allowed to keep. Morally, of course, we can quarrel with this. But since money is coming forth and since there is criticism that honest people are being harassed, not a single raid has failed. The Enforcement department of the country must be complimented. Not a single man was allowed to let go. Wherever a raid took place, it easily yielded not less than Rs. 10 lakhs. By crores it has come.

Madam, people argued that if the Government wanted money they would be prepared to give it provided there were some concessions. Even there he has set all doubts at rest that their names would not be disclosed or their reputation would not be hurt. "Please come out with that money which you have got because it has brought about this inflationary tendency", he said, "and under which the whole population was groaning". Instead of complimenting him, they are accusing him of harassment. I ask those hon. Members who accuse him of harassment, "You argue for whom?" Please argue for the people and not for the vested interests alone.

Wherever there were difficulties in saving he has given concessions, that people

can say that savings can go in the Savings Certificates, that they can go in further investments.

Madam, he has an eye not only on the heavy industries but he has provided enough money also for the small-scale, medium-sized industries. It may be allocations here or there. There may be pulls and counter-pulls, I am not entering into details. All that I am saying is that these Budget proposals have come at a time when we are facing some internal dissension and when there are threats on the borders from both China and Pakistan. At such a time, do we have to find money or not? Thrice we have raised the money for our Defence equipment. In income-tax also, he has plugged the loopholes. I have read books by one famous Advocate, Mr. Palkiwalla, and others. They have given some economic trends. There is a sort of propaganda going on that if this sort of thing is done, the capital will be shy, the sources will dry up and, therefore, it will lead to chaos and unemployment. The question is, let them earn money but let them pay also to the Exchequer.

Madam, in cases where industries are failing, the State has also come forward with monetary assistance for them, so that they can survive also. If law and order is there, if contentment is there, if our labour laws are respected, and if proper governance of trade unions is there, then there will be a proper climate for the industries to thrive, employment to be secured and then the money would come. Madam, here the money does not come because there are legal advisers, because there are financial advisers, and big contact men to advise them that if there is partnership in Calcutta and Madras, you can avoid tax. A shrewd businessman as he is, he too saw this, and that is why income-tax authorities are given further powers to see that where-as tax evasions have taken place, they are hauled up also. Therefore, for God's sake, for country's sake, for the sake of the millions of poor people, no hon. Member should defend such tax evasions in this august House.

Madam, therefore, I say appreciation alone is not sufficient. We must examine these Budget proposals so that a favourable

[Shri G. H. Valimohmed Momin.]
 climate is created in this country. Let not adverse criticism again cloud the issue. The issues are very clear. We want to build up a socialistic structure. We want to build up a society in which there shall not be exploitation. We want to have equal opportunities for all classes of people irrespective of race, caste or creed. We want to be fair and just to the poor, to the employee, to our officers, to our rich, to our industrialists and to our clerks. We have animus against none. We have prejudice against none. We need the energies and abilities and capacities of all these people. Let them come forward to build up a strong and united India that no more we may have to go to any foreign power, so that we stand on our own feet. There is hope in the country that there is Congress Party ruling in both the august Houses, Rajya Sabha and the Lok Sabha, there are able administrators, and we have got—all said and done—also able officers, be they the police, be they the income-tax authorities, be they the sales-tax authorities who, despite some black sheep, have been acting and supporting a democratic form of government. There is criticism from the hon. Members opposite. They want us to act in such a vacillating manner, in such a panicky manner that they get the opportunity to make themselves popular and defame us. Here is our Finance Minister, Krishnamachari, here is our former Finance Minister, Morarji Desai, against all these mighty people there was a malignant campaign. And that is why, as I said, as a psychiatrist our Finance Minister decided to act in such a way that he set at rest all doubts and all doubting Thomases.

Madam, I think I have said enough. We wish godspeed to the Budget. If the Finance Minister is able to show savings this year, probably he may be emboldened to give us further surplus budgets so that we can build up a strong India and fulfil the dream of our late lamented leader, Pt. Jawaharlal Nehru. I have done, Madam, Thank you.

SHRI M. C. SHAH (Gujarat): Madam, before I touch the subject proper of Budget discussion, with your permission I would like to make one suggestion. You know

that there are two Houses here in the Parliament. There are several States which have two Chambers, the Assembly and the Council, but from practical knowledge of the Bombay State, I would say that in Bombay the practice is, when the Budget is presented in the Assembly, when the speech is read by the Finance Minister, simultaneously in the Council another Minister reads the same speech. I would request the Government to consider what is the difficulty if this practice is adopted here.

SHRI MULKA GOVINDA REDDY (Mysore): Have a Joint Session.

SHRI M. C. SHAH: In the Rajya Sabha gallery in Lok Sabha, on the day of the Budget, everyone of us is interested to hear the Budget and its implications and it becomes so overcrowded. We are nearly 250 Members here in the Rajya Sabha. More than 150 would like to hear the speech and go to the gallery of the Lok Sabha. I was there personally for the last 2 or 3 years from the time I have come here. Everyone of us is anxious to hear the Budget Speech but there the over crowding is so much that it is very difficult to accommodate all Members in that gallery. Therefore I submit to the Government what is the difficulty if an arrangement is made to read the same speech simultaneously in this House. One might question that this House has not got financial powers but in any case we are discussing the Budget. We are allotting four days in this House for discussion of the Budget. If this power is there, of discussing the Budget, may I request the Government and the Leader of the House to consider whether this House could not be given an opportunity to hear the speech by any Minister simultaneously in this House.

SHRI MULKA GOVINDA REDDY: Why not have a Joint Session?

SHRI D. P. KARMARKAR (Mysore): That may also be considered.

SHRI M. C. SHAH: I would join the chorus of our Members in complimenting our Finance Minister for presenting a balanced Budget without any fresh taxation after a series of years. One can under-

stand that he has done his best in trying to meet the complex economic situation present in our country and he has also tried to look to the necessities of defence and development and, in addition, he has tried to help the common man and the lower-income bracket man by giving some concessions but I feel, coming from rural areas, that the concessions and help that have been given are not sufficient. The plight of a man residing in the villages, since fifteen years of independence, has not improved, if not worsened. It is very necessary that some active steps are taken to see that the people residing in the rural areas and in the villages feel that they are governed by a national Government which is anxious for their well-being and welfare and that they get due share of benefit in the complex of the country as a whole. I would also like to draw the attention of the House that we have seen Budgets presented in the various States recently. Almost all of them are deficit Budgets. One does not understand what is the idea behind, but I read in the papers that in the Mysore Assembly, when the Budget was presented, it was a deficit Budget and the Minister said "We have taxed our people to their saturation capacity and there is no scope whatsoever of taxing more in Mysore and therefore the Central Government must come to the help of the State and try to fill up the gap." If that is the mentality in all the States, because all the States have presented deficit Budgets, I do not know whether the Central Finance Minister has ascertained that these States have tried their best to pool their resources and whether a proper case has been made out for Central assistance. If that is not done, I am afraid all of them would press to have greater and greater assistance from the Centre and they will not try to do their best for having utmost income from their own resources.

Secondly, it is a matter of concern—we have had three Plans. We have spent thousands of crores of rupees. The country has progressed, there is no doubt about that, but with the progress of the Plans and with the progress of our projects, unemployment is increasing. One cannot understand why at the end of the First Plan there was unemployment, at the end of the Second Plan there was greater un-

employment and at the end of the Third Plan there was still growing unemployment. I would like to know whether our planners have considered that our Plans should be employment oriented. We have done our best. We can take pride for the progress of the country but if as a result of that—I cannot say as a result of it but as a consequence—we find that as a matter of fact unemployment in the country is daily increasing some thought has to be given as to what we can do for that. How long the people will suffer this plight of unemployment—for years together? Are they not entitled to share the benefits which the people in the other areas get from our projects? Therefore I would humbly request that something has to be done to see that this unemployment does not increase. I am told that by the end of the Fourth Plan the unemployment will still increase. Something has to be done and our projects have to be employment-oriented, otherwise I am afraid this dissatisfaction will flare up and it will be difficult to face it.

I would urge another thing. We all say that India lives in the villages but I do not understand whether we have as a matter of fact substantially strengthened our base. Look at the condition of our villages. I am told that the Fourth Plan will be of about Rs. 22,000 crores but even after fifteen years of independence the village people do not get good drinking, potable water. What can we say to, and how can we face, these people? What is the difficulty? On this question, the Health Minister stated that if they wanted to provide drinking water to all the villages, it would require about Rs. 11,00 crores. Now I submit that with a Plan of Rs. 21,000 crores, is it too much to spare Rs. 11,00 crores for the supply of drinking water to the village people? Is not that going to be a good investment? I wish to suggest that to give employment, let us have a programme of having a good school building, a good panchayat building and no village to be away more than two miles from a good pucca road. Let the panchayats, let the credit societies have sufficient funds and if that is done, I am sure the employment potential will increase to a very large extent and I cannot under-

[Shri M. C. Shah.]

stand, out of the Fourth Plan of Rs. 22,000, why we cannot earmark a good, substantial amount for the rural areas in our country. The various Plans and annual Budgets are meant to make the people happy. What is the Government for, what is the Plan for? The ultimate aim is and should be that the people in our country remain contented, happy; they get the essential requirements of their lives and if that is not provided for, I cannot understand how we can face the majority of our people, who are the majority voters for Parliament as well as for the State Assemblies.

The essentialities of life are: We 5 P.M. must have food. We must have water. We must have education, health and medical facilities. I am not going to take up all these subjects, but I will discuss only two subjects as the time is very limited. Now what is the water position? We have not been able to supply drinking water to all the villages in our country—which is a fact. I do not know what the amount is to be earmarked in the Fourth Plan for drinking-water supply in the rural areas. Something has to be done and let us hope for the best. Secondly, food. For continuously three years, there is a spiral, a rise in prices, and it has become impossible for a middle-class family to make both ends meet. Fortunately for us, the next harvest will come in the market in a very short time. So the trend has changed, the prices have tended to come down, but I am not sure whether it is a permanent feature or a temporary feature. The new crop is coming up, the new crop is coming to the market, and the prices have gone down, but I am not sure whether after the end of April this trend will be maintained, and if unfortunately this trend of prices going down or remaining at a minimum level does not continue and the prices again rise, then the planning is not successful. The country will be in a very bad shape and this spiral of high prices will destroy the faith of the people in the administration.

Then the second question is housing. I have read in one of the reports that in the urban areas, 61 per cent. of the households are living in slum conditions, and in

rural areas, about 82 per cent. of the people live in flimsy huts. In the Third Plan, the progress of housing schemes has lagged behind the targets. In spite of the provision made we have not been able to spend it, and the condition of housing in urban as well as rural areas is highly unsatisfactory and some more serious attention has to be paid to it.

Then all the good schemes that we have, all the good projects that we have in our plans, they have to be implemented by the administrative machinery. I know that we have inherited this machinery from the Britishers. But times have changed and the aspirations of the people have also changed, and one has to admit that the administration has not played its part to that extent. I cannot certainly make a sweeping statement. I know personally of several good officers who are honest, intelligent and very hard-working, but the administrative machinery as a whole has not come up to the expected level in implementing the different schemes and projects. Therefore, if you go to the rural areas, you find cases of neglect and delay, cases of harassment from our administrative machinery, and no proper efforts are made to improve it, and unless good satisfaction is given by the administrative machinery, in spite of all our good intentions, projects and schemes, that co-operation which we expect from our people will not be forthcoming. I would therefore request that certain principles must be laid down to fix responsibility on the officials entrusted with the implementation of projects and see that they lessen wasteful expenditure in the execution of development plans.

About economic development of the country much has been said, but I would like to say this that planning in a democratic country like India is a new experiment, and it always takes time. But even then, if in spite of spending so many thousands of crores of rupees, there is not that satisfaction to the people that they expected, it is time to reconsider, not to race for higher expenditure but to rethink the whole problem afresh, and see what should be done.

Progress towards socialistic society can be measured in terms of success achieved in creating employment opportunities and

for ensuring for every family a minimum standard of essential needs of life.

In the allocation of resources in the Fourth Plan, whether in public or private sector, major consideration should be production of essential commodities and services on an adequate scale. Food and employment are the two main problems before the country for the present. The population rise wipes off the increase in national income and increase in agricultural and industrial production, resulting in high prices. The present crisis is a crisis of confidence. The Government undertakes to do much more than what it can practically achieve. In spite of three Five Year Plans, the people are facing the unbearable burden of high prices and scarcity of essential commodities. Everyone tries to get the maximum for himself with the resulting mentality of scarcity. This encourages hoarding, because one is not sure whether he will get his requirements when necessary.

There has been virtual stagnation in our capital market during the last two years. If taxation is high, savings cannot be had and investment becomes difficult, and this retards production. With a view to re-activate the capital market, the Finance Minister announced certain tax credits on 23rd December, 1964. The regulatory customs duty announced on the 17th of February, of a 10 per cent. rise on all imports, with higher levies on certain other imports, is intended to lower the gap between the landed prices and the current market prices of imported goods. But one fails to understand what was the necessity of this rise of 10 per cent. on imports on the 17th of February when the Budget was to be presented on the 27th of February,

within ten days? Of course, I do believe that the Finance Minister must have had sufficient reasons, but for a lay man, it is difficult to understand. Was it not possible to wait for ten days more and announce them with his Budget proposals? The one idea is that with this increase of 10 per cent. he will get about Rs. 70 to 80 crores annually, fresh income, and from that he has given small concessions to various sections of the community, and that also a fragment of the new income that he will realise by the impost of this 10 per cent. duty on imports. The Budget concedes that the taxation in India has passed safe limits and tax reductions are necessary to stimulate a greater flow of personal savings. In the end, I would say that the tax structure requires that it should be steady for a good number of years. If, every year, changes are made in the tax structure of the country, the result will be that production will not increase, investment will not increase and foreign capital will not flow in the country to the extent that we desire.

Lastly, I will compliment the Finance Minister for the steps he has taken, but I would further remind him that it is necessary that more concessions should be given to people in the rural areas to lift their burden which has become intolerable for the last so many years.

Thank you, Madam.

THE VICE-CHAIRMAN: (SHRIMATI TARA RAMCHANDRA SATHE): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at ten minutes past five of the clock till eleven of the clock on Friday, the 12th March, 1965.