ANNUAL REPORT (1962-63) OF THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI, AND RELATED PAPERS

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI RAM SUBHAG SINGH J: Madarn, on behalf of Shri Manubhai Shah, I beg to lay on the Table, under sub-section (1) of section 619-A of the Companies Act, 1956, a copy each of the following papers: —

(i) Seventh Annual Report and Accounts of the State Trading Corporation of India Limited, New Delhi, for the year 1962-63, together with the Auditors' Report on the Accounts.

(ii) Review by Government on the working of the Corporation.

[Placed in Library. *See* No. LT-2523/64 for (i) and (ii)-]

THE MERCHANT SHIPPING (DISTRESS MESSAGES AND NAVIGATIONAL WARNINGS) RULES, 1964

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI A. M. THOMAS): Madam, On behalf of Shri Raj Bahadur, I beg to lay on the Table, under sub-section (3) of section 458 of the Merchant Shipping Act, 1958, a copy of the Ministry of Transport (Transport Wing) Notification G.S.R. No. 157, dated the 17th January, 1964, publishing the Merchant Shipping (Distress Messages and Navigational Warnings Rules, 1964. [Placed in Library. *See* No. LT-2536/64.]

ANNUAL REPORT (1962-63) OF THE INDIAN CENTRAL TOBBACCO COOMMITTEE, MADRAS AND RELATED PAPERS

SHRI RAM SUBHAG SINGH: Madam, I beg to lay on the Table a copy of the Eighteenth Annual Report and Accounts of the Indian Central Tobacco Committee, Madras, for the year 1962-63, together with the Audit Report on the Accounts. [Placed in Library. *See* No. LT-253&/64.]

ANNUAL REPORT (1962-63) OF THE INDIAN CENTRAL SUGARCANE COMMITTEE AND RELATED PAPERS

SHRI A. M. THOMAS: Madam. I beg to lay on the Table a copy of the Nineteenth Annual Report and Accounts of the .Indian Central Sugarcane Committee for the year 1962-63, together with the Audit Report on the Accounts. [Placed in Library. *See* No. LT-2541/64.]

NOTIFICATIONS UNDER THE ESSENTIAL COMMODITIES ACT, 1955

SHRI A. M. THOMAS: Madam, I also beg to lay on the Table a copy each of the following Notifications cf the Ministry of Food and Agriculture (Department of Food), under subsection (6) of section 3 of the Essential Commodities Act, 1955: —

(i) Notification G.S.R. No. 415, dated the 3rd March, 1964, publishing the Delhi Roller Mill Atta Order, 1964.

(ii) Notification G.S.R. No. 417, dated the 5th March, 1964, publishing the Andhra Pradesh Paddy (Movement Control) Order, 1964.

(iii) Notification G.S.R. No. 418, dated the 5th March, 1984, publishing the Madras Rice Procurement (Levy) Amendment Order, 1964.

[Placed in Library. *See* No. LT-2539/64 for (i) to (iii).]

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THE BUDGET (GENERAL), 1964-65—continued

SHRI N. M. LLNGAM (Madras): Madam Deputy Chairman, the Budget has been before the country for more than a fortnight now, and opinions on it are more or less crystallised. We have seen attacks on it from the so-called Right and the so-called Left but the fundamentals of the Budget

nave come out unscathed. They are that our economy -which is sluggish today should be given a push, that inflation should be reduced and prices brought down as far as possible and, thirdly, the welfare of the common man should be ensured. I think these basic objectives have come out in bold relief after the discussion on the Budget both ki this House and th* other House.

Madarn, the Budget is unique in several ways. It is perhaps the closest analysis of the economic situation confronting the country today. It is a masterly document and a tribute to the keenness of the Finance Minister, his grasp of the subject, his insight into human nature and his bold approach to economic problems confronting the country.

Before I go to analyse the incidence of levies in the Budget, I would like to submit to this House that budget in the present day is something vastly different from what it was some years ago. It is not merely a question of balancing revenues and expenditure. It is not even making provision by additional taxation for a few developmental projects. It has a vital role to perform in a backward economy. It has to mobilise the resources, material and human, of the country for the fastert development of its economy. It is true the Finance Minister has stretched his utmost to husband thf resources of the country. It is also true that he has taken into account the human element in this development process. It is in this context, Madarn, that we have to judge the question of foreign private capital participating in the public sector economy.

Madam, thinkers all over the world who have been exercised on this question of the rate of growth in under-developed countries have come to the conclusion that however much a country tries to pull itself up. it will be difficult unless there is international assistance on a very large scale. The world is veering round to this view that unless more and more as sistance is given, technical assistance, assistance in the form of loans and grants, assistance in the form of im proved terms of trade, an underdeve loped country will find it almost im possible to improve its economy. That is the inescapable conclusion that has been reached by people engaged in solving the greatest challenge of the present times, namely, the emancipa tion of the developing countries. And we see all over the world today, in realisation of this trend of thought, more and more assistance flowing both bilaterally and multilaterally. But, as the Finance Minister has stated, our requirements are on the increase, our burden of servicing past liabilities *iM* increasing and the country has, there fore, to depend not only on assistance from Government-to-Governmeat level but also on assistance from other sources. We have, therefore, to view this assistance by way of participation of private foreign capital in the public sector enterprises in this context.

Objection has been raised that the repatriation of profits of these private firms will be a huge drain, that, at any rate, it will be greater than what the burden would be if we were io raise loans from foreign governments. That is a point of view which has force in it, but why should we be guided by this rigid approach to this question? If in the balance we find that the participation of private foreign capital is more advantageous, in spite of repatriation of profits, than raising of loans from the World Bank or other agencies, why should we not accept such participation for the development of our economy? We a going to blindly accept any oiler; every offer will be examined by the terms and conditions thereof and if they are favourable, if we find that our economy is going to be strengthened by such participation^ we should raise no ideological barrier to ?uch an Inflow of assistance from abroad.

Madam, as I said at the outset, our Budget has to be viewed not only in

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the context of our own resources but m the context of the resources available throughout the globe; it is a global strategy that we have to adopt not only in framing our Budgets but also our policies in trying to develop our country.

I come now to the taxation proposals. The taxation proposals have been criticised as being too much in favour of the corporate sector by the so-called left, and the corporate sector itself has said that the Budget proposals do not give either the freedom incentives necessary to infuse dynamism into that sector. I think both the views are wide of the mark. The fundamental objective of the Finance Minister has been to glre all possible incentives to the corporate sector consistent with the needs of development and the objective of an egalitarian society.

We have to face the fact that there is such a thing as the private sector, private enterprise, in our country. You cannot scrap it overnight; it has to be harnessed for the highest good of the country. The Finance Minister has chosen the only method of doing it, namely, by regulating it: by giving incentives and at the same time controlling it by regulations. It is not for me—at any rate, I do not have the time—to analyse the exact incidence of the levies, the additional levies, and the concessions that he has proposed for the corporate sector in the Budget. The Finance Minister has promised to work out the details and to remove the hardships wherever they are noticed. But nobody can quarrel over the approach of the Finance Minister that the corporate sector has to be helped adequately. It is true that very drastic adjustments are indeed necessary to make the private sector, the corporate sector, contribute to the maximum growth of the economy of the country. For instance, there has to be a drastic change in the priorities of investment. Investments have been motivated so long by a desire for profits. They have been channelled into quick-profit-yielding projects. Now, it is for the Government to see that these investments are channelled along the declared order of priorities having in view the larger economic potentialities and development of the country.

Coming to the taxation proposals on individuals, there was great jubilation, that the lower income groups had great relief after the abolition of the Compulsory Deposit Scheme and that the middle income groups were helped by the introduction of the Annuity Deposit Scheme. But there seems to be some disillusionment that the relief expected is illusory and at best, it is only marginal. The Finance Minister has taken pains, while replying to the debate in the other House, to compare the incidence of the relief with the incidence of the Compulsory Deposit Scheme and the taxes of last year. But I would submit to the House that although the Finance Minister is probably right when he **siy»** that the effect of the proposals on the lower income groups is that they are enabled to have more 'carry-home' pay packets, they do not contribute to greater savings in the lower income groups if the ideal or objectives is to encourage savings, then the relief does not achieve the purpose. The relief is so small that it is only expendable. There should be some scheme for savings. I would even go to the extent of saying that the Annuity Deposit Scheme could, with advantage, be extended to one or two slabs below the Rs. 15.000 mark. That would ensure greater savings, at the same time giving relief to the. lower middle income groups. But as a measure of tax relief, it is insignificant, and I would urge upon the Finance Minister to make it more effective if possible, because the revenues from this source are not going to affect the budgetary position materially.

Some Members have objected to what they call the steep rates with regard to the Estate Duty, the Capital

Gains Tax, the Wealth Tax and the Expenditure Tax. These, as we know, constitute a scheme of taxation which is dear to the Finance Minister and which he introduced when he was Finance Minister in 1957.

I do not claim to have worked out the actual incidence of these taxes on property, but I hav$_e$ the impression that they are bound to work harshly, at any rate on certain slabs of income. The Finance Minister himself has not stated how they will not cause any hardship. I only hope that if he finds that they do cause hardship, if they do result in property being sold away completely in meeting the demands of these taxes, he would mitigate the rigours of these levies. It is true the Finance Minister has not been carried away by any ideological considerations in making these levies and, at tbe stage when the two Houses consider the Finance Bill, I am sure the implications of these levies will be taken fully into consideration.

Madam, the central theme, as I said, of the Budget, at any rate one of the themes has been to reduce inflation and bring down prices. But on a review of the Central Government revenues over the years, since 1950-51, and the rise in taxes, both direct and indirect, we see that taxation as a measure of reducing prices has failed. The taxation is supposed to have three-fold objectives, of increasing investments, of restraining consumption and of bringing down inflation, and also a fourth feature if I may say so, of reducing inequalities. Whatever the result of our taxation policies, both direct and indirect, may have been, they have not reduced the prices—there is incontestable evidence between the emergency taxation of 1963-64, and the spurt in prices thereafter. Although the Finance Minister has tried to reduce the amount of deficit financing to the barest minimum the rise in taxation seems to undo his purpose, nor has the Finance Minister's claim that the rise in indirect taxation has helped to reduce inflation proved true.

In fact, whether the Finance Minister admits it or not, the fact before us is that indirect taxation, specially the Excise duties have contributed to Ihe rise in prices. It is therefore time, Madam, that the Government thought of appointing a high-power body to look into the question of the effect of taxation over prices over years and to formulate proposals for altering this tax structure so that we may have a more rationalised structure before we enter the Fourth Plan. We have been relying too much on taxation for achieving the main objectives, but we have not succeeded in all these ohiec-tives. It is also more than a decade since the last Taxation Inquiry Commission was appointed. In view *oi.* all these developments the time haa come to appoint another Commission to go into our taxation policy so that we may have a more suitable tax structure, both direct and indirect, before we enter the Fourth Plan period. A commentator has pointed out that the Budget constitutes a brilliant exercise in the concealment of the effects of the proposals. This is borne out by the fact that the Finance Minister himself felt compelled to issue a series of hand-outs explaining the implications of the various levies contemplated in his Budget speech, but even so the full implications are not clear, at any rate to most laymen like us. But the over-all picture with regard to prices and the welfare of the people appears to be, Madarn, that we have a long way to go before we ensure both a reduction in prices and a fair deal to the common man. I realize that a single Budget cannot achieve much in this direction. But unless we lay emphasis on the improvement of the rural sector by providing employment and by giving massive doses of help for regeneration of villages—for houses, for roads, for providing water-supply, the Budget will not achieve the major objectives it has in view. Tt is growth-oriented, I know, but growth-orientation does not consist In giving a fillip to industry only. Agriculture has to play a vital role. a$_s$ hu I been often stated on the floor of the

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House. But along with agriculture the rural sector, which constitutes nearly 80 per cent of this countiy, has to be reviviiied. The Community Development Project, the co-operative sector, and other agencies set up to help the rural sector have not been adequate for this purpose. There has to be reorientation in the programmes of the Community Development Ministry, and very effective doses have to be given to the rural side for its regeneration, and to mobilise its material and human resources. Simultaneously, Madam, We have to drastically change our planning methods. Planning, though we star'ed on a modest scale, has assumed proportions now, which make us review the whole business of planning in Ihe context of our tapering economic growth and rise in population, We have, I would submit to the House, to cease to think of planning for culture, for thought and for chastening the emotions of the people. We have to mercilessly cut off fads and schemes which touch human life in these aspects. Planning has to be confined to spheres where it results in quickest economic growth and the well-being of the common man. Even in the industry great stress has to be laid on the proper planning of priorities. The Finance Minister relies on the regulations which he has imposed recently for bringing about the proper arrangement of priorities. I hope he will succeed. But unless this priority is enforced ruthlessly, unless all non-development expenditure is cut to the bone, unless the States discipline their finances to bring them in harmony with the central scheme of investing every available resource for development, the time wiH not be long before which we will be caught in an economic morass. So, Madarn, the Finance Minister has made a gallant attempt to husband the resources of the country, but his responsibility does not stop with that. He has to find out ways to put to best use the resources that he makes available to the various agencies of the Government. I know he does not have the power to enforce what he thinks is best. He does not have as much power to spend money as he has for collecting money. But unless it is ensured that what he collects, what he has done with great effort to mobilise resources which involve too huge a burden on the people, unless these resources are spent purposefully for the benefit of the country, all these revenues would be of no avail, and the travail through which the people of the country will have to go will be long.

THE DEPUTY CHAIRMAN; How much more time will you take?

SHRI N. M. LINGAM: In one or two minutes I shall finish.

So, Madam, the responsibility not only of the Finance Ministry but also of the Government is great indeed. The question of raising an underdeveloped country with a vast population constitutes the greatest challenge of our times. The Government have to bestir themselves and make all the necessary institutional and other changes so that we may march to the goal we have cherished with the minimum possible delay.

श्री रमेश चन्द्र शंकरराव खांडेकर (मध्य प्रदेश): उपसभापति महोदया, यह जो बजट हमारे सामने आया हुआ है, इस संबंध में हम चर्चा कर रहे हैं। यह बात सही है कि मिश्रित अर्थ व्यवस्था में जहां पर पब्लिक सेक्टर और प्राइवेट सेक्टर दोनों को डेवलपमेंट का काफी चांस है, काफी मौका मिलता है, वहां पर किसी भी फाइनेंस मिनिस्टर के लिये, वित्त मंत्री के लिये, संतुलित बजट पेश करना बड़ा मुश्किल काम होता है। लेकिन भुवनेश्वर कांग्रेस के बाद हम देखते हैं कि यह जो बजट हमारे सामने आया हुआ है वहां पर जो निर्णय हुये थे उनके काफी प्रतिकूल जाता है। भुवनेश्वर में सत्ताधारी पार्टी ने समाजवाद का प्रस्ताव पास किया, जनतांत्रिक समाजवाद का

प्रस्ताव पास किया और यह आशा की जाती थी कि अब समय आ गया है कि इसी बजट सत्र में कोई खास कदम समाजवाद की ओर उठाया जायेगा। लेकिन जो बजट वित्त मंत्री महोदय ने इस सदन के सामने और राष्ट्र के सामने रखा है, उसे काफी निराशा होती है। समाजवाद का मूल सिद्धांत यह है कि जो डिसपैरिटीज हैं, जो गरीब और अमीर के बीच में एक बड़ी खाई पैदा हो गई है उसको कम किया जाय और इस देश के जो नागरिक हैं उनको जो बेसिक अमेनिटीज हैं, जो मूल चीजें हैं, वे आसानी से प्राप्त कराई जायें, मकान रहने के लिये मिले, कपड़ा पहनने के लिये मिले, दवाई मुफ्त मिले और शिक्षा मुफ्त मिले। ये जो बातें हैं, इन बातों को अगर किसी स्टेट पर परखा जाय तो मैं समझता हूं कि यह जो बजट इस सदन के सामने रखा गया है, यह अत्यन्त निराशास्पद है। हम यह समझते थे कि यह बजट आने के बाद गरीब लोगों को और मध्यम वर्ग के लोगों को कुछ राहत मिलेगी। लेकिन कुछ दिनों के अनुभव से ऐसा मालूम हो रहा है कि गरीब लोगों का और सामान्य नागरिकों का जीवन बड़ा कष्टप्रद हो रहा है। मंहगाई दिन प्रति दिन बढ़ती जा रही है और बेसिक चीजें जो हैं वे उनको प्राप्त नहीं हो रही हैं। कल ही मैं ग्वालियर गया था। एक बड़ा अजीब सा दृश्य उस शहर में दिखाई दे रहा था। हो सकता है कि वैसा दृश्य कई और शहरों में दिखाई दे रहा हो। १५ दिन पहले या महीना भर पहले वहां शक्कर बड़ी आसानी से प्राप्त हो जाती थी। कंज्यूमर कोआपरेटिव स्टोर्स सरकार ने खोले हैं और उनमें जो कोआपरेटिव सोसाइटी के सदस्य हैं उनको आसानी से शक्कर प्राप्त हो जाती थी। लोगों को प्रलोभन दिया गया था कि अगर वे उसके मेम्बर हो जायें तो उनको शक्कर मिलेगी : लेकिन कल का दृश्य देखने के बाद ऐसा मालूम हुआ कि उन मेम्बरों को भी शक्कर नहीं मिल रही है। सारी शक्कर गायब हो गई है। अब वहां परिचय पत्र की एक नई पद्धति चालू की गई है और परिचय पत्र प्राप्त करने के लिये वहां सैकड़ों की भीड़ जमा रहती है। अगर उस शहर की संख्या ३ लाख है तो वह ६ लाख हो जायेगी, ऐसा मालूम पड़ता है। किसी को एक दाना शक्कर भी वहां प्राप्त नहीं हो पा रही है। एक तरह से यही दशा अनाज के बारे में है। जो देशी गेहूं है वह प्रायः बाजार से लोप हो गया है। चावल भी अपर्याप्त हो गया है। सरकार की फेयर प्राइस शाप्स हैं, लेकिन वहां पर जो माल मिलता है उसको लेने के लिये कोई तैयार नहीं है और जो लेते हैं वे ऐसे लोग लेते हैं जो फिर से आटा पिसा कर के उसको दुगुने भाव पर बेचते हैं। इस तरह से जो मामूली सी चीजें हैं प्राप्त होने की वे भी अब अपर्याप्त होती जा रही हैं। इस बजट में इसके बारे में और मंहगाई को रोकने के बारे में कोई भी व्यवस्था नहीं की गई है। यह बड़े दुःख के साथ कहना पड़ता है कि सरकार ने बड़े जोर शोर के साथ यह कहा था कि मंहगाई रोकने के लिये हम फेयर प्राइस शाप्स और कंज्यूमर कोआपरेटिव्ज स्टोर्स खोलेंगे, लेकिन हमारा अनुभव यह है कि ये कंज्यूमर कोआपरेटिव स्टोर्स कम्पलीटली फेल हो चुके हैं। उनके पास पूरा माल नहीं आता है और जो इस तरह से स्टोर्स बने हुये हैं वे ऐसे वेस्टेड इंट्रेस्ट से बने हुये हैं कि सामान्य नागरिक को उनसे कोई फायदा नहीं पहुंचता है। तो सब से बड़ा सवाल जो मंहगाई का है, जो राइजिंग प्राइसेज का है, उसके संबंध में इस बजट में ऐसा कोई कदम नहीं उठाया गया है जिससे कीमतें कम हों और जो बेसिक चीजें हैं वे आसानी से प्राप्त हों।

इस समय हमारा देश दो तरह के संकटों में फंसा हुआ है। एक संकट हमारे बार्डर पर है जिसके बारे में काफी चर्चा इस सदन में हो चुकी है। एक तरफ से चीन का खतरा है और दूसरी तरफ से पाकिस्तान का खतरा है। चीन का खतरा इस वक्त इतना ज्यादा

[श्री रमेशचन्द्र शंकरराव खांडेकर]

दिखाई नहीं दे रहा है, लेकिन हो सकता है कि कभी भी इस देश के ऊपर चीन की ओर से आक्रमण हो जाय। इसके साथ साथ जो परेशानी आज पाकिस्तान पैदा कर रहा है, उससे यह मालूम होता है कि पाकिस्तान और चीन दोनों मिल कर इस देश की जो प्रगति है, इस देश की जो अर्थव्यवस्था है उसको पूरी तरह से अस्तव्यस्त करके, इस देश में अशांति फैलाना चाहते हैं और एक क्रांति का वातावरण फैलाना चाहते हैं जिससे वे और उनके साथी जो इस देश में हैं फायदा उठा सकें। थोड़ा सा बहाना बना करके पाकिस्तान ने, वहां की जो माइनारिटीज हैं जो अल्पसंख्यक हैं, उनको वहां से भगाना शुरू किया है और वहां के हजारों लाखों लोग इस देश में आ रहे हैं। उनको बसाने का एक बड़ा भारी सवाल इस देश के सामने है और इस सरकार के सामने है। यह सरकार उनको बसाने में किस तरह से सफल होगी, यह अभी सन्देहात्मक है। यहां सब लोगों का यह मत है कि वे हमारे भाई हैं, उनको बसाना बहुत जरूरी है और उनको सब सुविधाएं मिलनी चाहियें। लेकिन इतनी बड़ी संख्या में वहां से लोगों के आने के बाद हमारी अर्थव्यवस्था निश्चित रूप से अस्तव्यस्त हो जायेगी, इसमें कोई दो रायें नहीं हो सकतीं इसके संबंध में भी इस बजट में कोई खास सुझाव नहीं है, कोई खास तैयारी नहीं है और अर्नेस्टनेस जिसे कहा जाता है, वह नहीं है।

तो एक तो यह संकट हमारे बार्डर्स पर है और अंदरूनी भी एक तरह का डिसकंटेंटमेंट हमारे देश में पैदा हो रहा है। महोदया, आपने देखा होगा कि गये कुछ हफ्तों में कई संस्थाओं की ओर से विशाल प्रदर्शन किये गये हैं और यह मांग की गई है कि मंहगाई रोकी जाय, प्राईसेज को कम कम किया जाय और इस तरह की जो बेसिक चीजें हैं वे प्राप्त कराई जायें। पहले आल इंडिया रेलवेमैन्स फेडरेशन ने इसी पार्लियामेंट के सामने प्रदर्शन किया। उसके बाद कल या परसों समाजवादियों ने प्रदर्शन किया और गवर्नमेंट सर्विसेज ने १२ तारीख को अपना मांग दिवस मनाया। तो ये जो मांगें हैं, ये जो बातें हैं, ये असाधारण बातें नहीं हैं। एक ओर हम बाहर से संकटग्रस्त हैं और दूसरी ओर अन्दर से एक तरह का असन्तोष हमारे यहां पैदा हो रहा है। हो सकता है कि कभी भी इसका विस्फोट हो जाय। हमने जो अपना समाजवाद का लक्ष्य रखा है और उसके लिये जो हमने अपनी योजनाएं बनाई हैं, उनको कामयाब करने के लिये इन दोनों संकटों का सामना अच्छी तरह से करना बहुत आवश्यक है।

अब वित्त मंत्री जी ने करों के बारे में जो सुझाव दिए हैं उनके संबंध में दो शब्द मैं कहना चाहता हूं। किसी भी सरकार को या किसी भी वित्त मंत्री को अप्रत्यक्ष कर लगाना बहुत आसान बात होती है बजाय प्रत्यक्ष कर लगाने के। प्रत्यक्ष कर लगाने से एक तो लोगों में असंतोष फैलता है और उनकी वसूली में भी काफी कठिनाई होती है और अप्रत्यक्ष कर आसानी से वसूल किये जाते हैं। हमारी आज की जो कर व्यवस्था है उसमें अप्रत्यक्ष कर ही ज्यादा है, बजाय प्रत्यक्ष कर के क्योंकि वह आसानी से वसूल हो सकते हैं। तो मैं यह चाहूंगा कि चूंकि इसका कोई साइन्टिफिक बेसिस इस बजट में नहीं है कि अप्रत्यक्ष कर कितना होना चाहिये और प्रत्यक्ष कर कितना होना चाहिये, उसका कितना प्रोपोर्शन होना चाहिये, तो सरकार उसके लिये एक कमीशन नियुक्त करे जिसके द्वारा टैक्स स्ट्रक्चर के बारे में निश्चित नीति अपनाई जानी चाहिये और उससे लाभ उठाया जा सके। अच्छा होता यदि जो एक्साइज की दरें हैं बेसिक चीजों के ऊपर, मूल चीजों के ऊपर जैसे करोसीन आयल है, मैचबाक्स है, कुछ

मामूली कपड़े हैं, उनके ऊपर कुछ एक्साइज लेवी कम कर देते तो लोगों को काफी राहत होती और महंगाई रोकने में भी काफी सहायता होती ।

वित्त मंत्री ने बजट भाषण में कहा था कि वे २५ करोड़ तक देने के लिये तैयार हैं लेकिन एक्साइस ड्यूटी कम करने के लिये तैयार नहीं हैं क्योंकि उसका फायदा मिडलमैन को होगा । लेकिन मैं इस दलील से सहमत नहीं हूं । अगर सिम्बालिक तौर पर भी कुछ थोड़े से टैक्स कम हो जाते तो देश में एक अच्छा वातावरण पैदा हो जाता और यह जो भाव बढ़ने की टेन्डेन्सी है वह कुछ हद तक कम हो जाती । तो एक्साइज ड्यूटी में कुछ कमी की जाती तो अच्छा ही होता ।

अब, यह ठीक हुआ है कि कम्पलसरी डिपाजिट को रद्द कर दिया गया है । कम्पल्सरी डिपाजिट स्कीम से लोगों में काफी उत्तेजना हो गई थी और काफी आंदोलन भी हुआ और कुछ तो पब्लिक प्रेशर की वजह से कहिए और मैं तो समझता हूं कि पब्लिक प्रेशर की वजह से उतना नहीं बल्कि कम्पल्सरी डिपाजिट वसूल करने में जो दिक्कतें आईं उस का सामना करना सरकार के लिये कठिन हो गया और जो बेचारे सैलेरीड क्लास के थे उनसे ही वह वसूल किया जा सकता था, और किया गया लेकिन जिनकी आमदनी का कोई हिसाब नहीं है, या जो काश्तकार हैं जिनकी आमदनी का अंदाजा नहीं किया जा सकता , उन से कम्पल्सरी डिपाजिट वसूल करने में सरकार असमर्थ रही होगी । एक तरह का यह फेलियर था और इसलिये वह वापिस ले लिया गया और इसमें कोई शक नहीं उसका परिणाम अच्छा ही हुआ । इसमें कोई पब्लिक प्रेशर रहा या जनता को राहत दे ने के लिये वह कदम उठाया गया, यह मानने के लिये मैं तैयार नहीं हूं ।

अब सरकार ने जो एन्यूइटी डिपाजिट स्कीम लगाई है उसके बारे में मैं समझता हूं कि जिस तरह से हमारे देश में करोड़ों का इवेजन होता है, कर इवेड किये जाते हैं , कर वसूल नहीं हो पाते हैं, उसको देखते हुए जिस प्रकार सरकार इसको वसूल करेगी यह समझ में नहीं आता है और यह जो बढ़ाई हुई दरें हैं उनसे सरकार को कहां तक प्राप्ति होगी इस में मुझे शंका है । अभी इनकम टैक्स के बारे में कुछ दिन पहले मालूम हुआ था कि करीब १८० करोड़ रुपये का इनकम टैक्स अभी वसूल किया जाना बाकी है और यह नहीं कहा जा सकता है कि किस प्रकार उसकी जल्दी वसूली की कार्यवाही की जायेगी । इस प्रकार और भी कई टैक्सेज हैं जिनका इवेजन होता रहता है । मुसीबत तो उन लोगों की होती है जो प्रामाणिकता से और आनेस्टली अपना टैक्स जितना देना होता है उतना दे देते हैं । मुझे स्वयं का अनुभव है कि चंद लोग जो टैक्स इवेड करते हैंउनकी वजह से हमारे अधिकारी सबको बेईमान समझते हैं और अगर हमने भी कोई इन्कम टैक्स रिटर्न किया तो वे हमारे रिकार्ड पर विश्वास नहीं करते हैं और हम को परेशान करते हैं और अपना एक आरबिट्रेरी एसेसमेंट करते हैं और उसके ऊपर अपील भी नहीं है क्योंकि अपील का जो प्रोसीजर है, अपील की जो मशीनरी है वह भी उसी प्रकार की है—उसमें कोई जुडिशियल दृष्टिकोण है नहीं, एक्जीक्यूटिव्ह दृष्टिकोण है और उससे कोई राहत नहीं मिलती है । मुझे कई उदाहरण ऐसे लोगों के मालूम हैं जो इनकमटैक्स देना चाहते हैं । पिछले साल भी मैं ने चर्चा की थी जो इनकम टैक्स देना चाहते हैं उनको आसानी से वह टैक्स जो सही है, देने में सहूलियत होनी चाहिये और यह नहीं होना चाहिये कि इनकम

[श्री रमेशचन्द्र शंकर राव खांडेकर]

टैक्स आफिसर कहे कि नहीं साहब, यह आपका अकाउन्ट करेक्ट नहीं है, सही नहीं है । मैं इस पर विश्वास नहीं करता । मेरी जो उन लोगों से टैक्सेज के बारे में चर्चा हुई तो उन्होंने एक ही सवाल किया कि क्या जो हम अपना सही अकाउन्ट देंगे उसको इनकम टैक्स आफिसर मानेंगे ? वे नहीं मानेंगे । तो हम टैक्स देने के लिये तैयार हैं लेकिन वे एक बेसिक अप्रोच लेकर चलते हैं । कि हर आदमी बेईमान है और इस बेसिस पर वे टैक्स का असेसमेन्ट करते हैं । तो फिर सही इनकम क्यों उनको बताई जाये। इस प्रकार का वातावरण इनकमटैक्स अधिकारियों के बारे में जो है वह नहीं होना चाहिये और जो आनेस्ट नागरिक हैं, अच्छे नागरिक हैं, वे अगर अपनी आमदनी का सही सही हिसाब देना चाहते हैं तो उनके सामने कोई दिक्कत नहीं होनी चाहिये ।

इसी संदर्भ में मैं यह कहना चाहता हूं कि एक उदाहरण मुझे याद आया कि इनकम टैक्स आफिसर किस प्रकार आरबिट्रेरिली इनकम एसेस करते हैं । एक प्रोफेसर साहब थे उनकी तनख्वाह का एसेसमेन्ट तो हो गया लेकिन उनकी एडीशनल आमदनी के लिये उनको एक नया फार्म भरने को दिया गया और उस में उन्होंने जो उनको एग्जामिनेशन से आमदनी हुई वह बताई ८०० रुपये । तो इनकमटैक्स आफिसर ने दूसरे साल वह १२०० रुपये कर दी, तीसरे साल १८०० रु० कर दी और इस प्रकार आगे चल कर २४०० रुपये एसेसमेन्ट के लिये कर दी । जब इतना हो गया तो प्रोफेसर साहब ने इन्कम टैक्स आफिसर से कहा कि साहब, यह क्या तरीका है, ? उन्होंने कहा कि इस साल आपकी एग्जामिनेशन से आमदनी ८०० रु० हुई तो दूसरे साल होनी चाहिये १२०० और तीसरे साल होनी चाहिये २४०० । लेकिन वह भूल गए कि हो सकता है दूसरे साल उनको एग्जामिनरशिप नहीं मिली होगी । मेरे कहने का मतलब है कि इन्कम टैक्स आफिसर को भी विश्वास कर के चलना चाहिये और हर आदमी को बेईमान समझना यह उचित नहीं है । तो मैं चाहूंगा कि इनकम टैक्स की वसूली के संबंध में कुछ ऐसा तरीका होना चाहिये जिससे ईमानदार आदमी से टैक्स आसानी से वसूल हो सके। इसी प्रकार जो अपील की मशीनरी है, ठीक है, हाईकोर्ट को रेफरेन्स होता है, मैं भी जानता हूं । लेकिन जो अपीलेट अथारिटी होती है वह अधिकांश रेवेन्यू सरविसेज के होते हैं, उनको जुडीशरी का ज्ञान नहीं होता है और वहां उनका जो रट् चला करता है उसी तरीके से यहां भी चलता है: और दूसरे पौइन्ट्स विचार करने में वे समर्थ नहीं होते हैं ।

इतना कहने के बाद मैं दो शब्द इस संबंध में कहना चाहूंगा कि यह जो हमारी अर्थ व्यवस्था है, मिश्रित अर्थ व्यवस्था है, उससे हमको कुछ फायदा तो जरूर हुआ है लेकिन मैं समझता हूं कि अब समय आ गया है कि हम कछ ड्रास्टिक स्टेप्स अपनी अर्थ व्यवस्था को ठीक करने के लिये लें, तभी हमारी इकानामी डायनेमिक होगी और हम आगे बढ़ सकेंगे वरना जो स्टेगनेशन हो गया है और जैसा कि हमारी तीसरी पंचवर्षीय योजना पर मिड टर्म अप्रेजल की बहस के दौरान जो चर्चा हुई उस से साबित हुआ कि हमारी जो सब से बड़ी कमी है वह अग्रिकलचर के क्षेत्र में हुई है और इसमें कोई दो मत नहीं हैं। और यह कहा गया है कि हमारे यहां बड़े बड़े बांध बन गए हैं और उससे काफी इरीगेशन पोटेन्शियल बढ़ गया है लेकिन मैं जानता हूं जहां तक इरीगेशन पोटेन्शियल का संबंध है अभी शायद एक माननीय सदस्य श्री दिवाकर ने भी कहा था---इरीगेशन के बारे में जो

आंकड़े दिये जाते हैं वे केवल कागजी होते हैं। मैं भी जानता हूं कि हमारे यहां इरीगेशन के वास्ते जो बांध बने हुए हैं उनमें जो पानी जाता है वह काफी मात्रा में वेस्ट हो जाता है । वैसे ही इलेक्ट्रिसिटी का हाल है, न तो उसका उपयोग अभी तक हम कर पाये हैं न कोई इन्डस्ट्री के लिये उसका उपयोग किया जाता है । इलेक्ट्रिसिटी डोमेस्टिक यूज के लिये, अपने ऐश व आराम के लिये ही उपयोग में लाई जाती है और ये जो आंकड़े सरकार की तरफ से दिये जाते हैं वे केवल कागजी होते हैं, उसमें छानबीन की जरूरत है । इसलिये मैं चाहूंगा कि इरीगेशन के बारे में यह जो कहा जाता है कि इतना क्षेत्र इरीगेशन के अंदर है वह सही नहीं है और उसके बारे में जांच होना जरूरी है । जहां पानी है वहां भी काश्तकार इसलिये पानी नहीं लेते हैं कि पहले ही उन पर डेवलपमेंट लेवी लगाते हैं । जैसे कि अगर कोई काश्तकार ६ या १० १० रुपया देता हो तो चूंकि वहां कैनाल आने वाली है और उनको पानी मिलेगा इसलिये उसके ऊपर १२० रु० डेवलपमेंट लेवी लग जायेगी---यह कम हो सकती है या ज्यादा हो सकती है, मैं ठीक नहीं कह सकता लेकिन डेवलपमेंट लेवी इतनी हैवी होती है, इतनी बढ़ी हुई होती है कि वह यह समझता है कि पानी न लेना ही अच्छा है । तो यह जो सरकार का कार्मशियल तरीका है कि जितना खर्चा होगा उतना काश्तकार से वसूल करेंगे ठीक मालुम नहीं होता है । और जो बहुत से कारण इस में कमी होने के हैं उनमें से एक कारण यह भी है ।

अब मैं दो शब्द राष्ट्रीयकरण के बारे में कहना चाहता हूं । मैं इस मत का नहीं हूं कि हर चीज का राष्ट्रीयकरण होना जरूरी है, सब मर्जों की दवा राष्ट्रीयकरण है । मैं इस मत का नहीं हूं और खास कर के इसलिये कि आज का जो हमारा ब्यूराक्रसी है, स्कीमों को चलाने वाले जो लोग हैं वे बहुत इनएफिशियेंट हैं और अगर आप माफ करेंगी तो मैं कहूंगा कि करप्ट हैं इस वजह से जहां नेशनलाइजेशन हो गया, राष्ट्रीयकरण हो गया, वहां अनुभव यही है कि आम जनता को काफी तकलीफ उठानी पड़ रही है । लेकिन चूंकि हमारी मशीनरी निकम्मी है उसका मतलब यह नहीं है कि राष्ट्रीयकरण का प्रिंसिपिल खराब है, वह तो ठीक है इसलिये हमको उसकी तरफ जाना चाहिये और मशीनरी में सुधार करना चाहिये, उसको एफिशियेंट बनाना चाहिये ।

अब, शक्कर का जो यह मडिल हुआ है या हो रहा है उसके कई कारण हैं। अभी मैंने कुछ दिन पहले ही सवाल पूछा था कि ढबरा मिल को चालू क्यों नहीं किया गया तो उत्तर मिला कि वह अभी तक चालू नहीं हुई क्योंकि उनको गन्ना नहीं मिला। यह गलत है, गन्ना वहां काफी है, काश्तकार रोते हैं कि उनका गन्ना सूखता जा रहा है क्योंकि मिल वाले उसे लेने को तैयार नहीं हैं। चूंकि सरकार ने गन्ने का भाव बढ़ा दिया है इसलिये मिल मालिक उस भाव पर गन्ना लेने को तैयार नहीं हैं और बहानाबाजी के लिये कहते हैं कि हमारे पास पर्याप्त गन्ना नहीं है । जो अधिकारीवर्ग हैं उनका भी कहना है कि जितना गन्ना वहां पर है वह दो दिन के लिये काफी नहीं है लेकिन काश्तकारों के पास काफी गन्ना है और चूंकि रोक लगी है इसलिये वह गुड़ भी नहीं बना सकते हैं और गन्ना भी बाहर नहीं भेज सकते हैं। तो हमारी सरकार जो समाजवाद का नारा लगाती है और जो गरीबों की हामी है वह इस तरह के काम कर रही है कि न तो काश्तकारों को गन्ना बाहर ले जाने दिया जाता है, न उन्हें उसका गुड़ बनाने दिया जाता है और न वहां की

[श्री रमेशचन्द्र शंकर राव खांडेकर]

मिल ही उससे शक्कर पैदा करती है । तो इस सब का इलाज एक ही है कि जितना शक्कर का धन्धा है उसे सरकार अपने हाथ में ले और अपने हाथ से ही उसका प्रोडक्शन और वितरण करे। ऐसा करने से ही यह रोग दूर होगा और यह जो मिल मालिकों की प्रवृत्ति है उसके ऊपर रोक लगाई जा सकेगी ।

THE DEPUTY CHAIRMAN; Mr. Khandekar you have taken almost 23 minutes. Please -wind "P-

SHRI H. S. KHANDEKAR: We have 40 minutes, I think.

THE DEPUTY CHAIRMAN: I don't think you have that much time.

SHRI R. S. KHANDEKAR: Anyway, I will finish in another five minutes.

THE DEPUTY CHAIRMAN: Finish in another three minutes.

श्री रमेशचन्द्र शंकर राव खांडेकर : जो मंहगाई बढ़ रही है उसके बारे में मैं कुछ कहना चाहता था। हमारे व्यवसाय के जो मूल स्रोत हैं वे बैंक्स हैं जो कि पैसा देते हैं। तो यह जरूरी है कि उनका भी राष्ट्रीयकरण होना चाहिये । अब यह कोई विवाद का प्रश्न नहीं है लेकिन गवर्नमेंट यह कहती है कि रिजर्व बैंक से सब बैंकों के ऊपर हमने कड़ा नियंत्रण करने की व्यवस्था की है लेकिन कोई उससे बेसिक फायदा नहीं होगा और अब समय आ गया है कि उसका राष्ट्रीयकरण किया जाय ।

कहना बहुत था लेकिन जो दो तीन जरूरी बातें हैं वही कहूंगा । पहले तो राजा महाराजाओं को जो प्रिवी पर्स दी जाती है उसके बारे में दो शब्द कहना चाहता हूं । अब १५, १७ साल हो गये हैं और कोई कारण नहीं है कि उनको लाखों रुपया बतौर प्रिवी पर्स के दिया जाय, वह फौरन बन्द होना चाहिये । इसके बारे में सरकार की ओर से कहा गया कि हम तो सिर्फ ५ करोड़ रुपया देते हैं और हर एक्सेशन में उनका यह भत्ता कम हो जाता है और यह कैसे हो सकता है कि जो एग्रीमेंट है, जो कन्वेनेंट हैं उसकी रक्षा न करें । लेकिन कई एग्रीमेंट थे जिनको कि हमने राष्ट्रीय हित में खत्म कर दिया, जैसे कि हमने जमींदारी खत्म कर दी, जागीरदारी खत्म कर दी । जागीरदारों के साथ ब्रिटिश गवर्नमेंट का एग्रीमेंट यावत् चन्द्र दिवाकर तक का था यानी चन्द्र या सूर्य जब तक है तब तक के लिये उनको सनद मिली हुई थी तो कोई कारण नहीं है कि राजा महाराजाओं को जिनके पास काफी पैसा है इस तरह से प्रिवी पर्स देते रहें और मदद करते रहें । समाजवाद का नारा लगाने वाली सरकार का भत्ते के रूप में इस प्रकार से प्रिवी पर्स देना यह कोई अच्छी बात नहीं है । अभी आपने अखबारों में पढ़ा होगा कि सिविल प्रोसीजर कोड में भी इन राजा महाराजाओं को प्रोटेक्शन दिया हुआ है लेकिन सुप्रीम कोर्ट ने अभी गवर्नमेंट को एडवाइस किया है कि इस बारे में सिविल प्रोसीजर कोड में जो सेक्शन है उसमें अमेंडमेंट होना चाहिये । तो मेरा कहना है कि सिविल प्रोसीजर कोड में इस तरह की व्यवस्था रहना और प्रिवी पर्स का रहना कोई उचित नहीं है । जब हर आदमी समान है हर आदमी के लिये ईक्वल अपारचुनिटीज हैं तो फिर कोई आवश्यकता नहीं है कि प्रिवी पर्स को आप रखें ।

अब मैं डिफेंस मिनिस्ट्री के बारे में दो मिनट में कहूंगा । मैंने पहले भी कहा कि हमारे जो बार्डर्स हैं वे बड़े खतरे में हैं और देश के ऊपर एक संकट छाया हुआ है—इसमें कोई दो राय नहीं है और डिफेंस के लिये जितना बजट चाहिये उतना देने के लिये हमें तैयार रहना चाहिये, लेकिन अफसोस की बात है कि

डिफेंस डिपार्टमेंट की जो रिपोर्ट अभी प्रस्तुत हुई है उसमें यह बताया गया है कि करीब १०० करोड़ रुपया हम खर्च नहीं कर पाये हैं । यह अक्षमता का चिह्न है । कहा यह जाता है कि इसमें फारेन एक्सचेंज इनवाल्वड है लेकिन यह हमारी टाप-प्रायरिटी की चीज है और जहां देश की सुरक्षा का सवाल है वहां इस प्रकार की लेथारजी डिफेंस प्रिपरेशन में नहीं आनी चाहिये । इसके साथ ही साथ डिफेंस में जो कांट्रैक्ट दिये जाते हैं उसके बारे में खास तौर पर आपकी तवज्जो दिलाऊंगा, उसमें काफी रिश्वत अभी भी चलती है, उसमें नेपोटिज्म है, । डिफेंस ऐसा डिपार्टमेंट है जिसके बारे में सीक्रेसी के नाम पर चर्चा नहीं की जा सकती है लेकिन उसके बारे में काफी आरोप हैं । डिफेंस डिपार्टमेंट सरकार की तरफ से एक कमिशन नियुक्त कर के जांच करायेगी तो देखेगी कि डिफेंस डिपार्टमेंट के कांट्रैक्ट में और खास कर के डिफेंस का जो सप्लाई डिपार्टमेंट है उसमें काफी करप्शन होता है ।

अब, मुझे एजुकेशन के बारे में कहना है । उस पर काफी चर्चा हुई है और आपने अखबारों में पढ़ा होगा कि एजुकेशन सिस्टम इतना खराब होता जा रहा है कि हमारे मध्य प्रदेश में जो सेकेंडरी एजुकेशन बोर्ड का इम्तिहान था उसके कई पर्चे चुराये गये और अब वहां फिर दुबारा परीक्षा हो रही है। इस तरह से कितने लोगों को तकलीफ उठानी पड़ती है। जो विद्यार्थी कई महीने से वहां पड़े हुए थे उनको वहां एक महीने और रहने को बाध्य होना पड़ रहा है और इस तरह से काफी दिक्कत होती है । तो मैं यही कहूंगा कि यह सब इसलिये होता है कि एजुकेशन का काम स्टेट्स के ऊपर है और कई स्टेट्स की कार्यक्षमता ऐसी नहीं है कि वह अपने इस कारोबार को चला सकें इसलिये एजूकेशन एक कांकरेंट सबजेक्ट होना बहुत आवश्यक है ।

अन्त में स्टेट्स को जो लोन दिया जाता है, उनके ऊपर जो कर्जा है, स्टेट्स की फाइनेंसेज के बारे में दो शब्द कहना चाहता हूं । काफी स्टेट्स की हालत अच्छी नहीं है और सरकार की चाहिये कि वह इनके ऊपर कड़ा नियंत्रण रखे और वहां की हालत को सुधारे । मैं इस मत का नहीं हूं कि अगर केन्द्रीय सरकार से उनको कोई कर्जा दिया जाय तो जैसे बनिया या साहूकार कर्जा वसूल करता है वैसे ही स्टेट्स से कर्जा वसूल होना चाहिये लेकिन देश एक है और केन्द्रीय सरकार को उनकी जो अर्थव्यवस्था है उसको सुधारने के लिये काफी मदद करनी चाहिये, यही मेरा निवेदन है । धन्यवाद ।

12 NOON

SHRI S. N. MISHRA (Bihar): Madam Deputy Chairman, the Budget we have been discussing in this House is to my mind, a highly sophisticated Budget. One could hardly expect less sophistication than this from the Finance Minister who, if I may say so is considered to be the talented *prima, donna* of the Government, and who only a few years back, when he had presented his first Budget, had caused a good deal of flutter in some of the dove-cots This Budget, Madam, is in a sense a Budget of minor manipulation? and yet a Budget of major trends. I^{+} represents an extraordinary fiscal synthesis, an intricate balancing *ot* measures and countervailing measures. And, therefore, you can say that it has most of the elements of a socialist Budget and most of the elements of a capitalist Budget at the same time. It is like the Mona Lisa smile in which you can read anything and everything.

To an extent, Madam, this is inevitable in the context of the mixed economy that we are operating. Because mixed economy docs not mean monogamy in economics, bigamy continues. And perhaps sometimes, although the queen is named, the choice is very difficult to make between the two attractive sisters.

It is no wonder, Madam, therefore, that this Budget is being subjected to diametrically opposed criticisms and claims. Well, one can say that thi*

[Shri S. N. Mishra.] Budget has given too much incentive to private sector through tax reliefs and concessions as represented by the reduction in Corporate Tax from fifty per cent, to forty-five per cent., substitution of the Super Profits Tax by a low rate of Surtax on a larger capital base, exemption of Inter-corporate investment from Super Profits Tax etc. But one can also assort that the additional imposts to which the private sector is being subjected would amount to no less than eleven crores of rupees The criticism about excessive incentive to the private sector also finds support in some of the measures taken earlier besides some of the measures which are going to be adopted as a result of this Budget. I would particularly like to refer to the withdrawal of the Emergency Risks Insurance Scheme, decontrol of the price of sixteen commodities in respect of which the Mid-term Plan Appraisal did not indicate any shortfall in output targets, liberalisation of capital issues and licensing establishment of the Industrial Development Bank to provide additional resources to the private-sector and relief to the higher incorre brackets.

On the other ha^.d, looking to ths widening and steepening of the Estate Duty, the Wealth Tax, the Expenditure Tax, the Gifts Tax and all the rest of it, one can say that the Budget takes us in the direction of socialism or at least in the direction of reduction of inequalities of income and wealth.

Similarly, I would like to draw your attention to the serious attempt that is beins made in the Budget to attack monopolies and massed economic power. In fact this is going to be the most important measures coming in the wake of this Budget. But, at the same time, there is also encouragement to inter-corporate investment which leads to inter-locking and more concentration of control. Then you have got, in this very context, further encouragement to the foreign collaboration which will also help to strengthen these trends in our economy.

In the same way, if you take the totality of the taxes into consideration, you find that, although there is relief all round, in a manner of speaking, in the balance you are going to get additional resources to the extent of forty crores of rupees or so.

So this shows, Madam Deputy Chairman, the dextrous hand of the Finance Minister who knows the ropes and 'who believes in the dictum "Art lies in concealing art".

Now, i_n the balance what emerges — and this is a very important aspect to which I would like to draw the attention of the House—is something on these lines.

There is going to be a more buoyant and bourgeoning private sector in the organised industry. This is number one. And number two the essence of the measures is going to be the augmentation of savings generating incomes. By that I mean that there are going to be further efforts to increase savings at higher levels of income. Also you would find that although wealth is going to be attacked to some extent—and about that also one cannot say what it would amount to—income is going to be attacked much less. And whatever evil trends or whatever adverse results in social terms might ensue as a result of this policy they would be taken care of through corrective measures later.

That seems to be the broad approach of the Budget. Then, Madarn, I would like to say, summing up this policy, that this Budget i3 predicated on the thesis that it is not advisable at this stage of our growth to interfere with the pattern of income generation and that it would be more advisable to interfere with the real consumption, that is, to change real consumption after the incomes have accrued.

Well, one can differ from this approach and I too differ in some ways from this approach. But I would like the House to remember that in the case of an entirely different approach, political assumptions also will have to be radically different.

This brings me to the more immediately basic points that this Budget represents. The objectives of this Budget, and I think they have been sufficiently stressed by some other Members, are different in a very distinct way from what they are usually supposed to be. For the Finance Minister, the problem was not primarily one of raising resources to meet the requirements of Defence and planning, for that problem Was nearly or almost entirely solved by his predecessor. And, therefore, it has been remarked by some that the Finance Minister, although he is no minor, stands on the shoulder of his predecessor. The problem, as the Finance Minister himself has said, is one of stimulating economic growth and correcting distortions through a reorientation of fiscal policies.

The Budget, to my mind, represents a NEP, a new economic policy, of the Government. Let the hon. Members not look askance at me when I say that this Budget does represent, the NEP of the Government, the new economic policy. The consuming passion of the Finance Minister, in accordance with this economic policy, seems to be to bring about a fever of expansion in the economy. To my mind, it would have been much better if the Finance Minister had come forward with this policy before this House and got it discussed with its basic postulates earlier. With the approval of the House thus secured, probably the Finance Minister would have been better situated to put across this Budget.

The Budget, again, I would like to stress, is not the product of the experiences and difficulties of the last one year. It is not a product of the limited experience of that kind. It is born out of—particularly this is the view I have taken—the assessment and appraisal of the experience of fourteen years of planning. The two aspects of the economy which seem to have worried the Government and formed the basis of the new economic policy seem to be (a) the overall sluggishness of the rate of economic growth and (b) the lopsided growth in low priority directions. Now, let us examine whether, on the test of these, the Budget stands quite well.

During the initial period of the Third Plan, the rate of growth of the economy, as you know, Madam, has been only of the order of 2·5 per cent. as against the target of 5.6 per cent, per annum. An analysis of some of the important industrial programmes would go to show that instead of Five Year Plans, we are now having seven to eight year plans. And that happens in the field of vital industries. So, the result is that the nomenclature of the Five Year Plan is losing its meaning and significance so far as the important programmes are concerned. There has been as you know—and this point has been emphasised very much by hon. Members in both the Houses—a recessionary trend in agricultural production and my fear, Madam, is that we are not going to achieve food production of more than 85 million tons or so by the end of the present Plan, so that there might be a shortfall to the extent of 15 million tons in food production. And as I had on an earlier occasion stressed i» this House we seem to be very keen to conform to the gloomy prognostication of some of the important economists in the West who have said that India and Pakistan would need to import foodgrains for the next IOO years to come. However, that is not the point on which I would like to dilate just now.

In fact, the point that I would like to bring out in greater relief is that looking over the last fourteen years

[Shri S. N. Mishra.] We find that our economy has fallen into a stale rhythm of 3 to 3.5 per cent, rate of growth. Whenever I ponder over this problem I come to the conclusion that this institutional set-up and this political constellation including the leadership—by leadership I do not mean only the leadership provided by this side of the House, that is, by the ruling party but, I include in it also the leadership provided by the various political parties at various levels of national life—are not going to yield a rate of growth of more than 3 to 3.5 per cent. So I call the present leadership as "the 3 per cent rate of growth leadership". That is what the leadership of the country and the political constellation in this country have been able to provide and for that you will have to seek a more radical remedy.

However, as against the near stagnation—and here I come to the Bhubaneshwar Resolution which has been so much talked of in both the Houses, and mostly the Members seem to have got hold of the wrong end of the stick—to which we are grinding, the Resolution promises the fulfilment of the basic necessities of life of the common people by the end of the Fifth Five Year Plan. It would require stepping up the national income by 175 per cent. I do not know to what rate of growth per annum it works out, but it may be not less than 10 per cent per year. Tt is easy to make a commitment but unless we understand the full implications of the commitment we probably are not going to live up to that. Therefore, I would say that this point has not been brought out. The wonderful word 'socialism' has been bandied about no doubt, but in terms of sacrifice and efforts what this is going to mean haa not been brought out. And what role hon. Members have to play in this connection has also not been brought out.

Now, what is the Government's response to this situation? It is in this context that the new economic policy of the Government takes its birth. Obviously the Government thinks that the most important reason for the lack of adequate growth in industry lies in fiscal and related fields. The thesis of the Finance Minister is, our kitty is full—please mark my words—and we cannot spend more on defence and the Plan; so why not give over the resources to the private sector? Now this may be a very correct view to take; I do not want to quarrel with that just now, though even this view can be contested in some manner.

Up till now, Madam, what do we find? The domestic resources have by no means constituted a serious bottleneck in our development and even in the private sector the investment in financial terms has been running all right. There has been no difficulty about that. Then why this concern about the fiscal policy? That is the question which naturally arises and the reasons for the shortfall have to be located elsewhere. That is my submission. The reasons are largely physical and organisational. We are up against certain shortages and limitations in some real resources—in steel, iron, spares and components, power, foreign exchange, non-ferrous metals and the like. But the Finance Minister's diagnosis takes us elsewhere and so the basic assumption of this policy, I beg to submit, does not appear to be sound enough.

And, Madam, I would like you to consider particularly one important aspect of this. If real resources remain static and investment in financial terms- is sought to be artificially stimulated, the result is obvious. It would have an inflationary impact on the economic situation.

There is another snag in this policy but I would not like to dilate on it because the hon. Member Mr.

Lingam has quite rightly stressed this. Economic growth is not only the function of the rate of growth in organised sector of the industry; agriculture as is universally recognised, has to play a larger role. But there can be only two courses before us as to the way incentives can be given to the agriculturists—either by raising the prices of the agricultural commodities or by decreasing the cost of production. It is quite obvious that we cannot go in for the first course because that would lead to rise in prices of tho essential commodities. But we can certainly do something about decreasing the cost of production of the agriculturists. That can constitute real incentives to the agriculturists. We have been talking too much in a very vague way about the help to be given to the agriculturists. This can come about only in the form of subsidies so far as the prices of seed, fertiliser, electricity and the like are concerned.

Madam, now I would like to say a few words about the Compulsory Deposit Scheme, about the abolition of it and the attitude which this abolition connotes. I am not one of those who look for comfort and cheer in the Budgets from year to year because I feel that at this stage of our development we just cannot expect comfort and cheer. We are sentenced to hard work and sacrifice; let there be no doubt about this. Now, what has the Finance Minister done and what has been acclaimed as one of the best features of the Budget? Well, the withdrawal of the C.D.S.! I am probably a little too much Plan-minded, and that I cannot possibly help, having been associated with planning for a fairly long time. But those of us who had supported with a good deal of warmth and enthusiasm the Compulsory Deposit Scheme last year did not do so in a spirit of bravado, in a fit of sadism or in any hysterical outburst against the Chinese aggression. When we did that we thought that the last year's Budget made us feel like a nation; everyone of us felt that we had something to sacrifice for the defence of the country. And that was not the only aspect. The revenue-raising aspect was not very important so far as the Compulsory Deposit Scheme was concerned. Probably that amount of revenue could have been raised in some other ways too. This year, as you know, Madam, Rs. 40 crores have been raised without much furore and that goes to show the skill of the Finance Minister. So last year also it could have been done.

This year we have taken away this Compulsory Deposit Scheme and therefore I think that this Budget radiates a spirit of relaxation if not of complacency. It may be pointed out, as some hon. Members have done, that the Annuity Deposit Scheme takes the place of the Compulsory Deposit Scheme. But it is applicable to those with incomes above Rs. 15,000. That is all right; but what I want to ask is, why do you not allow people with incomes below Rs. 15,000, to have the privilege of participating in the war against aggression and' poverty? The whole nation, to my mind, will have to be in battle dress if we want to be serious about waging a war against poverty and aggression. But that is the spirit which is sought to be destroyed. I must tell you with a little agony that I have been very much pained to see how the very spirit of emergency that such measures as the Compulsory Deposit Scheme symbolised has heen sought to be destroyed. We were not able to keep it up. Here was another chance, a good chance, this emergency I consider it to be almost a blessing in disguise. But we have muffed this chance also and history is not going to excuse us on this account. That is my clear view so far as this is concerned.

Having said that, I would not like to imply, to mean, that the rigours and hardships caused by the Compulsory Deposit Scheme should not have been mitigated. Probably that could have been easily done and there were ways of doing it.

isnri s. JV. Mishra.]

There is another aspect of the Compulsory Deposit Scheme to which we may have to revert in the future and that is this. The Compulsory Deposit Scheme could have been made more attractive; if we had linked it with the provision of facilities for education and health, I have no doubt in my mind that it could have been done. If people were told in these terms about the utility of the scheme, they would have taken in their belts and they would have magnificently responded to our cause. But it is we who are pussy-footing round the situation when the situation requires courage. When the situation required the highest amount of sacrifice, we did not give a call to the people. Let us now come to another chapter.

Instead of having a regime of austerity and hard work we are going in the reverse direction. We had the other day a great and good news, if I may say so, from the Minister of Steel when he promised to the country that we were going to have cheap cars either through the agency of the private sector or through a nationalised unit in the public sector. Now, I do not quite understand it. It beats me completely why we should be so anxious to bring down the price of cars. The other day my wife had to wait at the bus stand for two hours to get a bus for Lajpatnagar. Thus our cities are going without adequate transport. There is inadequate parking space, road and the like. The Prime Minister said some time back that we are at present in the bicycle age. The utmost we could think of therefore, during the course of the next ten years was that we could get into the scooter age. But now we want to jump into the car age, the automobile age. Not only that. As you kn'ow, this programme, if it is implemented, is going to make a heavy draft on our scarce foreign exchange resources and these foreign exchange resources could be devoted to more jssential programmes.

So, you will find that we are seeking to establish all the values of an affluent society. Or else how could we explain the greater and greater production of cars, refrigerators, air-conditioners, nylon and terylene fabrics and the like? And to crown them all, fo_r the cult of the "body the wonderful", we have got the beauty clinics with the latest American services and we have got the glittering hit parades of fashions to show the dress for every hour of the day. And this in a country where the mass of the people live in the most tattered clothes and change them 'only as many times during their lifetime as fashionable ladies in the cities do during the course of a day. So, we are having these glittering parades of fashions for every hour of the day; a particular kind of dress must be worn every hour!

The important point to which J am driving is that our economy is very rapidly getting oriented to the high consumption requirements of the U-sector, the upper classes sector, and the supper-consumption requirements of the top wealthiest few. What does it economically mean? This state of affairs shows $gros_s$ inequality in the distribution of income, ac also the concentration in income generation. In these circumstances, there is bound to be the kind of situation which the Finance Minister laments. The Finance Minister's lament is that the resources are getting diverted into the low priority channela. But if you create conditions of this kind, they tire bound to get diverted into those channels. Of course, the Finance Minister has taken some corrective steps in this connection. He has tried to do it through differential taxation. He has given a ten per cent rebate or so for certain industries. But that is only a flea bite on the profits that are being earned in some other non-essential industries. So, I do not quite know hew this differential taxation is going to work. In fact, had I been in his position I would have taken a more drastic step. If you want to prevent the diversion

of resources into non-priority directions, the axe will have to fall more heavily on non-essential industries. It would require a policy not only of positive encouragement to the industries which we want bus also positive discouragement to th$_e$ industries which we do not want. This the Budget has failed to do. The Budget ha$_s$ only given certain kinds of inducements which, to my mind, are not going to work.

One important aspect of the new policy is to encourage the inflow of foreign equity capital in a much larger measure. No doubt, I realise that we would require foreign exchange resources in a much larger measure in the years to come, particularly, when we think of the Fourth Five Year Plan to be of the order of Rs. 20,000 to Rs. 22,000 crores. The foreign exchange component of that Plan is going to be not less than Rs. 4,500 to Rs. 4,600 crores. That seems to be the estimate at this point of time. So, the Finance Minister naturally feels very much concerned about the prospect of foreign exchange resources.

Then, there are some other factors looming on the horizon. One of them is that the newly independent countries of Asia and Africa are going to make greater and greate$_r$ claim;; on foreign assistance. That being so what is the remedy? This is not the occasion for me to discuss it in great deal. Probably, for that we will have to think of a different structuire of the Plan which would indicate reliance on our efforts much more than it has been in the past. To get to the take-off stage as quickly as possible in a different way it may well be that we will have to change the structure of the Plan. Otheiwise, what is the situation going to be? If We require foreign assistance for defence, foreign assistance for the Plan, foreign assistance all along the line, then it is going to mean a heavy obligation, which it would be difficult to repay.

What does this foreign equity capital mean in terms of real foreign assistance? That is probably not known to the hon. House end they have not gone into the details of this.

THE DEPUTY CHAIRMAN: .1 may just tell you that you have taken half an hour.

SHRI S. N. MISHRA : Now, only five minutes more and I will have done. I am on this important subject which I wanted to raise.

THE DEPUTY CHAIRMAN: I just wanted to remind you.

SHRI S. N. MISHRA: Now, the Finance Minister claims that this policy would relieve him of certain burdens for the present. That may be so. But in the future the obligations are going to be very much greater. The problem is going to be very much aggravated. Let us look it the remittance obligations which have already accrued till now. The remittance of profits has risen from Rs, 23-9 vrores in 1956-57 to Rs. 55-9 crores in 1960-61—Rs. 55-9 crores remittance of profits in one year, and Rs. 36- 8 crores in the first six months of 1961-62. So, the balance of inflow over outflow has been almost nominal. During 1948 to 1959, a period of about twelve years, the inflow was of the order of Rs. 173 crores and the outflow was of the order of Rs. 137 crores. So, the net inflow was only Rs. 36 crores, that is Rs. 3 crores per annum. If you take into account other counter-flows, probably the balance would be nil, even minus. That is what it means in terms of future obligations. So we will have to be very careful.

Madam, as is well known, foreign equity capital also distorts the pal-tern of our investment. It also increases concentration of income and power in our own country, because it is known that it is a billionaire talking to a billionaire. So a billionaire in America would talk Io a billionaire in this country. That is what it comes to. It leads to greater nnd greater concentration of income and control in the country.

[Shri S. N. Mishra.]

Then a word about the participation of foreign equity capital in the public sector. I have no objection to this in principle, and I do not see red everywhere as the hon. Members on the other side do. But let us examine our experience in the past so far as the foreign equity participation in public sector industries is concerned. What is our experience in Rourkela, of German participation in Rourkela? What is our experience of German participation in the Organic Chemicals project and Swedish participation in the H.M.T.? I must submit that our experience in this regard has not been very happy.

Now, Madam, a few words about prices and monopolies and I will have done. If I could do full justice to them, I would have been happy, but then my time is almost over. Madam, about the prices, I must say that the Finance Minister cannot l'.ghtly brush aside the criticism that he has not shown determ-'nation to deal with the price situation effectively. While the situation is becoming explosive and streets in every town and in every city are resounding with the cries of "prices must be brought down or the situation is going to get out of control." the Finance M'nister just cannot brush aside this criticism. He will have to show in his reply, if he can, his determination to face up to the situation. Here I have one suggestion to make, and that is this. It is common knowledge that prices rise high because the incomes rise faster than the output. So, I would submit that there is an urgent need to evolve a national incomes policy. I would, therefore, suggest that there should be a Commission to evolve such a national incomes policy.

Then, Madam, abovit monopolies, I would submit that this Commission should be called not only Monopolies Commission; it should be called a Commission on Monopolies Concentration. I suggest it because I 'eel that there is hardly any case of hurdred per cent monopoly in the country. There might be some technical objections from that point of view. Rut that does not mean that some of the firms do not wield substantial market power. In fact, I was very much perturbed to find, on examination of a particular firm, how it had increased its assets during the course of the last ten years. I would not name the firm, but this business house had its capital worth Rs. 49 crores in 1950. It went upto Rs. 208 crores in 1959, and if this rate of growth continues—let the House take note of this—this firm would raise its assets to Rs. 4160 crores in 1991. That would be the size of this firm, Rs. 4160 crores of assets.

AN HON MEMBER: What about its liabilities?

(Interruption)

SHBI S. N. MISHRA: That is not the point just now. Whatever the case may be, here is the problem of its command over resources of this order. You know. Madam, what a nroblem it constituted in Japan where Ziabtsu had to be broken up by the Occupation Authorities. Probably a stage will come when we too will have to take recourse to such a drastic remedy. But at the same time I must submit that we cannot attack this problem of concentration in a bull-headed way without any circumspection. I do realise that the lack of technically competent personnel, the lack of capital, the small size of the market, etc.,. prevent the entry of new firms. Als6 science and modern technology and the economies of sca'e favour the large units. So, if we interfere with this concentration beyond a point, we might retard growth. That point will have to be taken into account. But the main point which I would like to submit in the context of this Monopolies Commission is that this should also consider the desirability or the practicability of imposing a ceflng on urban property and financial assess. To what extent it is possible to do that, should be one of the terms ot

reference of this Monopolies Commission. Here, Madarn, 1 would also like to add—even though this is not the subject which we are discussing today —that by that I do not mean to gay that if these resources come into the hands of the Government, then the structure of a particular operational unit should be destroyed. Probably the structure might remain intact, but we m.ght get the control over tnose resources into the nands of the Government.

Lastly, it is being claimed—it is probably a point which is generally being made in the context of our socialist advance—that some of these taxes which have been steepened and widened are gorng to take us in the socia.ist direction. I have also spoken somewhat highly of them in the earlier part of my speech. But looking at the poor yield which has also been remarked upon by some of the hon. Members, we find that we will be trailing behind in a very slow coach if we go on at that pace. So, let there be a Committee to go into the ieason? for the poor yield in regard to the gift-; tax, wealth tax and tlie estate duty. The evidence of the eye points to the prospect of a high yield. Why does it happen that we do not get as much yield as we should have?

With these words, Madam, I would like to end, I would say that I can give the Finance Minister only two cheers at this stage. One for having set up before himself the objective of stimulating economic growth, and the second for taking measures to usher in a socialist society. The third I would reserve for the occasion when he would be able to show us that he has shown determination to control prices.

SHRI SUNDAR MANI PATEL (Orissa): Madam Deputy Chairman, I rise to speak something which is a bare truth for all in general though it may be unpleasant and unpalatable to many. Madam, I cannot help if saying so wounds the sentiment of any one.

Madam, the time has come when we should give serious and judicious thought to the working, and the present state of affairs prevailing in the administration, of the Khadi organisation.

During the Second Plan period, the Central Government spent nearly Rs. 87 crores on the promotion of Khadi and village industries. During the Third Plan Rs. 89 crores is provided for. At the Deginning I would like to give some figures which will help in knowing some thing about the disbursement, management, production, sale, profit and loss of the Khadi Organisation. Out of Rs. 89 crores provided in the Third Five Year Plan, Madam, in 1962-63 production has been valued at Rs. 21-22 crores, in 1963-64 Rs. 23-50 crores, and in 1964-65 it is hope^ to be Rs. 27 crores.

Now, let us come to the sales side. In 1962-63 the total sale proceeds were Rs. 20-37 crores. No mention has been made about them for the year 1963-64. It is also stated that this organisation has been able to provide employment to 17" 74 lakhs of people from the rural areas.

From the figures given in the statement, it appears that in 1963-64, the organisation made goods worth Rs. 23-50 crores, and to achieve this production, 17-74 lakh persons were employed. So, now we can see the average out-turn made by every individual empxyed in this organisation. This is hardly Rs. 135 per head per annum. Another point which may be of some interest is the average amount—yearly, monthly and daily—which one employee gets under this undertaking. According to the lastest Report of the Khadi and Village Industries Commission, it is found that 17 lakhs of people were engaged in Khadi production and these workers got nearly Rs. 17 crores as their wages or salaries. So, one worker employed under the Khadi Organisation gets only Rs. IOO a year, I Rs. 8-3 per month and only 27nP.per

[Shri Sundar Mani Patel.] day. Here is a point which deserves consideration: How can a family man witih an earning of 27 nP. per day live, especially in these days of spiralling prices of consumer goods and high cost of living?

Subsequently, another question which strikes my mind is how the workers could keep mum without marching in processions outside Parliament House, when we use to see thousands and thousands o£ workers, engaged in different enterprises who are at least, comparatively better earning than these Khadi workers, shouting outside Parliament House, almost daily. This question also deserves a thorough examination. The authorities may boast by saying that they have solved the unemployment problem of 17*74 lakhs of persons of the rural area. But now it is evident how far they are correct.

Another point which I would like to raise is: Who are these 17.74 lakhs of persons? Do they belong to the poorer section? No, most of them do not belong to the poorer section. The poorer and the weaker sections of the rural areas have ignored this programme, as it is not at all paying to them. I shall reply to this question a little later because, igam, I am. coming to the point wherefrom I began to speak.

The statement shows sale to the tune of Rs. 20.37 crores in the year 1962-63, and this sale was with high discounts. Discounts of 10 per cent, and even 50 per cent at times have been given to improve Khadi sales. Even if the average rebate is taken at 25 percent for the year 1961-62, it may amount to Rs. 5-09 crores. Now, a question arises: Why and for what purpose is such a high rebate allowed? Is it because of generosity? I say emphatically no. Had there been no rebate in the sales of Khadi, I doubt very much if anybody other than the rich, the contractor and the licence-holders, would have purchased Khadi, because if no r»b»*e is allowed in regard to Khadi, no common man would prefer Khadi, since mill-made cloth will be comparatively cheaper.

Next, Madam, if we look into the Report of the Public Accounts Committee of the Third Lok Sabha, Nineteenth Report, it has brought to light some of the facts of this Khadi Organisation, which demand serious consideration by the Government. I shall quote a few of the findings and observations made by the Public Accounts Committee in its Report. They say:

> "The progressive total of sums given as loans by Government up to 1961-62 was Rs. 49.i6 crores. Out of this amount, loans to the extent of Rs. 19.55 crores which had fallen due for repayment to Government in October. 1962, had not been repaid by the Commission. The Commission had stated that the loans were to be continued and that Government had been approached for the renewal of the loans repayable in October, 1962."

Regarding this huge amount of loan, the Public Accounts Committee says:

> "The Committee note from the explanation furnished to them that the loans amounting to Rs. 19-55 crores initially given to the Commission for five vears (repayable by October, 1962) are not expected to be repaid in the foreseeable future. They were also informed that the loans are virtually interest free, annual subsidies being given to the Commission to enable it to pay interest. The Commission received during the years 1960-61 and 1961-62 Rs. 3.64 crores and Rs. 1.97 crores respectively as subsidy. The Committee feel concerned at being told that even in the distant future extending to 30 or 40 years, it was difficult to envisage precisely as to when the necessity of renewal of loans to the Commission would cease and the Khadi industry would become self-sufficient. This seems to

indicate that the term 'loan' is a misnomer in this case and that it virtually amounts to a grant."

The Report has also revealed gross negligence in implementing the suggestions and recommendations made by the Public Accounts Committee in regard to the grants and loans disbursed to the Commission, utilisation of funds, about its utilisation certificates and the refund of unutilised money found with the Commission. They say:

"The Committee would like here to emphasise their previous recommendation made in para 57 of their Seventh Report (3rd i->ok Sabha shall further grants loans should not be made available to those organisations which have not furnished utilisation certificates in respect of earlier grants in time. The Committee also desire to emphasise that a serious view should be taken of the diversion of funds by the grantees for unauthorised objects:

The Committee note from the Audit Report that utilisation certificates were awaited from the State Boards and State Governments practically for the entire amount (Rs. 24-32 crores) disbursed to them from 1957-58 to 1960-61. In addition, such certificates were also awaited from them for a sum of Rs. 2·26 crores disbursed during 1953-57. The Committee are of the view that a special drive on the part of the Commission and the Ministry is neeessary to improve the position."

As regards profit ara loss of the organisation, the Public Accounts Committee comment:

"It is a matter of concern to the Committee that instead of the trad ing activities paying their way as experience is gained, the losses ara steadily rising and even the small profit earned by certain units has been mainly out of the supplies of Khadi made to Government depart ments." ٠٢\

In ragard to a particular branch oi this 'organisation, the Public Accounts Committee point out:

"The fact that out of a total of Rs. 2-54 lakhs disbursed till May, 1958 as loans and grants to Bhopal Rajya Khadi and Gramodyog Sangh, Bhopal as much as Rs. 1:82 lakhs were found refundable on 31st March, 1960, makes it clear that no verification was made of the utilisation of funds given earlier before making further releases. Apparently, the funds were diverted to other purposes. The Committee are surprised that internal audit was undertaken only about two years after the disbursements were completed and, in the meantime, the Commission were complacent about the matter."

When there are accumulated stocks of sub-standard Khadi with the different Khadi-producing institutions, what a dangerous wisdom has acted upon the Government and the Khadi organisation can very well be understood from an observation by the Public Accounts Committee who say:

"The Committee are unable to understand why the surplus and sub-standard Khadi was in the first instance purchased outright and left with respective institutions presumably to be sold by them and subsequently loans amounting to Rs. 1*89 crores were still given to enable the very same stock-holders to repurchase the stocks to be sold at an extra rebate. The straightforward course would have been to ask the stock-holders in the very beginning to sell the stocks at an extra rebate and to reimburse them to the extent Government agreed to share the actual loss."

"The Committee feel that the course actually follow amounts to wrong use of public money, to which they take serious exception."

In this state of affairs, Madam, *now* I venture to say that this Khadi scheme is evidently uneconomic, unproductive

[Shri Sundar Mani Patel.] and unsound. Moreover, it proved not worthy of its cherished objectives of either relieving the unemployment problem or making any headway towards economic upliftment, particularly in the rural areas of our country, though this programme is said to be laying all emphasis on these objectives.

This organisation has been kept alive so long with subsidies of crores and crores of rupees like coramine to a long ailing heart-patient and suffocated with ian unnatural survival. Especially when our country is faced with grave economic hardships, with the foreign loans piling up and the people taxed from all corners, certainly one may be surprised to find such a disgraceful state of affairs in an organisation where the name of Gandhiji is associated. But, in fact, there is nothing surprising as it is well intended, in a planned way, to serve the criminal purpose of a group in the country for their own political ends.

With these few words, Madam, I appeal to the good sense of the Government, especially to the Finance Minister through you to keep his hands off this organisation in order to allow it to proceed towards a natural growth or death.

SHRI JOSEPH MATHEN (Kerala): Madam Deputy Chairman, I join with the good number of the Members of this House to congratulate the Finance Minister for having introduced in this House the Budget for li>64-65, which is rightly thought to be representing the mixed economy that we have accepted as our policy.

With regard to the various policies enunciated in the Budget, and the taxation, and the various incentives offered, I have noth-ng more to comment on as the entire subject has been covered by the hon. Member, Mr. Mishra, analysing each and every taxation, the incentives, and the impact of such measures on the entire nation. It il s>n admitted fact that when we embrace both the private and public enterprise, and we plan according to the policy enunciated by accepting these two together, we cannot satisfy the entire lot of the people by any measure that has been chalked out to plan our future. So it has been extremely criticised by the hon. Members opposite, especially the Communist Benches, that the entire Budget represents what they, in their standard critical way, call the Anglo-American capitalists or the bourgeoisie class. With such a ten-dency to criticise, even if a measure is introduced to curb the use of cosmetics, or something of that sort, the same type of criticism you can hear from that side, because it is a section which does not make a factual study of a measure that is introduced in the House, is a section which supports only those measures that matter to its interests, and not otherwise, and thus it directs all its criticism against otherwise beneficient measures.

Madam, there are certain measures in the Budget, which concentrate on help to the forthcoming of capital for the development of industries. In the same way we have certain measures introduced, which are aimed at decentralising capital, so that the economy may be a socialist OJ.3 at a later stage. All these are mixed up, and so, all of a sudden, we may not be able to say what will be the impact of all the measures that are envisaged in the Budget. So, Madam, I have again to congratulate the Financ* Minister for having chalked out certain policies that are conducive tc a socialist economy. Now Mr. Mishra has given an analysis of the various measures and their impact. That is his view. But the Finance Minister has also taken into account the impact that they would nave on the nation as a whole after the introduction of these measures. Sc, I congratulate the Finance Minister again for his sagacity and his foresight in .lialking out policies that will be con-Jucive to our economy, the socialist ronomy to be established in our ountry within a short period.

Madarn, ,1 do not wish to talk much on the taxation and other measures, but I wish to bring to ihe notice of the hon. Minister some of the im portant needs 'of the country, which should be given priority when we consider the working and implemen tation of the Budget that is placed before us. It has been said to be the policy of our Government tnut pn- mary education should be made com pulsory throughout the (.ountry, to see also that within a short period illiteracy is also wiped out from our country as a whole. Madarn, as [a] result of the great efforts that we haa made, we have been seeing that the children of the 'havenots' are aittiid- ing schools, which are now open to them with all sorts of privileges— free books, no fees, ail these ara there. But still all the children of the have- nots' are not attending the schools, because such children are also asked to work for the maintenance of their families. So, Madam, it is my sug gestion that, along with the implpmen- tation of the existim; schemes, we should have the residential system for those children of the 'havenots' so that they may be brought under s^me supervision, so thai, until they com plete their primary education, we may have these children ui.der some public control. j [

Similarly, Madam, when we think about the implementation of the edu- cational schemes, we will have to think in a national way. It had incessantly been brought to the notice of this House that it is highly necessary that we should have a national schem$_e$ for secondary education. This national scheme is absolutely neees- sary to effect national integration. If according to the present policy each and every State is permitted to have their own regional language as the medium of instruction, I fear, madam, that at a later stage the people from the South may not be able to understand what the people of the North say at a joint conference about the various aspects of education with the various changes that have taken place in this country in the matter of edu- cation, and $_s$uppose some people edu- cated in the South go to the North for a conference at the national level, the people from the South and the North may not be able to understand one another, what the different people have to say on matters of education, some may not be knowing the languages Jn which the other people speak. So, Madam, it is my contention that there should be one and the same language as the medium of instruction throughout the country. I do not say that the present medium of instruction, that has been here in this country for so many years—that is English—should be continued for ever. But as long as we are incapable of introducing Hindi as the medium of instruction it should be the policy of the Government that English should be the medium of higher education—including secondary education—throughout the country. And when We are able to switch over to Hindi as the medium, I shall have no objection in introducing Hindi as the medium of instruction. I am totally opposed to the introduction of regional languages as the media of instruction in the various States.

1 P.M.

Madam, with regard to education I wish to bring to your notice that all these years we had been following the very same educational system that was introduced by Lord Macaulay or some other foreigners in this country. That education was meant for producing clerks for their work, for producing people who could assist them in various other respects. They had ignored technical education completely. Now anybody who has completed his secondary education cannot do any other work except some clerical work. So it is my suggestion that even in the secondary stage we will have to introduce technical education. Every person who ha$_s$ passed the Matriculation and ls keeping idle in this country will have to be given admission to some tech- nical institution for undergoing technical studies, welding or some such thing. A Matriculate who seeks

[Shri Joseph Mathen.] admission in a technical school will have to be given admission and he should be trained in that trade. Madam though even now we have schemes to educate Matriculates in technical subjects, but out of a thousand that apply hardly ten or fifteen are admitted and given training. This system sould go. We will have to embark upon a scheme whereby Marticulates who are still without a job could be absorbed in the developing industries.

Having come to this national demand Madam, I wish to point out that we will have to take a little interest in the development of the underdeveloped areas of this country. It has always been pointed out in this House that while establishing industries, we pay no heed to regional parity and the development of the various regions. Normally, the procedure has been that the regions which have already a sufficient number of industries in their region are again given licences to start industries and the regions which are not developed industrially are ignored. Therefore, in order to maintain regional parity we will have to start more and more industries.

Madam, the, policy of the Government has been to establish industries in areas where raw materials, skilled labour and such other necessities are available. So if an iron and steel project has to be established, we establish it in a region where iron ore is available or coal and such other components are available. It has been repeatedly argued out by the Ministers that it is because of these reasons that some of the industries are concentrated in certain places. But in spite of this policy in the matter of the rubber industry, though rubber is produced in Kerala, it is taken from Kerala to distant places like Calcutta, Bombay and Madras for use, in rubber factories there; rubber factories are established there. There the argument of availability of raw material is not given. So, Madam, my suggestion is that in order to develop the industrially backward areas, areas where raw materials lika rubber are available, such factories shoud be started. Government will have to take the initiative to see that the biggest rubber factory, whether it is for national use or for defence purposes , is established in the Kottayam district or Kerala which is a rubber producing area.

Madam, all the time we have been speaking about the uplift of the down-trodden. Actually the coastal region of Kerala is the most down-trodden area of our country. This region was formerly dependent upon the coir industry. Now because of the establishment of the Coir Board, we are able Io stabilise the coir industry to a certain extent.

In the same way another important section of the population in the coastal region is the one which is depending on fishing. Now millions of people engaged in the industry are really half starved. This industry is not taken care of by the Government. Madam, we had a plan to supply 4,000 mechanised boats during the Third Five Year Plan. But hitherto, even after the completion of the third year of the Third Plan, we could supply only say, 700 mechanised boats out of these 4,000 that were to be supplied.

Again, for a modern, developed, fishing industry we may require nylon nets and other things. Por this we will have to spend a lot of foreign ex change because a lot of foreign exchange is earned by the fishing industry by exporting Prawn and such other variety of fish. But foreign exchange is not being used for the import of nylon to be used by the fishermen who find it difficult to get this stuff. Moreover, the Government has not taken much interest to see that factories to produce nylon yarn are established. The Government, en the other hand, in spite of repeated requests say that they are not in a position to spend so much foreign exchange to start nylon factories. Madam, this is a matter that hasi to be taken into consideration with immediate effect and we will have to supply the necessary modern implements to our fishermen.

Again, Madam, in our socialist economy we need not always repeat that basic necessities [w^ De] extended to the people in general. But there are places in this country where to the millions even good water is not available. They get only saline and brackish water which has completely ruined their health, and it is being sarcastically said that if these people now drink good water they will fall ill; their health will be affected. So it has come to that. So, immediate steps .should be taken to see that good drinking water is given to the entire popub ;ion wherever they may be living. If you feel that we have to establish a socialist economy through the implementation of our Plans and our schemes in the Budget, I hope that the Finance Minister will issue neeessary instructions to see that primary necessities are extended to the people by the implementation of this Budget.

श्री सुरजीत सिंह अटवाल (पंजाब) : मैडेम डिप्टी चेयरमैन साहिबा, मैं बजट को सपोर्ट करने के लिये खड़ा हुआ हूं। मेरे खयाल में हमारे फाइनेंस मिनिस्टर साहब ने जो बजट पेश किया है, इस समय के मुताबिक इससे और अच्छा बजट पेश नहीं किया जा सकता था। बहुतों का खयाल है कि प्राइवेट सेक्टर या प्राइवेट बिजनेस वालों के ऊपर टैक्सेज नहीं लगे हैं या कुछ कम लगे हैं लेकिन ऐसी कोई बात नहीं है। अमीर के ऊपर भी टैक्स लगे हैं और गरीब के ऊपर भी टैक्स लगे हैं। हां, कुछ बातें हो सकती हैं, जैसा कि मेरे दोस्त मिश्र साहब ने कहा है कि बहुत से लोगों के पास १९५२ में अगर ४९ करोड़ रहा हो दस साल के अंदर २०० करोड़ रु० हो जाते हैं उनके भीतर। मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा कि उनको वे चेक करें कि इस तरीके से लोगों के पास इन्डी-बिजुअली दौलत न जमा हो। और टैक्सेज के बारे में मिश्र साहब ने और मेरे दूसरे भाइयों ने, कुछ ने फेवर में और कुछ ने अगेन्स्ट में कहा है। मगर एक पौइन्ट जो मैं फाइनेन्स मिनिस्टर साहब के सामने रखूंगा वह यह है कि पैसा इकट्ठा करना या टैक्स लगाना यही उनका काम नहीं है, यह पैसा इकट्ठा करके किस तरीके से खर्च किया जाता है, इसको भी देखना चाहिये। इस पैसे का, इस टैक्स का बहुत सा हिस्सा हम बड़े-बड़े प्रोजेक्ट्स में खर्च करते हैं जो दूसरे देशों से लोन की सूरत में हम लेते हैं। तो उनको देखना चाहिये कि आया उन प्रोजेक्टों में जो रुपया खर्च किया जाता है, वह वाजिब किया जाता है और जितना खर्च किया जाना चाहिये उतना ही होता है और यह कि जितने समय में वह खर्च होना चाहिये उसी समय में होता है या उससे देर लगती है। मैंने देखा है, बहुत से प्रोजेक्टों में जो काम शुरू किया जाता है, मिसाल के तौर पर, टैन्डर इन्वाइट किये जाते हैं उसमें समय दिया जाता है कि यह काम एक साल के अंदर खत्म करना है। काम के लिये समय देना बहुत जरूरी है; क्योंकि वर्ल्ड वाइड टेन्डर होते हैं, बहुत से बाहर के लोग और बहुत से अपने देश के लोग उन कामों को करने के लिये बड़े हाई रेट देते हैं मगर जब उस टेन्डर पर डिसीजन होता है तो वह डिसीजन करने में भी छः छः सात सात महीने लग जाते हैं जब कि एक साल में काम को खत्म करना होता है। इसकी वजह से बहुत दफा ऐसा भी हुआ है—हमने कई एक दफा गवर्नमेंट को कहा है—कि दस दस परसेन्ट, बीस बीस परसेन्ट तक ज्यादा कास्ट बीयर करनी पड़ती है और वह स्टाफ जो उस काम को करने के लिये रखा जाता है, वह बगैर किसी काम के बैठा रहता है और उनको तनख्वाहें मिलती रहती हैं, क्योंकि प्रोजेक्ट को शुरू करने के लिये डिसीजन लेने में देर होती है। इसलिये मैं फाइनेन्स मिनिस्टर साहब से रिक्वेस्ट करूंगा कि वे हर पब्लिक सेक्टर में जिनके ऊपर इस वक्त मेजर इन्वेस्टमेंट हो रहा है, जो हमारे पब्लिक प्रोजेक्ट में रुपया लग रहा है या प्राइवेट सेक्टर में जो रुपया लगता है, अगर देखें कि

[श्री सुरजीत सिंह अटवाल]

टैक्स कम है तो दूसरे टैक्स लगाकर उनसे रुपया वापस ले सकते हैं। टैक्सेज तो इसलिये लगाये जा रहे हैं कि किसी के पास ज्यादा पैसा इकट्ठा न हो सके। अगर ऐसा है कि प्राइवेट सेक्टर वाले या बिजनेस वाले ज्यादा पैसा कमा रहे हैं या जमा किये जा रहे हैं तो उन पर ज्यादा टैक्स लगा कर रुपया लिया जाता है तो कन्ट्री का मेन रुपया तो पब्लिक सेक्टर में खर्च हुआ करता है, यानी हमारे स्टील प्लान्ट २०० करोड़ रुपये के बन सकते हैं तो पब्लिक सेक्टर में जो ४०० करोड़ रुपये खर्च करके स्टील प्लान्ट तैयार होते हैं, उनको चैक करना चाहिये कि इस तरह से क्यों होता है। मिसाल के तौर पर एक कारपोरेशन हमने बनाया है, जिसको एन० सी० डी० सी० कहते हैं। उसके बारे में इसी हाउस में पेपर्स ले लिये गये हैं और मैं आपको बताऊं कि १.२४ परसेन्ट प्राफिट हुआ था लास्ट ईयर में। सुनकर हमें खुशी होती है लेकिन मैं नहीं समझता कि उन्होंने इतना प्राफिट किया है। कोई छः महीने पहले मुझे एन० सी० डी० सी० के बारे में एक क्वेश्चन के जवाब में बताया गया था कि स्टाफ एन्ड मशीनरी १३ मिलियन टन कोयला रेज करने को है। स्टाफ के लिये भी उतना ही रुपया रखा गया है जो १३ मिलियन टन कोयला रेज करने के लिये चाहिये। मशीनरी उतनी ही है, जितनी १३ मिलियन टन कोयला रेज करने के लिये चाहिये। मगर कोल हम रेज करते ७ से ८ मिलियन टन। इस तरीके से एन० सी० डी० सी० सालाना कोई आठ, नौ करोड़ रुपये लास देता है। मैं फाइनेन्स मिनिस्टर से रिक्वेस्ट करूंगा कि वे इस बात की तरफ अच्छी तरह से गौर करेंगे। मेरा ख़याल है कि एन० सी० डी० सी० के पास जो मशीनरी है वह कम से कम २५ मिलियन टन कोल रेज कर सकती है मगर सरकार के अपने खयाल के तरीके से वह १३ मिलियन टन रेज कर सकती है। तो उस १३ मिलियन टन को और ज्यादा रेज क्यों न किया जाय?

प्राइवेट सेक्टर में २६ रुपये के हिसाब से हायर ग्रेड कोल पब्लिक को बेची की जाती है मगर एन० सी० डी० सी० को ३२ रु० ४० रुपये कोल को रेज करने का खर्चा आता है, यह क्यों? मेरे खयाल में इसलिये कि एक तो अनलिमिटेड रिसोरसेज हम अपने जितने कारपोरेशन्स हैं उनको देते हैं, फिर उसके बाद उनको चेक नहीं करते हैं कि किस तरीके से वे पैसा खर्च करते हैं। कोल कारपोरेशन जैसी जगह में हम आई० सी० एस० आफिसर को बैठा देते हैं, जिनको कोल के मुताल्लिक, स्टील के मुताल्लिक कोई वाकफ़यत नहीं होती है। उनको यह भी नहीं पता होता कि उनके ऊपर क्या खर्चा होना चाहिये, क्या कास्ट होनी चाहिये। तो हमारे लिये जरूरी है कि जो आदमी इन चीजों को, हमारे पब्लिक सेक्टर के प्रोजेक्ट को चला सकें, जो टेक्नीकली फिट हों, उनको ही लाना चाहिये और अगर जरूरत पड़े तो प्राइवेट सेक्टर से ज्यादा पैसा देकर अगर हमको आदमी लेना पड़ता है तो भी लाना चाहिये।

बहुत सी जगह ऐसा भी देखा गया है कि पब्लिक सेक्टर के जो काम होते हैं उनके लिये जो टेन्डर मांगे जाते हैं उनमें अगर कोई लोएस्ट होता है तो उनको काम नहीं दिया जाता, हाइवेस्ट या सेकेन्ड बेस्ट जो कुछ भी हो उनको दिया जाता है। मेरे खयाल में यह निगोशियेसन्स नहीं होने चाहियें। एक दफा जो लोएस्ट टेन्डर सबमिट करता है उसको देना चाहिये। ऐसा करने से करप्शन काफी हद तक रुक सकता है।

दूसरे, हमारे फाइनेन्स मिनिस्टर साहब को यह देखना चाहिये कि जो रुपया हम बाहर के देशों से लेते हैं, उसका हर रुपया हम प्रोडक्टिव्ह प्रोजेक्ट के ऊपर खर्च

करते हैं या नहीं । उनको ऐसे कामों के ऊपर नहीं खर्च करना चाहिये जिनका कोई रिटर्न नहीं आता है । अगर हमारा यह खयाल है कि पब्लिक सेक्टर प्रोजेक्ट में हमको प्राफिट नहीं करना है तो ठीक है, नहीं करना चाहिये । मगर उनकी प्राइसेज तो मारकेट में कम्पीटीटिव्ह होनी चाहियें । तो इसलिये मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा कि वे पब्लिक सेक्टर के ऊपर बहुत ज्यादा रिजिड कण्ट्रोल करें और यह देखें कि जो भी एग्जीक्यूशन आफ वर्क होता है वह उस समय के भीतर हो जाना चाहिये जिस समय में वह दरकार हो ।

टैक्सेज के बारे में मेरा खयाल है कि जैसे आम टैक्स देने वालों की फाइलें खोली जाती हैं वैसे ही उन लोगों की भी फाइलें खोली जानी चाहियें जिनसे इनकम टैक्स की वसूली नहीं हो पाती । मेरे खयाल से उन कम्पनियों को, उन बिजनेसमेन को, उन कन्सर्न्स को चेक किया जाये जो कभी कोई रिटर्न ही नहीं शो करते, जो कुछ भी वे बिजनेस करते हैं गवर्नमेंट को उसके बारे में कभी कोई इशारा नहीं देते और अगर देते हैं तो छः महीने के बाद नाम बदल देते हैं । तो ये लोग जो टैक्स नहीं देते हैं उनके ऊपर जरा ध्यान देना चाहिये । उस टैक्स को कलेक्ट करने के लिये दूसरे इन्तजाम करने चाहियें ।

एक और चीज एग्रीकल्चर के बारे में है और वह यह है कि हम बहुत समय से यह कहते आ रहे हैं कि हम फूड के मामले में जल्दी ही सेल्फ सफिशियेन्ट हो जायेंगे मगर मेरा खयाल है कि कोई ऐसी स्कीम अभी तक लागू नहीं की गई जिससे हम अपने फूड के मामले में, खाने के विषय में सेल्फ सफिशियेन्ट हो सकें । क्या हमने कभी यह सोचा कि फारमर्स को किन किन चीजों की जरूरत होती है । हम एग्रीकल्चर के मुतल्लिक जो भी स्कीमें बनाते हैं वे फारमर्स तक नहीं पहुचती हैं । हमने हर चीज के लिए यानी कोयले के लिए जूट के लिये और दूसरी चीजों के लिए कमेटियां बनाई हैं जो इस बात का खयाल करती हैं कि इन चीजों के पैदा करने में कितना खर्च आता है और इन चीजों की बिक्री मार्केट में किस तरह से होगी ताकि इन चीजों के पैदा करने वालों को वाजिब दाम मिल सकें । लेकिन मेरा खयाल ऐसा है कि हमने एग्रीकल्चर के मुतल्लिक कोई ऐसी कमेटी नहीं बनाई जो इस बात का पता लगा सके कि फारमर जो चीज पैदा करता है उसकी कितनी कास्ट होती है और मार्केट में उसको उसकी चीज के जो वह पैदा करता है कितने दाम मिलेंगे । कोई भी फारमर, कोई भी आदमी तब तक कोई काम करना नहीं चाहेगा जब तक उसे यह अच्छी तरह से मालूम न हो जाय कि उसको एक्चुअल दाम इस चीज के प्रोडक्शन से मिलने वाले हैं, जब तक उसको एक्चुअल दाम नहीं मिलेंगे तब तक वह उस चीज का प्रोडक्शन भी नहीं करेगा । जब फारमर या उसका लड़का देखता है कि जो आदमी इण्डस्ट्री में काम करता है वह या उसका लड़का अच्छे कपड़े पहिनता है, अच्छा खाना खाता है, साइकिल खरीद सकता है तो वह अपना काम करना पसन्द नहीं करता है क्योंकि वह अपने काम से न अच्छे कपड़े पहिन सकता है, न अच्छा खाना खा सकता है और न ही साइकिल ही खरीद सकता है । उसके पास इतना पैसा नहीं कि वह प्रोडक्शन करके पैसा कमा सके और अपने बाल बच्चों को पढ़ा सके और उनके लिए दूसरी चीज खरीद सके । यही वजह है कि आजकल फारमर के लड़के दूसरे शहरों में काम करने के लिए चले जाते हैं, इण्डस्ट्रीज में काम करने के लिए चले जाते हैं जहां उनको काफी पैसा मिलता है । इस तरह से गांव वाले एग्रिकल्चरल लाइन को नैगलेक्ट करते

[श्री सुरजीत सिंह अटवाल]

चले जा रहे हैं जिसके बारे में हम सोच रहे हैं कि हमारा एग्रिकल्चर का प्रोडक्शन दुगना हो जाना चाहिये। हमारे मुल्क में इतने फर्टीलाइजर्स प्लान्ट नहीं हैं जिसके जरिये हम फारमर्स को सस्ते दामों में फर्टीलाइजर दे सकें। हम फारमर्स को उनकी जरूरत के मुताबिक फर्टीलाइजर नहीं पहुंचा रहे हैं क्योंकि हमारे मुल्क में इतने फर्टीलाइजर प्लान्ट नहीं हैं। इस समय हमारे पास फर्टीलाइजर के जितने प्लान्ट हैं उनको देखते हुए हम यह कह सकते हैं कि २० साल तक भी हम फारमर्स की जरूरत को पूरा नहीं कर सकते हैं। फर्टीलाइजर प्लान्ट बनाने के बारे में हम जो प्लानिंग करते हैं उसको एक्जीक्यूट करने की कोशिश नहीं की जाती है। इसलिए मैं मिनिस्टर साहब से रिक्वेस्ट करूंगा कि वे इस चीज की तरफ भी गौर फरमायेंगे। जब तक हमारा फूड का प्रोडक्शन दुगुना नहीं हो जायेगा तब तक जितनी बेसिक चीजें और उसके जो दाम इस समय ज्यादा हो गये हैं वे कम नहीं होंगे। हम इस समय ज्यादा दामों पर बाहर से अनाज मंगा रहे हैं और काफी फारेन एक्सचेंज इस पर खर्च कर रहे हैं। हम दूसरे मुल्कों में से अनाज की भीख मांग रहे हैं और हम में इतनी हिम्मत नहीं है कि हमारे यहां जो जमीन पड़ी है उस पर क्यों न हम हर साल दुगुना अनाज पैदा करें। अगर हम इस बारे में कोशिश करें तो यह चीज हो सकती है। इसलिए मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा कि वह इस बात को देखें कि जो कन्सर्ंड मिनिस्ट्रीज हैं, जिनको फूड प्रोडक्शन बढ़ाने का काम दिया गया है वे इस काम को अच्छी तरह से कर रही हैं या नहीं। अगर कोई मिनिस्ट्री अपना काम अच्छी तरह से नहीं करती तो उसके खिलाफ एक्शन लिया जाना चाहिये।

दूसरी बात मैं यह कहना चाहता हूं कि आजकल हर चीज की कास्ट बढ़ गई है जिसकी वजह से चीजों के दाम भी बढ़ गये हैं। इसलिए जो सेन्ट्रल गवर्नमेंट का स्टाफ है, जिनकी फिक्स्ड सेलरी है, वे बढ़े दामों की वजह से अपने बाल बच्चों की गुजर नहीं कर सकते हैं, बगैर अपने आपको करप्ट किये। इसलिए मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा कि इन लोगों के बारे में कोई न कोई तरीका सोचें और जो ५०० रुपया माहवार तनख्वाह पाने वाले सेन्ट्रल स्टाफ के लोग हैं उनके बच्चों को फ्री एजूकेशन और उनकी फैमलीज को फ्री मेडिकल ट्रीटमेन्ट की सहूलियत मिलनी चाहिये।

इसके बाद फाइनेंस मिनिस्टर साहब से यह रिक्वेस्ट है और जैसा उन्होंने कहा है कि अगर कोई टेक्स देने वाला आदमी वक्त पर अपना रिटर्न नहीं भेजता है या गलत रिटर्न भेजता है तो उसको ६० परसेन्ट पेनाल्टी लगाई जायेगी और उनके नाम प्रेस में दिये जायेंगे। मगर फाइनेंस मिनिस्टर साहब ने इन लोगों के बारे में कुछ नहीं कहा जो पब्लिक सेक्टर का करोड़ों रुपया बरबाद कर रहे हैं। मैं उनसे रिक्वेस्ट करूंगा कि वे कोई ऐसी चीज लायें जिसकी वजह से जो करोड़ों रुपया पब्लिक सेक्टर्स में बरबाद हो जाता है उसको रोका जा सके और उन आफिसरों के खिलाफ एक्शन लिया जा सके। अभी थोड़े दिन की बात है कि रांची में एक बड़ी भारी आग लग गई थी जिसकी वजह से करीब ५० लाख रुपये का नुक्सान हो गया। सरकार तो कहती है कि करीब ५० लाख रुपये का नुक्सान हुआ मगर लोगों का कहना है कि इस आग में करोड़ों रुपयों का नुक्सान हो गया। इस चीज की जांच न मालूम कब होगी, शायद शुरू हो गई हो, मगर जांच करने के बाद भी सच्ची बात

मालूम होगी या नहीं और लोगों को सजा मिलेगी या नहीं ?

एक माननीय सदस्य : प्रोमोशन मिल गया है।

THE DEPUTY CHAIRMAN: You have taken twenty minutes. Now please wind up.

श्री सुरजीत सिंह अटवाल : इसलिए मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा गवर्नमेंट के खर्चे पर जो प्रोजेक्ट पब्लिक सेक्टर में चल रहे हैं अगर वे प्राफिट पर रन नहीं किये जाते तो कम से कम रीजनेबल खर्चे पर चलने चाहियें ताकि उनसे सरकार को नुकसान न हो। अगर वे प्रोजेक्ट नफा न भी कमायें तो कम से कम कम्पीटीटिव बेसिस पर तो प्रोडक्शन करें।

आखिर में, मैं यह कहना चाहता हूं सेन्टर की ओर से स्टेट्स को अरबों रुपये का लोन दिया गया है लेकिन फिर भी वे स्टेट्स अपने यहां एग्रीकल्चरल प्रोडक्शन को नहीं बढ़ा पाये हैं। जो लोन यहां से दिया जाता है उसको स्टेट्स प्रोडक्शन प्रोजेक्ट्स में खर्च नहीं करतीं जिसकी वजह से हमारा एग्रीकल्चर का प्रोडक्शन नहीं बढ़ पाता है। इसलिए मैं फाइनेंस मिनिस्टर साहब से रिक्वेस्ट करूंगा कि ऐसे स्टेट्स को लोन देना बन्द कर दिया जाय।

DR. M. M. S. SIDDHU (Uttar Pradesh): Madam, if the purpose of financial policy is that of influencing motivation, then those motivations have to be made known and the taxes that are to influence tho$_s$e **motivations** have to be understood by those who pay them. On the other hand, if the policy of public finance is such that these motivations are, not to be discussed but are to be concealed, then the taxes have to be levied in a way that the person who pays them does not know them. Whenever one thinks of a change in society and of the socio-economic structure as a whole, the person who pays tlie taxes must know the purpose for which he is paying them. In other words, the motivation must be clearly understood. As far as the present Budget proposals are concerned, I may say that the Finance Minister while levying the taxes, has taken pains to enunciate that the taxes when they are levied should be such that their incidence is known Secondly, he has enunciated that the taxes which are being collected should be substantial and for this end he ha$_s$ tried to forgo some taxes as far as indirect taxes are concerned. But the greater emphasis should have been laid on the effect rather than on the incidence. For instance, in order to save the soap maker, there is a proposal.

THE DEPUTY CHAIRMAN; I think you can continue later. The House stands adjourned till 2.30 P.M.

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

The House reassembled after lunch at half past two of the clock THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.

DR. M. M. S. SIDDHU: Sir, I was saying that it was not only important to know the taxes which are imposed as indirect taxes as sizable and the incidence as identifiable but also what effect those indirect taxes are going to have. I was citing the example of soap. The Union Excise Duty has been removed on a large number of soap manufacturers but the effect of this removal of Excise Duty, especially in regard to those whose production is low, has not been very effective. The cost of caustic soda has gone up by the imposition of duty on caustic soda as well as on sodium silicate. Some of these persons were not paying any Excise Duty. This Duty was removed to give some relief to the small manufacturers but in actual practice that relief is not availed of by them

[Dr. M. M. S. Siddhu.]

because the cost of two things which go into the manufacture of ordinary washing soap made by the cottage in dustries has gone up. Another factor to be borne in mind is that if we want the small manufacturers to avail of the advantage which the Finance Minister wants to give, he must see that it is there and the passing on of the incidence from one to another does not take away the relief which was to be given. Some of the soap manufactu rers increased the price of soap some where in the early part of this year. Tatas had increased the price by six rupees per case; in other words, prices of washing soap went up by five or six naye Paisa per bar. Similarly, if we want that consumption should be restricted, then we have to see that Duty is not removed on those articles which the Finance Minister thinks should not be consumed. Take the case of imported cars. The number of cars imported i$_s$ much less hut the reduction in the duty from one hun dred and fifty per cent, to sixty per cent., if I am correct, will mean that some persons will import cars. It has been alleged by some newspapers that only persons $_s$erving in some of our Missions abroad will be able to bring cars into India. Are we going to allow persons who want to import such cars to have this concession? If we want that people, should not spend mor$_e$ or should invest in better invest ments, then such relief, however incongruous it may look, should not be given. So far as direct taxation is concerned, after the removal of the Compulsory Deposit Scheme, we find that people belonging to the group earning from six thousand rupees to fifteen thousand rupees have to pay more. The Finance Minister said in his reply in the Lok Sabha that such extra tax was only marginal. It may be so but there is greater relief in the grop twenty thousand rupees to fifty thousand rupees. For instance, at twenty thousand rupees, the relief is of the order of four hundred and seventy-two rupees and this goes on rising progressively reaching a figure of three thousand six hundred and thirtythree rupees at the income level of fifty thousand rupees. If the idea is to see that persons do not consume more but save more, is it a wise policy to give more tax relief to those persons, progressively greater tax relief? In the corporate sector, TISCO IISCO has not paid any Super Profits Tax nor are they going to pay any Surtax because the profits in their cases are not high enough, in the changes that have been brought about in the taxation structure some firms are going to benefit and this, I think is not in keeping with the spirit of the Speech of the Finance Minister. For instance, Burmah Shell will get a net relief of a crore and six lakhs of rupees, ESSO will get a reljef of thirtysix lakhs, Dunlop Rubber forty lakhs of rupees and so on Burn and Co will get twentyfour lakhs of rupees. Thi$_s$ data was compiled and published in "the Ecoomic Times" of 3rd March, 1964. Aonther estimate done by them on another twenty firms shows that excepting one or two firms, the rest would have a sizable saving. The Finance Minister said that he wanted savings from low priority industries. In that case, taxation should have been more selective. If you want to have selective saving or give selective incentive, them it is not correct to say that the industries which are doing business in consumer goods should be given preference or our taxation should be in such a way that these firms get greater incentives. As far as the individuals are concerned, the earnings of the equity shareholders, at least part of them, are ploughed back into the reserves with the result that the price of idividual shares may rise in the market but the shareholder will not get profits then and there. As far as dividend is concerned, you are going to tax it and the result will be that a person with a fixed income and who has invested it in shares or who is going to depend on the dividend along will have to part with some of his money jn the form

of tax. As far as equity shares are concerned, prices may rise and there will he greater speculation. If we want to stop speculation, then we must have some other means; while the nominal price of ihe share goe$_s$ on rising the person does not actually get the profit year by year except when he Bells the share or shares, and thi$_s$ will lead to greater speculation. Another factor in respect of corporate taxes is the foreign investor. If we are thinking in terms of foreign investors, then the policy has got to be selective. They charge royalty ranging from one to five per cent, and some of the terms are not conducive to good economic growth. Only when we have a selective policy will the growth of the economy of the, country go on smoothly. Already, 19.5 per cent, of the share capital is in the hands of foreign collaborators. As I have already said, if 5 per cent royalty is to be paid on all the produce that is sold, it will be a very heavy drain on the economy of our country. It has been said that there has been a set back in foreign colloboration and the reasons have been said to be three; firstly that there was the threat of Chinese aggression, secondly that most of the target capacity of the various industries scheduled for the Third Plan has been fulfilled and so very little is left for licences to be given and thirdly the cause is said to be the super profits tax. These are the three causes mentioned. If the second one is correct, that is, if most of the capacity of those undertakings has bee$_n$ fulfilled, then the foreign collaboration which i$_s$ needed should be absolutely selective in nature and should not be for manufacture of consumer eornmodities. As far as foreign collaboration is concerned, out of 1639 quoted in the *Economic Times* of 10th February it is said that 623 are of a miscellaneous type. In other words they are not covered by rubber, cemet, basic chemicals, textiles, paper, medicines, transport equipment, heavy engineering goods as well as transport and electricals. In other words, the in-frastructure is not covered by this col-19 RSD—3.

laboration and the ratio of this collaboration works out to 6 to 16. That is, nearly 40 per cent; so if 40 per cent of collaboration of the foreign manufacturers is not for the basic industries, for industries which will generate growth of economy, then we should be wise enough to restrict these collaborations. At the same time the policy of the Government must be known to the people and also the terms on which collaboration ha$_s$ been sought by private enterprise.

As far as taxation proposals are concerned, they are easy to formulate. Tha Finance Minister places them before Parliament and Parliament passes them in the form of an Act. How are they implemented? We have to see whether they are implemented in a way that they bring greater revenue from those persons who are liable to pay or whether they do not. For that one will have to see the Report of the Public Accounts Committee recently published which says:

"Mr Mahavir Tyagi said underassessment of the tax has been noticed in 4829 cases involving a loss to the exchequer of Rs. 119 lakhs. Of these 176 case accounted for an under-assessment of Rs. 79 lakhs." That means in each case there has been under-assessment to the tune of Rs. 50,000. As far a$_s$ concealed income is concerned, new powers are being taken. But even under the old Income-tax law$_s$ prosecution could have been launched and one is surprised to find that in 1961-62 out of 4511 cases only one prosecution was launched. Now we want to arm ourselve$_s$ with power by prescribing a minimum punishment. If in many cases we do not take resort to prosecutions at all, what is the good of merely taking more and more powers? You are merely arming yourself. Will such firing of blank cartridge, scare away the maneater? It will scare away only the doves and by doves I mean persons who pay regularly and honestly all th$_e$ dues to the Government. When such measures are made for the sake of finding out concealed income and tax evasion, the per-

[Dr. M. M. S. Siddhu.] sons concerned have to be dealt with rigorously and honestly. So far as the motivation is concerned. I have already referred to it earlier.

When the Compulsory Deposit Scheme was brought in last year the former Finance Minister came to the House and said that each individual must bear the burden of the emer gency and that was the reason why this was being brought in. But now that burden is to be taken out and it is being placed on certain income groups of ever Rs. 15,000 in the shape of the Annuity Deposit Scheme. Under the Compulsory Deposit Scheme one could have deposited the money and get it back afterwards and under the Annuity Deposit Scheme each 3'ear he will get a portion of it and that will be added on to his income and again taxed. I do not know how the An nuity Scheme is simpler as compared to the Compulsory Deport Scheme; I fail to understand that. If the emer gency continues, if people have to bear a greater burden still, then we must see that every person who has got an in come should pay a direct tax rather than spread the burden over a large section of the people in the form of indirect taxes. It would have been far better to keep the Compulsory Depo sit Scheme and lower the indirect taxes thus given relief to the people at large and to see that those indirect taxes are not passed on to the consumer. Now the position is that our fiscal measures and the controls are ineffective. There is no reason why in the case of the pharmaceuticals when the hospitals get them at 60 per cent less price the erdinary consumer should be asked to pay much more. .If the hospitals could get them at 60 per cent lower prices, could not the consumer get at least 20 per cent lower? What is the difference between the hospital packing and the strip packing for the consumer? It is merely because of the fact that the pharmaceutical industry is making such high profits that they are able to give 60 per cent lower prices to the hospitals. They do not do it for the sake of charity; they give them even to those clinics which charge for them at the same rates as for those which are charitable. We have to see what profits thty are making. Therefore as I said direct taxes should have been increased' instead of being decreased on the higher income group and indirect taxation should have been lowered to give relief to the people.

Thank you, Sir.

SHRI M. N. GOVINDAN NAIR (Kerala): Mr. Vice-Chairman, we are at the fag end of the discussion on the Budget. I do not mean to repeat many of the points that have already been made. Moreover, the Finance Minister, th his reply in the other House, has already indicated his mind. He has expressed his inclination to show further concessions to the richer classes, while he brushed aside the criticisms and suggestions put forward by one section of the Members of the House. So, in such a context I do not want to take much of your time.

Here during the discussion many friends raised the question of Bhubaneshwar. We are not interested whether this Budget breathes the spirit of Bhubaneshwar or not. Nor are we concerned whether this Budget has the blessing of the entire Cabinet. What we are really concerned with is whether this Budget is in line with the policy to which this Governmnt stands committed. Through the Directive Principles of o"r Constitution, through the Industrial Policy Resolution, through the perspective Plan put forward by the Planning Commission, through all these, we stand committed to a certain policy. Now, this morning I heard one of the hon. Members saying that our Finance Minister has presented a very sophisticated Budget. I do not know what he meant by 'sophisticated'. He also said that it is" a new economic policy. If the Finance Minister wants to bring in a new economic policy, he-should do it in an honest, straightforward manner, instead of bringing it surreptitiously through his Budget

proposals. If sophistication means *tfie* same as surreptitiousness, then I have nothing to say about it.

Now, the Finance Minister was good enough to place before us in advance the Economic Survey. I expected that he would place before us certain other documents also. Everybody knows that in 1960 a Committee under the Chairmanship of Shri Mahalanobis was appointed to find out how the additional income that wag produced during the two Plan periods was distributed. That Committee has submitted its report. Before the Budget was presented it was reported in the press that the Committee had submitted its report. But the Finance Minister did not find ways and means of placing it before this House. It would have helped us very much.

Then, again, the Government has another organisation, the Central Statistical Organisation. They have also made an independent study about the distribution of the additional wealth that wa$_s$ produced. That report also is in possession of the Finance Minister. Apart from these two, at the instance of the Planning Commission some leading economists had mede a study on the concentration of wealth in this country. If all these docurients were placed at our disposal. If the Finance Minister himself had cared to go through them, then he would have understood that one of the important Directive Principles of our Constitution was getting regularly violated through the economic activities taking place in this country. I need not quote here article 39 of our Constitution which has said that the operation of the economic system should not result in the concentration of wealth and means of production to the common detriment. I do not want to quote the whole thing. It has been pointed out very clearly. Now, all the reports which I have mentioned, the summaries of which have somehow appeared in the press, clearly indicate that there is great concentration of wealth in the hands of a few. The additional national wealth that was produced during the Plan periods instead 0? benefiting the vast majority of the people was pocketed by a very few. I do not want to quote here the figures that have already been published. Now, I expected the Finance Minister to take such steps that would reverse this trend. But I was amazed to find that the steps that he has taken are only going to help further concentration of wealth in the hands of the same people. One of the hon. Members today while speaking clearly pointed out that leaving this door wide open for foreign collaboration would only help the big monopolists of this country. I need not go further into that.

Again, refusal on the part of the Government to nationalise banks had a clear indication that in spite of all that has happened the Government was not prepared to take note of this high concentration of wealth in the hands of some people. The Govern-ernment wants that trend to continue. If anybody had cared to look into the functioning of the commercial banks, it would have been clear to them that during the last ten years these banks were functioning in such a way that they mainly benefited only the monopoly groups. Five top banks control more than fifty per cent of the shares in the banks and they control more than a thousand industries in the country. In 1960, 75 per cent of the credit was given to the big industrialists. The small industrialists, about whom some mention was made here, could get only 6 per cent of the credit that was advanced to industries, while the rural section got only one per cent. So, in this context, unless the banks are nationalised, you cannot check the concentration of wealth that is taking place today. The figure which I gave was ior 1960. If, during this period, nothing was done to check this trend. I cannot say what will be the position ■In 1964 but it must be much 3 P.M. more in favour of the monopolists. Under such circum-stances the best way would have been, if they wanted to follow a straight nolicv. to immediately take step$_s$ to nationalise banks so that you mav arrest the concentration of wealth in the hands of a few.

[Shri M, N. Govindan Nair.]

From another angle also it is necessary to see how the additional income that has been produced by the sweat, labour and toil of the common man is distributed. During the last four years the Government was more and more banking on indirect taxes. In 1949 the share of indirect taxes to the total revenue was 49 per cent; in 1960-61 it was 72.36 per cent; in 1961-
62 it was 72.70 per cent; and in 1962-
63 it was 71.07 per cent. Now there is another factor with regard to these indirect taxes. Do the Government get these indirect taxes mainly from amenities and luxuries? No. In 1948-49 the contribution of the Central Excise revenue by amenities and luxuries was 52 per cent; in 1959-60 it was only 26 per cent. So, the indirect taxes from the major chunk of the Government revenue of which the excise duty forms the main part, and of this excise duty the major part goes to the essential commodities which the common man uses. Government would be justified in following a policy like this, provided the additional income that has been produced is equitably distributed. Unfortunately the fact of the matter is that the additional income that has been produced goes to a few pockets, while the burden of the taxes falls on the common people.

On all such matters our Finance Minister has taken a different attitude. With regard to the growth of monopoly he says that it is a matter of opinion. Well, if all the studies conducted by leading economists mean nothing to him, if he is a self-opinionated person, I have nothing to say about it. But when we are familiar with self-opinionated people, if they are blunt and crude, to fight them is easy. But when they prove to be clever and subtle, the fight is more difficult. But I have no hesitation to say that by subtleties and cleverness you cannot for long fool the people. They by their own experience are understanding what is what, and the time is not far off when bv the action of the people the Government will be forced to change its policy.

Many people were applauding the Finance Minister for the relief he has given. Somebody ₅aid that there was a feeling of relaxation. Well, for that he should thank his predecessor because he has collected within three years much more than what was expected to be collected from the people by way^ of tax during five years. And wHat was the performance? When you take more money from the people than what you originally estimated, you should at least try to satisfy the people by your performance. Unfortunately, the Government have miserably failed in that respect. I have no time to go into all the aspects. Last year when the budget was presented before us, everybody was speaking in terms of defence of our country. People without any hesitation gave ample authority and enough money to the Government, but the Government could not spend the money. I remember they promised six ordnance factories in the country in collaboration with their Western friends. Now when our Finance Minister is again flirting with the Western powers, I would ask what has happened to those six factories. As far as defence is concerned they hav* miserably failed.

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARIl : As far as defence is concerned we should not have any. That is what you want.

SHRI M. N. GOVINDAN NAIR: That is the policy which you have pur sued, but at least last year we thought that you would change your mind and do something. Unfortunately, from experience, we find that though you promise to build up your own defence industries, even Ihough you promise that six such industries will be built up in the country during the year, nothing has yet been done.

Coming now to another aspect of the question, that is about the agrarian front, our Finance Minister has said that all our economic troubles are due to the stagnation on the agrarian front. Has he got any positive suggestion to make? Has he enquired as

to why there is this stagnation*' In that respect his idea is that we have to depend more and more on PL-480.

SHRI AKBAR ALI KHAN (Andhra Pradesh): No, no.

SHRI M. N. GOVINDAN NAIR: The other day there was an interesting cartoon in one of the newspapers here, and that was to the effect that to solve our food problem agriculture in America should be extended. That was the content of the cartoon. Other than that I ask the Finance Minister whether he has any counter proposal. The Mahalanobis Committee which has gone into the question has clearly pointed out that in the countryside the concentration of land in spite of all the so-called land reforms that you have introduced remains the same *and* that there is no change in the lives of the people* in the villages. Thai also. . .

SHRI AKBAR ALI KHAN: Which Committee?

SHRI M. N. GOVINDAN NAIR: The Mahalanobis Committee.

SHRI AKBAR ALI KHAN: But it has not yet come out.

SHRI M. N. GOVINDAN NAIR: But it is in the paper.

DR. A SUBBA RAO (Kerala): It is an open lecret.

SHRI T. T. KRISHNAMACHARI: They have got an advance copy.

SHRI M. N. GOVINDAN NAIR: It is not from our Calcutta Office. I would request the Finance Minister to see The Statesman' of the 15th February, 1964. Here it is. Now. he was rery axious to build up another Development Bank to help the monopolists. I ask him whether he has got any scheme to help the agriculturists in the matter of getting credit except the age-old policy which the Reserve Bank has been following which, in actual practice, does not benefit large sections of the agriculturists.

Now, I do not want to speak much because I want to draw the attention of the House to another important issue and that is about the radical change the Finance Minister is introducing in the Industrial Policy. I am extremely sorry, I have to remind hon. Members of the Industrial Policy Resolution of 1956. In the Industrial Policy Resolution it was very clearly ttated that—

> "The State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings~and for developing transport facilities. It will also undertake State trading on an increasing scale ...
>
> "The adoption of socialistic pattern of society as the natural objective as well as the need for planned and rapid development require that all industries of basic and strategic importance or in the nature of public utility services should be in the public sector.".

SHRI AKBAR ALI KHAN: We stand by it.

DR. A SUBBA RAO: Yes.

SHRI M. N. GOVINDAN NAIR: At least; you should be honest enough to say that you have given it up. You swear by the name of Gandhiji. At least, do this. And what is your Industrial Policy now? You are inviting foreign collaboration, you are leaving the door wide open for them. Did you examine what has been your experience in the past? Even under this Resolution, certain exceptions have been given about foreign collaboration, in the Resolution itself. Now, those exceptions he wants to make general rules. So. when he does it, he should tell us so. He jshouM understand from the experience in the past.

I have very little time but still I have to bring to your notice a few instances. The first occasion when we had collaboration in the public sector with a foreign monopolist was with regard to Rourkela. What was the condition under which we could get their help? We were given a loan Rs. 10 crores at 12 per cent interest

[Shri M. N. Govindan Nair.] and they claimed their share 'n the capital. When after some time we had an agreement with the Soviet Union with regard to Bhilai, then our Government was in a better position to bargain and finally, we were able to get some concessions with regard to the question of interest. Then again, with regard to the oil companies, the outrageously unfair agreement we had with them is known to all.

SHRI C. D. PANDE (Uttar Pradesh),: With Rumania.

SHRI M. N. GOVINDAN NAIR: Was it with Rumania? My Godl You are a friend of Birla. See 'The Hindustan Times'. I will read out—

> "The annual profits, even according to the parties concerned amount to about 60 per cent although some people allege that they are five to seven times that figure.'*

This is what The Hindustan Times' says about Burma Shell:

> "But the facts remain that the oil refineries' agreements are so outrageously unfair that both legal and moral aspects are to be shortly reviewed at the highest level with a view to taking firm decisions on what should be done about them."

These are not my words, these are the words of "The Hindustan Times'.

AN HON. MEMBER: What is the date?

SHRI M. N. GOVINDAN NAIR: You want to know the date? It is May 15, 1956. It is 60 per cent, in one year according to the company itself.

Then, you have an explosives plant at Gomia, Bihar. You have collaboration with ICI. But the condition is that they should have 80 per cent of the shares and the rght to convert its profit into pounds sterling. This is the condition under which you have got the agreement. Then, here I heard somebody speaking about pharmaceuticals. At Pimpri, we had an agreement with Merck Sharp anil Dohmm International. The Indian partner has to pay a certain amount of dollars per unit of output. That was one con dition. This condition meant that our production was restricted by our dollar resources. Secondly, the most important fact of the agreement was that the agreement stipulated the con cealment of production secrets from the Indian personnel.. So, you will have at Pimpri only. Americans who know the production secrets, and no Indian will be taught. This is the con dition under which you have entered into the agreement, Now .....

(Time bell rings)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You have taken half an hour, Mr. Nair.

SHRI M. N. GOVINDAN NAIR: Only tw» minutes mor*.

The major point is, you are bothered about the foreign exchange resources available for building up your industries. Of course, nobody denies that without foreign exchange you cannot build up your industries. But since I have no time, I do not want to quote, but what is the ratio of the inflow of capital into our country to the outflow of profit? If you look into that, if you take loans and credits frOni outside, if you stick to it, if you pursue this policy of taking collaboration, it will not help to solve the foreign exchange crisis in a big way. But there is an open way to solve the foreign exchange problem. By one step, if you are prepared to take over the foreign trade—apart from the normal profit that will accrue from such trade—the loss that we are yearly making due to under-invoicing and over-invoicing which amounts to Rs. IOO crores you will avoid—that is not according to me or **any** members of our Party, but according to the Manufacturers' Association, Calcutta—you will thereby be saring Rs. IOO crores a year. Further, you will have profits. Now, this struggle against this loan was started not HOW, but in 1936. In 1956-57, when you planned the Second Five Year

Plan, the monopolists in this country headed by your friend. Mr. G. D. Birla . . .

SHRI SHEEL BHADRA YAJEE (Bihar): Your friend in Kerala also.

SHRI C. D. PANDE: Mr. G. D. Birla is friend of everybody.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Please wind up.

SHRI M. N. GOVIND AN NAIR: He started the opposition. He advocated foreign collaboration in preference to foreign loans, and our Finance Minister, was also the Finance Minister at that time. Both the Finance Minister and Mr. Birla had toured U.S.A. and all the European countries; to attract foreign capital. From that time onwards this attack against foreign loans and insistence to substitute it by foreign collaboration was started. Now he has the upper hand and he is trying to substitute foreign loans by foreign collaboration. This is the position.

SHRI C. D. PANDE: An upper hand and a better thing.

SHRI M. N. GOVINDAN NAIR: It is not a better thing; it will upset the entire planning.

SHRI C. D. PANDE; For your information only ,1 may say . . .

SHRI M. N. GOVINDAN NAIR: I am prepared for it but time . . .

SHRI C. D. PANDE: For your information 1 will tell you that, in spite of the rosy picture that you have drawn about foreign capital, it is not coming in sufficient measure; it is drying up.

DR. A. SUBBA RAO: Who said that? You read the latest report of the Company Law Administration.

SHRI C. D. PANDE: I mean, within the last three years.

SHRI M. N. GOVINDAN NAIR: Sir, you may please give roe *ome time on account of these interruptions.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): There are other speakers also.

SHRI M. N. GOVINDAN NAIR: Then I shall finish quickly. Now as far as this question is concerned, the main defect of this arrangement is that it will completely upset your planned economy. If it is loans and credits, then the whole thing will be controlled by the Planning Commission, and the Planning Commission will have a wider vision about the entire economic activity of the nation, while this bilateral negotiation between monopolists on this side and that side will upset the entire planning itself. Since I have no time I do not want to go into it. Then you said that this foreign capital is not coming. For that you have to find the reasons, other reasons. But I ask one question. America has investments throughout the world. Let me hear of one country from where they are" getting more profit than from India. Their average income from investments in India is more than twenty per cent., while from Japan they get only nine per cent, while from Germany they get only eleven per cent, while from France they get only ten per cent, from India they are getting more than twenty per cent.

SHRI C. D. PANDE: Wrong calculation.

(Interruptions.)

SHRI M. N. GOVINDAN NAIR: If it was wrongly calculated, it was wrongly calculated by the Americans; it ls not the figure of the Indian Government.

(Interruptions.)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) ; Please do not disturb; let him finish.

SHRI M. N. GOVINDAN NAIR: The Indian Government's figure is only 13.7 per cent; there they have

[Shri M. N. Govindan Nair.] clearly left out the amount they get by way of royalties, etc.; that is the reason.

So you have given ample opportunities from them to invest under the very attractive conditions already existing and any widening of the door will only be surrendering our national interests of foreigners, which should not be done.

AN HON. MEMBER: Not at all.

SHRI M. N. GOVINDAN NAIR: Since I have no time I conclude.

श्रीमती अन्नपूर्णा देवी थिम्मारेड्डी (मैसूर): माननीय उपसभाध्यक्ष जी, श्रीमान वित्त मंत्री जी ने जो बजट हमारे सामने रखा है उसका मैं पूर्ण समर्थन करती हूं और इसके लिये उन्हें बधाई देना भी अपना कर्त्तव्य समझती हूं। हम सब को यह मालूम है कि कोई भी सरकार टैक्सों के बिना देशोन्नति के कार्यक्रमों और देश की सुरक्षा के कार्यक्रमों को उत्तम ढंग से नहीं चला सकती। नये अर्थ-मंत्री ने नववर्ष के प्रारम्भ में अनिवार्य बजट योजना को हटा कर कम आय वालों को प्रसन्न किया है।

टैक्सों के बारे में मैं कुछ कहना नहीं चाहती। उपाध्यक्ष महोदय, मैं गांव के एक किसान परिवार से आई हूं इसलिये किसानों को पैदावार बढ़ाने में जो असुविधायें होती हैं उनके विषय में मैं कुछ निवेदन करना चाहती हूं। हमारे देश में ७५ प्रतिशत लोग खेती का काम करने वाले हैं फिर भी हम उन देशों से अनाज का आयात करते हैं जहां केवल १० प्रतिशत लोग खेती का काम करते हैं। हमारे लिये यह लज्जा की बात है। एक एकड़ में अधिक से अधिक उत्पादन करने के लिये किसान को सरकार से और भी सहायता मिलनी चाहिये। किसान को खाद, बीज, खेती के उपकरण तथा धन-राशि आदि ठीक समय पर मिलने चाहिये। साहूकारों से ज्यादा इंटरेस्ट पर पैसा लेने वाले किसानों को लैंड मार्गेजिंग बैंक्स तथा रिफाइनेंसिंग कारपोरेशन्स की सहायता जल्दी से जल्दी मिलनी चाहिये। छोटे छोटे तालाबों की मुरम्मत होनी चाहिये। खेती की पैदावार के लिये खर्च होने वाली बिजली की कीमत भी बहुत कम होनी चाहिए। किसान की आर्थिक कठिनाईयां इतनी अधिक हैं कि वे कुंआ खोदने तथा अन्य खेती सम्बन्धी उपकरणों के लिये सहकारी समितियों से किश्तों पर मिले हुये रुपये को भी जीवन की अन्य जरूरतों पर खर्च कर देते हैं। ऐसा खर्च न हो इसके लिये सरकार को और भी चेकिंग करनी चाहिये। नित्यप्रति प्रयोग में आने वाली चीजों के मूल्य बढ़ जाने की वजह से किसान को अपनी आय बढ़ाने के लिये 'कामर्शियल क्राप्स' पैदा करनी पड़ती हैं। इस कारण से भी देश में अन्न की न्यूनता बढ़ गई है। मेरे ताल्लुके 'गोरी बिदनूर' में गुड़ का भाव अधिक हो जाने के कारण सारे किसानों ने गन्ने की पैदावार ज्यादा कर दी। गन्ने का फसल को दस महीने पानी चाहिये तब भी मार्केट दर बहुत ऊंची होने की वजह से अधिक मेहनत कर के भी उसकी पैदावार घट रहे हैं। यदि किसान को धान, बाजरा इत्यादि चीजों के लिये भी मार्केट रेट ऊंचा मिले तो वह इनकी भी अधिक पैदावार करेगा। पूज्य पंडित जी किसानों को अधिक उत्पादन के लिये अधिक आधुनिक मशीनरी का प्रयोग करने को हमेशा कहते हैं परन्तु उनके आधुनिक मशीनरी का प्रयोग करने से पहले हर एक ताल्लुके के हेडक्वार्टर में उनके लिये एक एक वर्कशाप स्थापित करनी चाहिये और यदि सरकार स्वयं ऐसा नहीं करना चाहती तो अन्य लोगों को वह वर्कशाप्स खोलने का प्रोत्साहन दे। अभी मशीनरी खराब हो जाने पर उसे ठीक करवाने के लिये किसानों को बैलगाड़ियों पर लाद कर दूर शहर में ले जाना पड़ता है। आप सोचिए, इस बीच, इतने दिन, फसल को कितना नुक-

सान होता है और बेकार खर्च किसान के सिर पर पड़ता है। इसलिये हर एक ताल्लुक में वर्कशाप की स्थापना होना आवश्यक है। और ज्यादा एग्रीकल्चरल कालेजों की स्थापना की भी आवश्यकता है। किसानों के बच्चों को "एग्रीकल्चरल रिसर्च स्कालरशिप्स" पर विदेशों को भेजने में प्राथमिकता मिलनी चाहिए। देश की सुरक्षा के लिये मिलिट्री जितनी आवश्यक है देश के अन्नदाता किसानों का उद्धार भी उतना ही आवश्यक है। खेतों की पैदावार बढ़ाने की योजनाओं को तैयार करते समय केन्द्र में और प्रान्तों में अनुभवी किसानों की सलाह लेने से योजनाओं में अधिक सफलता मिलेगी। हमारे आन्ध्र में एक कहावत है कि "नए वैद्य से पुराना रोगी अधिक जानता है"।

उपाध्यक्ष महोदय, "फ्री कम्पसलरी प्राइमरी एजूकेशन" के बारे में भी दो बातें और कहना चाहती हूं। मैंने बहुत से गांवों के प्राइमरी स्कूलों में देखा है कि वहां केवल मध्यमवर्ग के बालक-बालिकाएं ही हैं, निम्न वर्ग के तथा हरिजन बालक-बालिकाएं वहां नहीं आते। इसका कारण उनकी आर्थिक कठिनाई है। इसलिये शिक्षा मंत्रालय की ओर से उन्हें फ्री प्राइमरी एजूकेशन के साथ साथ यूनिफार्म तथा किताबें इत्यादि भी मुफ्त मिलनी चाहियें। स्कूलों में स्थान की कमी की वजह से अध्यापक लोग मात.पिताओं पर बच्चों को भेजने के लिये जोर नहीं डालते। फ्री कम्पलसरी एजुकेशन को लागू हुए दो साल हो गये लेकिन अभी तक स्कूल बिल्डिंगस के निर्माण में शिक्षा मंत्रालय कोई श्रद्धा नहीं दिखा रहा है। दूर से आने वाले अध्यापकों को रहने के लिए गांव में घर नहीं मिलता। मिलता भी है तो पुराना मिट्टी का घर मिलता है। बारिश के दिनों में अध्यापक लोग स्कूल के समय में बच्चों को अपने घर की मुरम्मत में लगा देते हैं। यह दृश्य मैंने खुद देखा है। इसलिए अध्यापकों को पढ़ाने में और विद्यार्थियों को पढ़ने में रुचि नहीं रहती। यदि शिक्षा मंत्रालय ये सब सुविधाएं दे तो "फ्री कम्पसलरी एजुकेशन" की योजना सफल हो सकती है।

उपसभाध्यक्ष महोदय, ग्राम पुनर्निर्माण के बारे में कुछ निवेदन करना चाहती हूं। मैसूर स्टेट में २५८८० ग्राम हैं, उनमें से ४००० ग्रामों में पाने के पानी के कुएं नहीं हैं। ४००० ग्रामों में कुएं तो हैं परन्तु उनमें साल में केवल छः महीने पानी रहता है। ६० प्रतिशत ग्रामों में बिना सरकार की बिल-डिन्ज के स्कूल्स चल रहे हैं। अधिक से अधिक ग्रामों में कम्यूनिकेशन के रास्ते नहीं हैं। स्वास्थ्य सुविधा तो नाममात्र के लिये भी नहीं है। दो पंच वर्षीय योजनाओं की समाप्ति और तीसरी योजना में आधा भाग पूर्ण होने पर उनका भी योजनाओं का प्रतिफल ग्राम-वासियों तक कम पहुचने के कारण लोकतन्त्र प्रभुत्व पर विश्वास कम होता जा रहा है। पिछले महीने में हमारे मुख्य मंत्री श्री निज-लिंगप्पा जी ने ग्राम विकास प्रणालियों के लिये निर्धारित रकम के साथ चार-पांच साल तक हर वर्ष १० करोड़ रुपया अधिक मिलने के लिये प्रधान मंत्री तथा प्लानिंग कमीशन के सदस्यों से अपील की थी। मैं आशा करती हूं कि यह धनराशि अवश्य प्राप्त होगी। ८० प्रतिशत ग्रामवासियों का विकास होने से ही देश का विकास भी तुरन्त होगा।

उपसभाध्यक्ष महोदय, अपने भाषण के अंत में एक बात और कहना चाहती हूं। देश के आर्थिक विकास के लिए सरकार जितने करोड़ रुपये खर्च करती है उसका पूरा सदुपयोग नहीं होता। अधिकारियों में भ्राष्टा चार, स्वार्थपरता, अधिकार-लालसा बढ़ गई है। स्वतंत्रता प्राप्ति के सोलह साल बीत जाने पर भी, देश का आर्थिक विकास अच्छी तरह से नहीं हो पाया है। सरकार की ओर से बनाए गए करप्शन कमीशन और इन्क्वायरी कमेटी के होने पर भी, अधिकारियों में नैतिक दृष्टिकोण न होने से करप्शन आदि को रोकना कठिन है। महात्मा गांधी जी के आदेशों पर,

[Shri M. N. Govindam Nair.]

जो स्वतंत्रता हमें मिला है, अधिकार स्वयं मिलने पर भी गांधी जी के उन आदर्शों को हमें नहीं छोड़ना चाहिये। महात्मा गांधी अपने आदर्श प्रतिबिम्बित श्लोकों का प्रार्थना सभा में प्रतिदिन पाठ किया करते थे। उनमें से एक श्लोक को मैं यहां कह रही हूं।

न त्वहं कामये राज्यं,
न स्वर्गं नापुनर्भवम्
कामये दुःखतप्तानां
प्राणिनामार्तिनाशनम्।

मैं अधिकार को नहीं चाहूंगा। स्वर्ग सुख नहीं चाहूंगा। इह लोक भोग के लिये पुनर्जन्म भी नहीं चाहूंगा। 'कामये दुःख तप्तानां प्राणिनामार्त्तिनाशनम्।' जो लोग दरिद्रता से और अन्य बाधाओं से तप रहे हैं उन लोगों का बाधा निवारण ही मैं चाहता हूं।

इन आदर्शों पर अपनी दृष्टि रखने से हम देश के लोगों की सेवा उत्तम रूप से कर सकते हैं और देश की उन्नति भी होगी। धन्यवाद।

SHRI SURESH J. DESAI (Gujarat): Mr. Vice-Chairman, Sir, the hon. Finance Minister has presented a very ingenious Budget. The last Budget which he presented in May 1957 was also an ingenious one. After that we have got a series o'f five Budgets which were more or less of an orthodox type. But the sixth which his predecessor presented last year contained a number of innovations which have left a very comfortable position for the Government. In fact, the receipts from the Corporation tax and income-tax showed an excess of over Rs. 70 crores over the budgeted estimates and the receipts from excise and Customs showed an excess of Rs. 35 crores further. In fact, the revenue budget could have been balanced with a surplus of Rs. 54 crores. But perhaps the hon. Finance Minister thought that in the context of inflationary pressures and rising prices it was neeessary that deficit financing should be restrained and, therefore, the overall Budget should also be more or less balanced. That is why he resorted to further taxation of Rs. 40 crores and also he is gorng to collect about Rs. 50 crores from Annuity Deposits.

The Budget Speach has to be judged as a symbol of economic policy. It shows that he has an integrated picture of our economy before him. The Budget Speech »how» the seriousness of the economic situation which is very remarkable and the intentions which have been expressed by the Budget Speech are certainly very commendable. As the Budget aims at accelerating the rate of growth of our economy, the stepping up of the rate of savings is in those sectors of economy where they are most needed and where they can be most efficiently used.

At the same' time certain provisions have been made for the setting up of a Monopoly Commission and also for removing the concentration of economic power from the hands of a few people. These are certainly most desirable objectives and nobody would differ from them. But the Finance Bill which he has presented shows a certain lack of harmony with the intentions which he has expressed in the Budget Speech. In fact, it is rather surprising that he has been criticised from certain quarters, that he has given uncalled for relief to certain sectors of our economy. In fact, I would like to point out tlhat the so-called relief are very meagre concessions about which there is nothing to be alarmed. But they wiH go very little in correcting the stagnation which has come over our economy for about a year or so. Let us take the question of infuning confidence in the corporate sector about which the Finance Minister has said that it is for developing investment climate, for developing the industrial capital market As far as company taxation is con-

cerned. Prof. Kaldor had ga id *some* time back that it was "based on complicated unnecessary complications". The present Budget does not correct the position or simplify the company taxation. On the other hand it creates some more complication.

The Budget proposals give a 10 per cent, rebate to certain priority industries which it calls selective support to basic industries. ,It also abolishes the S.P.T. but it is replaced by Surtax which is more or less of the same kind. The incidence of Surtax will also be more or less of the same kind as the Super Profits Tax. Then there is 71 per cent, tax on dividends and the application of a stiff rate of Capital Gains Tax on issue of bonus shares. Let us take the Surtax. The Surtax differs from the Super Profits Tax in several ways. The capital base has been widened. Obviously the capital base of the Super Profits Tax was the paid up capital and reserves. But now there will be equity capital, preference shares, debentures, reserves, loans from approved financial institutions, loans from banks and foreign sources also provided they are for ten years and for creating capital assets. The exemption is raised from Rs. 50.000 to Rs. 2_lakhs. The rate has been lowered to ""50 per cent, from what it was for the first lap of Super Profits Tax and 60 per cent, further on. A 20 per cent, rebate from Surtax has also been granted to priority industries. These are the changes brought about in the Super Tax but on the other hand the 10 per cent, which was allowed to be deducted from gross profits and Super Profits Tax will not be allowed to be deducted. There will be no carry-forward Or set-off of deficiencies also. Thirdly, the definition of *Reserves* is mor* restricted in the Surtax Act. lrourthiy, interest and servicing charges will be added to the chargeable profits. Fifthly the Dividend Tax of 7£ per cent, will not be deducted from the chargeable profit. There are so many restrictions put. At the same time certain concessions are given. The net incidence of Surtax, Corporate tax and Dividend Tax in the case of companies with no exempted item in their profits or with no loans and where the statutory deduction is more than the prescribed minimum will be hardly 2 per cent, lower than the incidence of Corporate Tax" and Super Tax taken together. In the case of such companies with these three concessions which I mentioned before, where the profits are only 15 per cent, in fact the incidence of Surtax, the Corporate tax and the Dividend Tax will be 3£ per cent, higher than the incidence of Super Tax and Corporate Tax which were there so far. The next incidence on Super Tax and on Inter-corporate tax will be only 1 per cent, less than what was in the Super Profits "Tax and Corporate Tax hitherto. So actually the relief which has been granted is very meagre— only 1 per cent, in the case of the other companies. " The difference between the incidence of Surtax and the incidence of Super Profits Tax is hardly 2 per cent, in the case of most of the companies.

Let us go to the bonus shares. Bonus shares are usually paid after reserves have been already taxed through the Corporate Tax. Then 12J per cent., Super Profits Taxis further deducted from it. After that, again when bonus shares are in the hands of the shareholder now it is proposed that the Capital Gains Tax at 50 per cent, will apply also to bonus shares. This will practically stop these companies from giving bonus shares.

Let us go to the foreign investors also. Certain concessions have been given to foreign investors. There are two concessions, namely:

(i) Foreign investors are exempted from tax on inoome derived from loans given by them to Indian companies with Government's • approval.

The question of Government appto-val is also there—

[Shri T. T. Krishnamachari.]

(ii) Exemption from tax *on* income derived by foreigners from subscription to approved securities, Government and private.

These securities will also have to be approved. So the powers are already with the Government to direct the investment in those industries where it is most required. The concessions which are given to the foreign investors are certainly commendable and though they are not very large, certainly they are commendable and will be helpful so far as foreign participation is concerned.

Let us go to the personal taxation also. Those below the Rs. 5,000 income group will benefit to a certain extent but people having incomes ' from Rs. 5,000 to Rs. 15,000 will have to pay more tax than what they are paying now. Of course they will not have to pay C.D. but the net tax which will go away from their hands will be higher than what they have been paying in the past. For those in the income groups above Rs. 15,000, there the net tax will be somewhat lower but then the incidence of the Annuity Deposits wil] be very high. If there is an individual with an income of Rs. 20,000, he will have to pay an Annuity Deposit which will be 2£ times more than the Compulsory Deposit. If a man's income is Rs. 1 Iakh, he will be paying fourteen times more as Annuity Deposit, than what he was paying as Compulsory Deposit. So the incidence of Annuity Deposit is really high and at the same time when the Annuity Deposits will be given back in ten instalments after the first one year after the assessment year, they will again be taxed and if the man's income is rising year by year, after five years, his slab will be increased further by this refund of Annuity Deposit also. So actually his Annuity Deposit which would have attracted a certain percentage of tax will be gradually attracting a higher percentage of tax. So in fact there is hardly any relief given to these people also in the income group of above Rs. 15,000.

Then there is a series of other innovations like the Estate Duty, etc. The Estate Duty has been stiffened. Therefore its corollary of the Gift Tax, the Wealth Tax and the Capital Gains Tax have also been made much steeper, particularly for houses and loans. Now here these measures are actually socialist measures but at the same time if the Estate Duty is raised up to 85 per cent the question arises, at the time when the assets are sold for payment of this 85 per cent, tax of Estate Duty, then again the Capital Gains tax will be attracted on that sale and then there will be consequential expenses also. It has been estimated that perhaps th$_e$ Estate Duty will actually amount to 108 per cent. If that is the case, the hon. Minister should consider it because instead of inheriting something from his father, a man will be inheriting rather a debt of 8 per cent., of the Estate Duty. That i$_s$ to be considered.

About tihe Gift Tax also the exemption limit has been taken from Rs. 10,000 to Rs. 5,000 but again on this Rs. 5,000 Expenditure Tax will have to be paid. After all a gift and an expenditure—these are different items but at the sam$_e$ time, this Rs. 5,000 gift which has been exempted will again be subject to 4 per cent. Expenditure Tax also. So that is not very proper.

Then the Capital Gains Tax has been made much stiffer and the Wealth Tax has also been increased. But another innovation is the Expenditure tax which is rather a favourite of the hon. Finance Minister because it was his creation. The Expenditure is meant to reduce the pressure on prices but I am very doubtful about its effect as a check on evasion of taxes. I mentioned that the Expenditure Tax will be levied on a gift up to Rs. 5,000 even though it is exempted under the Gift Tax.

Now the question of secrecy of assessment records has been referred to by a number of hon. Members here. I

would not refer to that but I would only mention this here that it will unnecessarily create a 'ot of blackmailing people, unscrupulous people because it wiH not only affect business men or the business community but it will affect everybody. The assessment records are not merely for the business houses but it is for everybody, including the politicians. It will create a lot of unfortunate blackmailing by unscrupulous people that may come up. I hope the Minister will keep this in mind. I fully believe in the good intentions which the hon. Finance Minister has expressed in his Budget speech but at the same time I feel that the Finance Bill is not in consonance with the good expressions which he has made in the Budget speech. As I pointed out, the concessions which he has given are meagre concessions and they are not such as to foster an investment climate or revive the capital market or to infuse much confidence in the corporate sector. That is my humble submission, Sir.

[THE DEPUTY CHAIRMAN in the Chair]

My last point, Madam, is about the question of interest rate. Only a few days back we read a communique from the Reserve Bank about certain credit controls. These credit controls are neeessary because we want to prevent hoarding and speculation. Certainly these controls are neeessary. But at the same time we have now *got* a three-tier rate for advances by the Reserve Bank to the schedu'ed banks. This three-tier rate for advance- by the Reserve Bank to scheduled banks has created a rather stringent atmosphere or condition in the money market. The interbank call money rate has also gone up from 6 per cent to 6J per cent, and even more stringent conditions may result in the money market. This happened in 1956-67. It happened in 1962-63 also and sub sequently the bank ,ate had to be reduced. I hope the Finance Minister is not considering the question *oi* revising the bank rate this time also. Certainly the monetary policy has to curb ' inflationary pressures. There is no doubt about that. But monetary policy should also encourage production in the country. Already the high rate *ot* interest in the country is having its impact on the cost of production also and also on the production effort. I am not in favour of cheap money. But at the same time, the interest rate has got to be very reasonable. The hon. Finance Minister in his Economic Survey, 1963-64 has himself stated:

> "The accent of monetary policy will also necessarily have to be on realistic interest rates which reflect adequately the real cost of capital to the economy".

This is the crux of the matter. We have got to see that the interest rates are realistic, that they are neither on the high side nor on the low side, but are realistic and in keeping with the cost of production and reflect the cost of capital to the economy. I believe the hon. Minister will pay attention to this matter also so that production is not impaired and at the same time the cost of production does not increase and that it does not) act as a disincentive to investments in gilt-edged securities also. Jn fact the Government last year collected by borrowing about Rs. 0!) crores though they had budgeted for a figure of Rs. 113 crores. This time they have budgeted moderately for a figure of Rs. IOO crores, but if the rates of interest are not realistic and if the present conditions persist, I am doubtful whether even the hope of getting this sum of Rs. IOO crores by borrowing will fructify. That is why this question assumes so much importance. I hope the hon. Finance Minister will pay due attention to the question of the stringent conditions in the money market and the interest rates also. Thank you, Madam.

THE DEPUTY CHAIRMAN: The Finance Minister.

SHRI T. T. KRISHNAMACHARI: Madam Deputy Chairman, it is some what of a difficult task for me to ge over the range of discussions that lasted for five full days

[Shri T. T. Krishnamachari.]

in this hon. House. There is also another disadvantage namely, that the discussions have taken place in two Houses, and they have not been wholly different either in tenor or in substance. I had the privilege of having to reply to the discussion in the other House about a week back and I probably will have to cover the same ground over again here.

Madam, by and large, the discussion in this House—as it always does— took the shape of mature, deliberate and mild criticism, except perhaps, from one or two Members on the opposite side, and many hon. Members who found some point to criticise in this Budget—and I have no doubt there are points which can be criticised—at any rate, were good enough to balance it as against what might be some of the merits in the Budget. Some of the hon. Members have given me eloquent though critical support. My hon. friend, Shri Santhanam, who is not here, spoke on it. And the hon. Member, Shri Mishra, this morning at great length" dissected the Budget from the point of view of an artist—I am using his own language— and I think his support was valuable a_s far as it went, and the criticisms that he made thereon and also the other Members have made, should be taken note of by the House in regard to shaping the policy over the year which this Budget covers.

Madam, the broadside against th« Budget from the opposite side, by and large, has been more or less of the same character, as I said in the other House, with this difference that the tone and the texture of the speeches have been somewhat different. Our friend in the other House who leads the opposition group—the Communists —speaks very mildly. My friend. Mr. Ramamurti, who is not here—an old friend of mine, Madam a friendship running into several decades—is a veritable torrent, and when he finished I thought that the storm was at an end. Of course, he could not resist the temptation to tilt his sword or spear, or may be a blunt stick, at an old friend, and he always can do it very effectively. My difficulty, Madam, in dealing with the opposition to this Budget as it emanates from that side is to understand what it all leads to. If the opposition is to oppose, well, it is all right. I can use the argument of *tu quoque* and say you are another. But if the opposition has any criti-eisim on the merits of the Budget, I have seen, no evidence of it. Of course, we can be quoted and, as I said, Madarn, the devil can quote scripture. You cannot prevent the devil from doing that. Apparently there is a great deal of democracy in the land where the devil lives, which is denied in some parts of the world to the people of those areas. Similarly in this country where freedom, I think, reigns and abounds, anybody can quote anyone and they can even quote scripture, if they feel like it.

SHRI M. N. GOVINDAN NAIR: How?

SHRI T. T. KRISHNAMACHARI: Why should my hon. friend feel that I am referring to him, that the cap fits him? We at any rate sometimes wear a cap, and he does not do that. I will not refer to my hon. friends because I do not know the difference between the various hon. Members. My friend, Mr. Ramamurti, is very mild and he will not kill even a fly but he is supposed to be the most extreme of them all, whereas our hon. friend—here I am happy to see him come back with a broad grin— Mr. Bhupesh Gupta, is so violent that he looks as if he will one day burn the earth and, as I said, it is so difficult for me to size them up. I say that

it is very difficult to assess or size up what their intentions

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are—I hope they are honourable. When they critcise Government, it is difficult to find out what their intentions are in regard to the future of this country, whether they want to go the western way or the eastern way, I mean within the limited sphere of the world of Communism, and whetfher their affiliations are to the Congress Party or to tne

left of the Congress Party or with the other people outside the Congress with -whom they hobnob sometimes, the Swantantrites and so on. I do not know. It is so difficult to understand and that makes it all the mere difficult for me to answer their criticism. (Shri *Bhupesh Gupta takes his seat)* Ah, here comes the interruptor and I hope he will not interrupt because he has not been here to listen to the other speeches. The burden of the song from the opposite, from the extreme opposition has been that there is nothing good about this Government, there is nothing good about the Congress Party excepting in regard to some Members whom they like.

SHRI M. H. SAMUEL (Andhra Pradesh) : It is an old song, Sir.

SHRI T. T. KRISHNAMACHARI: But if it suits them, as I said about the devil quoting the scripture, my hon. friends quote the Bhuvaneshwar Resolution, and say that we have not lived up to it. It is my friend$_s$ in the Congress Party who should ask me about it. Their duty is to condemn me bell, book and candle; they can borrow it from the Catholics, if they want. Therefore, the point is tht same in every question. They say, "You are bringing in foreign capital. Foreign capital makes a lot of money. The Americans say that they are making big profits. Therefore, all your figures are wrong and the Americans are right." When it suits them, they say that the Americans speak the truth and when it does not suit them, they say that the Americans all tell lies. Sometimes I am glad that the Americans can feel that they have this amount of support from them. They further say, "If the foreigner comes, your economy is gone". I do not know if they have yet said in the name of China. "You have sold yourselves to America and made India into an American colony". Some people amongst us do say so but where do they stand? The question of Defence (has been raised and some people have said that the Defence Budget is a very big one. Some people have said that the Defence Budget is not adequate enough. Others have said that the money has not been spent properly but where do they come in? Do they want to defend the country or not? Do they want us to make peace with China or not? Do they want us to hold our prestige high and fight to the last man or not? If they do not want that, what d° they want us to do? After all, Madarn, this Budget is composed of two legs, one is Defence and the other is development, and one important thing which certainly makes the Budget heavy is Defence. Many people are willing to accept the burden. Ah, here comes my friend, Daniel. Come to judgment. What do they want My hon. friend, Mr. Ramamurti, is the most honest of them all. He is I very frank in his criticism of a good friend like myself. He is also very frank in his belief that this country should not fight China. China is » friend. What we should do is that instead of showing some guns and perhaps retreating as we did $_a$t Thagla Ridge and thereafter at various other places, we should have taken some Brahmins like myself and Mr. Ramamurti with puma kum.bh.am and should have asked the Chinese to come into this country. Then take a few mango leaves and spray the water over this country and thereby we could have attained salvation. I have a good deal of respect for Mr. Rama-murti's opinion and I respect him more than the others who want to play hide and seek. I respect a Communist who says, "The system in this country is all wrong. It is better for you to follow the path of Communism and the one of the best, when you follow it, why not most rigid and the most insensate of them all, I say the policy of our Chinese friends." That is all right; it is quite good and if you talk from that point of view, we understand the position of the Communists very clearly but what I cannot understand and what I think is wholly wrong, wholly unethical, if not sinful because sin is not in the dictionary of the Communists, is for you to tell us, "No, no. We are all with you against the Chinese but what you do'

[Shri T. T. Krishnamachari.] is wrong. Your defence is wrong. Your .Defence Factories should not produce. We should raise troubles. We will create labour troubles. We will bring the Government to a standstill. We will cripple you but we do not want you to give in to the Chinese. We support your Colombo Plan Proposals". That is exactly where I do nol ■understand how they stand.

Of course, I can do one thing. I can try to be wise. I can say that the Communists of the Red variety or the Pink variety and the Pale Pink variety, such as those that are with us are all the same and, therefore, their criticism aH comes from the fact that they have held the same line all the time.

SHRI NIREN GHOSH (West Bengal) You are now a Congressman of the black variety.

SHRI T. T. KRISHNAMACHARI: Of black variety? My hon. friend has no monopoly for using abusive language and I can do so; the only thing is that I am in a different position temporarily. 1 may be a Congressman of the black variety but I am not a traitor to the country as every Communist is . . .

SHRI BHUPESH GUPTA (West Bengal): Madam, I protest against, this. On a point of order, Madam, 1 protest against this. This must be expunged. He has no business to call us traitors.

SHRI T. T. KRISHNAMACHARI: I say that the Communists are traitors to this country.

(Interruptions)

ISHRI C. D. PANDE: Madam, let Shri Bhupesh Gupta sit down.

SHRI BHUPESH GUPTA: I can ask him to shut up.

SHRI C. D. PANDE: Ask him to withdraw what he has said.

SHRI BHUPESH GUPTA: He has isaid that every Communist is a traitor.

THE DEPUTY CHAIRMAN: Will you please sit down?

SHRI BHUPESH GUPTA: Ask him •co withdraw.

SHRI C. D. PANDE: No, never. The Finance Minister will not withdraw.

THE DEPUTY CHAIRMAN: The Minister has not called anyone a traitor except that in explanation he has made a general remark.

SHRI BHUPESH GUPTA: No, no. See the proceedings. He said that every Communist is a 'traitor. He said that. Let him take it back. He cannot go on like that.

SHRI T. T. KRISHNAMACHARI: He cannot go on like that.

SHRI BHUPESH GUPTA: I will ask the hon. House to see this. Here is the Finance Minister who calls us traitors and they want to put up with that.

(Several Hon, Members stood up)

THE DEPUTY CHAIRMAN: Order, order.

SHRI BHUPESH GUPTA: It is nonsense he is talking. Ask him to withdraw that, Madam.

SHRI C. D. PANDE: No, he cannot and he should not.

SHRI BHUPESH GUPTA: I beg of you to ask him to withdraw that statement.

SHRI C. D. PANDE: Never, never.

SHRI BHUPESH GUPTA: He will not be allowed to carry on. He called all Communists traitors. Ask him to control the Treasury Benches.

(Several Hon. Members stood up.)

I will ask the hon. Members of the Congress to remember that here is the Finance Minister who calls the Opposition Party as traitors. You allow him to get away with that. He attacks the Communists.

SHRI C. D. PANDE: No. Chinese Communists only,

(Several Hon. Members stood up)

THE DEPUTY CHAIRMAN: I have given my ruling.

SHRI BHUPESH GUPTA: Your ruling is misconceived. You have not followed what he said.

THE DEPUTY CHAIRMAN: You cannot say like that. You cannot shout.

SHRI BHUPESH GUPTA: It is no ruling. You will have to hear . . .

SHRI AKBAR ALI KHAN: I 'think the whole thing started with what Mr. Niren Ghosh said. He called the Minister a black Congressman.

(Interruptions)

Swu BHUPESH GUPTA: You withdraw. Madam, we are also entitled to your protection.

THE DEPUTY CHAIRMAN: Please take your seat.

SHBI C. D. PANDE: First of all Mr. Niren Ghosh called the Minister a Congressman of the black variety.

THE DEPUTY CHAIRMAN: I have followed everything. I have followed every word in this House. Therefore, no Member should tell me thai; I did not follow. I know what Mr. Niren Ghosh has said. I have heard what the Minister has said and I have given my ruling.

SHRI T. T. KRISHNAMACHARI: Thank you, Madam,

I do not want to excit$_e$ my friend. He may be anything but he is my friend nevertheless. Therefore, I do not want to excite him.

SIIKI BHUPESH GUPTA:. We do not believe in this kind of thing.

SHRI M. N. GOVINDAN NAIR: You take seriously.

SHRI BHUPESH GUPTA: Don't try *to* patronise us. We do not like your patronage. You call us traitors and call us your friends. I detest that kind of friendship; those who call us traitors we repudiate their friendship. I do not want to call him by an unparliamentary name.

SHRI T. T. KRISHNAMACHARI: Very well, sit down.

SHRI BHUPESH GUPTA: Traitors? Traitors have to leam a lot from him.

THE DEPUTY CHAIRMAN: The Finance Minister will continue.

SHRI T. T. KRISHNAMACHARI: Madam, I do not want to explain this position because the policy of a Party may be certainly whal I described it to be but I did not apply it to any individual unless it be that he says that he follows that policy and it is for him to admit that. Well, the question really is—my hon. friend today has repeated and it was mentioned by Mr. Ramamurti before—about the change in the economic policy of Government. Madam, I believe that ;he Parliament Secretariat circulated my reply to the deba'te in the other House to hon. Members—not that it is a document which is very important that they should take it into account—r-nd there I think I repeated 'the Industrial Policy Resolution. I repeated it word for word and if I may, I will repeat it again because it seems to be neeessary; sometimes by repetition word.-; gather more strength. I thought it was only during the time when Hitler was in power that by often saying something he thought it acquired the merit 0' a *mantram.* We never believe in that kind of thing. But I think those words will apply here and I may repeat:

> "The point has been raised whether our policy regarding equity investment in the public sector has undergone any change. The policy in regard to private participation in public sector projects

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stands today exactly as it was defined in the Industrial Policy Resolution of 1956. It is worth quoting from it. The Industrial Policy Resolution clearly sates that the inclusion of certain industries in Schedule A of the Industrial Policy Resolution does not preclude the possibility of th$_e$ State securing the co-operation of private enterprise in the establishment of new units when the national interests so require. Railways and air transport, arms and ammunition and atomic energy wiH however, be developed as Central Government monopolies. Whenever cooperation with private enterprise is necessary the State will ensure, either through majority participation in the capital or otherwise, that it has the requisite powers to guide the policy and control the operation of the undertaking."

I am quoting.

"In pursuance of this policy, many public sector projects do have private foreign investment in the equity. We would certainly be glad to take in such participation in industries, particularly where technological considerations make such participation desirable, provided the terms and conditions are satisfactory.

"Another question which was raised was whether we have made any change in regard 'to the policy of the percentage of equity stock which foreigners can hold. Clearly, in the public sector, they cannot hold anything but a minority position; otherwise the project cannot be described as a public sector project In regard to the private sector, the policy of preferring a minority participation and making exceptions to this rule only in suitable cases and in exceptional circumstances remains unchanged."

And I do not think there has been any change in that policy and therefore the criticism that has been my de in regard to there being any change in the Industrial Policy Resolution does not hold good. A mere reiteration of it either on this side or on the o'ther side does not make any change in the existing position.

Well, some figures were quoted in regard to the capital and the profits obtained by American equity. I have no desire to go into that because it may be 'that the capital is not so much; it may be dividend is high because of the capital structure. I happen to know one firm, a tyre firm, where the equity capital was, I think, Rs. 20,000 but where the block capital was Rs. 6 to Rs. 7 crores. Therefore the profit on a capital block of Rs. 6 to Rs. 7 crores divided up against the equity capital of Rs. 20,000 would provide a distorted dividend return of about 20 per cent. Therefore the percentage of American investment aggregated and averaged might be very high but in the net result it is not really very high. As I said if capital employed whether by loans or by equity investment, the returns are probably sizeable, not out of all proportion. But if it is a matter of any individual case having a high return, it can be checked. Therefore, I do not think this charge of benefiting foreign capital or changing the economic policy of Government that is made against the Budget and against the Finance Minister in particular can be sustained.

Well, there are other matters which form the basis of criticism from the Opposition, like the burden of indirect taxes. I have before me. Madam, fairly large literature on the question of indirect and direct taxes. It is true in any country where the amount of direct taxes paid is sufficiently in good proportion to what is due perhaps this defect may be remedied. Also in a developed country where people have a larger income the direct taxes will be high and the indirect taxes may be lower but in underdeveloped countries or in countries where the

development is very much in the hands of the State thi$_s$ position v/ill obtain, namely, indirect taxes will be higher than direct taxes. I was quoting in my reply to the Budget debate in the other House in a different context altogether about the position of public sector projects in the Soviet Union. There the direct taxes which are of a receding variety are about 21 per cent. The res'!: of the income of the State is derived either from turnover taxes or from profits from public sector enterprises. Therefore it means 79 as against 21 and since income-tax is going to be abolished progressively in the Soviet Union it is likely that the area of difference between direct and indirect taxation will become wider. I am quoting that in a different context here to illustrate that in an under-developed country where incomes are not sizeable and are undoubtedly confined to a few people—after all we have only 1-3 million direct taxpayers in this country; it is my hope that it will grow but even when it grows, if it grows to two million, even then—I think the range will continue because our indirect taxes are bound to grow with increase in consumption, with the increase in production which we hope. Otherwise we have no chance of increasing the national income. And even if our collections are better, even if individual incomes in the middle grade are better, I think the difference will persist in this country. I do not think we can ever, we can ever equalise it. Therefore when we speak of direct and indirect taxes in relation to the understanding of these two taxes, the degree of contribution by each tax in advanced countries of the West has no application today to an under-developed country or a developing country in the East where the start of industrialisation has been rather late and has to grow apace and it will ?row only . .

SHRI N1REN GHOSH: That is of course the capitalist theory, the indirect taxes being more in underdeveloped countries.

SHRI T. T. KRISHNAMACHARI: I will learn my economics some day. I am 64; I think I wil] live long enough to learn it.

That position will obtain as it obtains in Communist countries. Therefore we go on. As I said, we are expecting that the return from direct taxes will grow partly because incomes will grow and partly because collections will be better but I do not think it will ever outpace the rate of growth of our production and consumption and both have to grow if our standard of living has to go up. In fact one of the points on which I think—there may be very few points where we might perhaps meet with intelligent people in the Opposition if they exist—we may meet is on the ground that there is a large quantum of money . . .

SHRI BHUPESH GUPTA: What a way of speaking? Intelligent Members in the Opposition if they exist; there must be a limit to conceit and cheek

'S<HRI T. T. KRISHNAMACHARI: We feel that a very large proportion of the money which either should go to the producer or to the consumer goes in the hands of the middlemen. Tf that is mopped up to a considerable extent, very possibly this disparity might become less but all these are matters which have to be pursued over a period of time. Even so, if production is increased, in the type of economy that we visualise, I think. this difference will persist. I do not think there is anvthing seriously wrong about it. The question of burden of indirect taxe$_s$ has been raised. I have explained it in the other House. I realise it and nobody need tell me about it that the prices are high and I view it with great concern. Apart from the fact that it hits the people and the lower income groups very badly, even the middle income groups to a certain extent, it makes it impossible for us to raise the

[Shri T. T. Krishnamachari.]

standard of living. The margins disappear in'to an abyss out of which we cannot recover. Something has to be done about it. A_s I said in the other House, if something has to be done about it, it presupposes that the people will accept a certain amount of discipline, namely, some kind of control. When I had spoken of ineffective controls, controls which cannot be exercised, and they need not be pursued because they only drive money into the blackmarket, I should not be taken to mean that I do not believe in controls. I do. As a matter of fact, it is impossible to have a planned economy, much less a socialist economy, without some measure of control at the strategic points. The commanding heights must be within the distance of Government's reach. But my trouble is that because of certain things that had happened in the days of control, we are not ourselves able to adjust our sights clearly to what is required of us. The other difficulty is this. If there is naturally public prejudice against controls and if that is being fanned, we cannot altogether ignore the fact that the public do not like it for the reason that we have to go to the public every five years. We cannot afford to alienate the whole lot of people. That is why after all in such a big country like this where you do not tax the producer, you do not tax the consumer, you come in between. That is wha't we call the strategic points. I believe very firmly that the only answer to these high prices is for the State being able effectively to control the middle sector a't the wholesale point. You may do it yourself. You might have State trading. You might have co-operative societies. You might very heavily license and control dealers who operate as your agents. You might have control where it is stored, you might have control from where it is moved and you must be in a position to take it at any time or divert it to any place where there is need. It is a matter of organisation. It is not really a matter affecting the individual's rights because the rights that would be affected thereby would be 'that of a very narrow set of people who have been making money and do not make it now.

I would like to tell my friends here that I do know something about distribution. I know about it for a long time. A't the time that I had known it the profits were keen cut. In fact, the middleman made very small profits or what they call retail price maintenance in Western countries. We tried our bes't. Even then we could not help it because competition was very severe and the holding power of the middlemen was so very small that they sold with very little profit and things were all right. With the war came the period of shortages. After all, that keen cut price was possible only because of supplies. Branded goods were sold at a slightly lower price, even below cost, in order to attract custom for 'the non-branded varieties. These are all known facts. With the war came an atmosphere of scarcity. That has been fanned and we are deeper now today in that atmosphere. We have scarcity all around. That is where the difficulty comes in, i.e., you put merely price control and you do not go about and see whether the prices are observed, whether the people get it and who gets it. I would mention one particular instance which some people here are familiar wi'th. For instance, in the yarn trade, the mills are supposed to adhere to some kind of national price control. It has not been fixed statutorily. Deviation from it is not punished. It is no't punishable. But then there is price control. Say, a bale of cotton yarn sells at 'X' price. What really happens is that that bale of cotton yarn, if it happens to be fine and superfine yarn, is sold a't about Rs. 400 more than the understood price and the money passes under the table. We do not get it because it does not £0 through the books either of the purchaser or of the seller. If $_a$ yarn merchant buys it, he buys it at the

national price. He has to find some money to pay for that. He has sold it at a considerably higher price for which no bills are maintained. The mill owner sells it and he does not maintain accounts. He maintains accounts at the standard price. If that is the sort of thing, it is not worthwhile being perpetuated. If that is the type of price control, it is better to leave it alone. It may be that one or two people will say: "I will not put all the Rs. 400 as a gain. I will show Rs. 200 as my gain." That is a possibility. Even those people who want to be honest or who want to be honest to some extent, are made dishonest by a system of price control which has no bearing to reality, no connection whatsoever with the supplies. Therefore, public opinion must be there. I feel very strongly about it. It may be that one aspect of the Budget Statement is purely personal, maybe my colleagues are agreeable, maybe there are some people in my own Party who do not like it. But those people and others in the country must agree that we cannot get over shortages excepting by the Government getting at some kind of control over the commanding heights or the strategic points. That is true of foodgrains. That is true of cotton. That is true of yam. That ig true of cloth and many other things which are essential. You cannot control everything. There is no point in contolling soda ash or caustic soda or sodium silicate which all goes into manufacture and for which we have not got staff. We have not got the intelligence. We have not got the resources to finance a trade of that nature. So, what we think is that our controls have to be selective. It has got to be at strategic points. It should not affect either the producer or the consumer. There is no point in going in for procurement. I do not believe in this kind of procurement. I remember once an attempt was made at procurement in 1960. I found the Collector issuing orders in one district to a cooperative society to purchase from 2,418 persons 550 bags of paddy. Really you are just making it a mockery. The big people who have got thousands of bags are let off and you ask these people to go and collect parts of a bag of paddy from a very large number of persons which no co-operative society can do. Their cost will go up. That is not the way to do it. That kind of procurement is no good. What you should do is that ultimately the market surplus may be sold to somebody. It may be a rice mill. It may be somebody who comes in that capacity. It is that man whom we have got to control. If we are prepared for it, public opinion is prepared for it, I think we can have a good try, in spite of the various vagaries that occurred in the last control regime. I would like to tell you my own experience in Madras. Rice was selling at ten annas and six pies a measure and a measure is 3| lbs. In fact, it was selling at 10 annas and 3 pies. Just before the elections it was raised to 10 annas and 6 pies. And our opponents said: "Jawaharlal Nehru came from Delhi. We have to finance the expenses. They have raised it by a quarter of an anna." Of course, the quantity was 8 oz. or 6 oz. The blackmarket price was only 12 annas. It was not Rs. 1|6 or Rs 1|8 or Rs. 1] 10 or Rs. 1 j 14 as it is today. So, the margin, what you call black-market, was small. We viewed it with very great suspicion and with very great resentment. It was justifiably so. The margin was small. So, merely saying that if you have control, it will go into the blackmarket is no reason. If it is intelligently applied at one point it would be helpful. If you say that the dealer has to purchase at Rs. 18 a bag in the month of January, Rs. 18:25 nP in the month of February, Rs. 18:50 nP in the month of March and probably Rs. 19 in April or May, the rise becomes greater. That is something intelligent and the man knows that he is bound to get it. Even though it may be a little less than the price at which he is willing to part with, he moy be giving you the marketable surplus. So all this charge against the Government, I think, is a justifiable charge. I am not resenting it. I am not resenting: any Member from any part of the House speaking about the pre-

[Shri T. T. Krishnamachari.] sent price position and blaming the Government to a certain extent for it. 1 am not to blame, but my Budget has not tended to raise the price ol meat in Delhi 'on the 1st of March. If any hon. Member says that there is anything in this Budget which has anything to do with livestock, anything to do with butchering them, anything to do with exposing them for sale and selling them, if hon. Members say that, this Budget is completely innocent of having had any connection with meat. But the price went up, so they say.

AM HON. MEMBER: It is a vegetarian Budget.

SHRI T. T. KRISHNAMACHARI: It is not vegetarian.lt has plenty of meat in it. The point is, how does it go up? Why does the atmosphere of increase in prices come to be created? I think it is a thing on which we should put our heads together. It is only public opinion, the moral support that public opinion can give Government that would make the Government take the steps. Tomorrow you may say: "You have introduced c'ontrols and thereby you have ruined the entire economy; and we are suffering more." I think Government should have courage to go ahead and it should go ahead. I have absolutely no reservations on that point. But the reduction in indirect taxes cannot help. It may be a good enough piece of agitation to tell the man that Kerosene price has gone up and the Government is to blame for it because it has levied the duty. It is an easy thing because he knows that kerosene price has gone up to some extent; it goes up to a further extent because of the middleman's profit; it becomes less valuable because he adds two inches of water. I do not mind telling the House a story, if you do not think it apocryphal, that during the days when I was a free man, I was having a walk in the evening and Counci an old man with only a loin cloth, a big one, not a small one. walking fairly briskly about dusk with a bottle in his hand which he had tied to his thread. He went past me ana then came back and said: "Are you Mr. T. T. K.?" I said: "Yes, I am T. T. K." He said: "See this". i said I was not in the Government, that 1 was driven away from Government, and that I was a private individual having no power or influence 'over any Government. He showed it to me and said that there were two inches of water. I asked him: "Why did you buy it?" He said "Sir, 1 have no electric light and I have got to go and light the light and start the cooking. This man churned the tin and pumped it into my bottle. He said: "Take it or leave it." That is a thing which I cannot help today. You may say 1 am responsible. Maybe in a remote sense God is responsible for having brought me forth here and he is responsible for inflicting me as the Finance Minister on the opposition— not on you. Therefore, I agree that the ultimate responsibility of God is there. That kind of responsibility is there with us. The real point is about how we shall go about it. I would s'mply say that that poor man did n'ot complain merely about your high prices. He complained about the bad quality. Am I responsible for the bad quality? Is the high duty responsible for the bad quality?

I can tell you another instance-About the same time an educated old man who does not believe in prohibition and salt tax sa:d: "The root of the evil is your salt tax. Why don't you put in the salt tax? Why are you selling it at 6 nP or 5 nP? I can willingly pay 12 nP." That is the answer to the prices on matches. It is an old man who was prepared to pay 12 nP for salt. He said: "Why don't you add 6 nP? Why do you go on taxing all and sundry?" Five or six months afterwards he said: "Sir, I mentioned to you about salt tax. Now the dealers have made it 12 nP"—without our putting any duty on it While we do not want fo injure the wisdom that has been given to us. the taste of freedom i that has been given to us or danage

tnat memory, may probably be right in thinking it worth while taking that 6 nP from the dealer.

So, our basic problem today is, where are we and what shall we do about it? I think we shall do something about it. I have no doubt that we are trying to do something about it. But by my lowering the taxes either on cotton cloth or on matches or on kerosene, I am positive that the poor man is not going to get any benefit out of it. Kerosene is scarce. Today who uses the bulk of the kerosene? As I mentioned in my speech in the other House, I am positively assured that most of the lorry owners today, because of the price of the high speed diesel, use kerosene and mobil oil mixed together. They ilo not care if the lorry goes. They can get a loan again and they can buy one and run it. That is what is being done. Am I to finance it by lowering the duty on kerosene? I do net know. But this is the basic difficulty that I have. I can tell you that this country's economy will not come down • by losing Rs. 25 crores; in reducing the duties on certain essential articles. Sugar is not one of them. But we can do it, but it will not reach the poor. I would much rather it reaches the poor than others. Ot course they call us unsympathetic. I do not want to lay claim for soni-3 small things that have been done practically today not resenting the fact that the low-paid employees are susceptible to pernicious influences of political parties. In their heart of hearts they are very glad that they have a family pension. They did not ask me. There was no demand, there was no "morcha", there was no petition, there was no tarring of statues, nothing was done. And we gave it, and they are happy about it. We will do it. I think the better way to do it is, not that we should give up this idea of price control at strategic points; we should pursue it. We should give equitable prices to the farmer so that he can produce, he has the incentive, and all incentives are not wr'ong. I saw in the papers the other day about Mr. Khruschev. Mr. Khruschev is not a T. T. Krishnamchari. He comes from different origin perhaps. He says that material incentives are important in the production of food. He said that. I read it in the: papers only a few days ago.

SHRI AKBAR ALI KHAN: It was yesterday.

SHRI T. T. KRISHNAMACHARI: Of course he was wrong as he is a revisionist, he is a reactionist. Shall we have an asylum for him for that?

(Interruption)

SHRI BHUPESH GUPTA: It is common sense.

SHRI T. T. KRISHNAMACHARI: I am glad that my hon, friend laughs. Now. Madam, some say that the Budget is not socialist, not in the Bhubaneshwar spirit. As I said in the other House, that criticism is addressed *to* me personally. Somebody said that I was black or white or something like that. I think I am brown. Black minds see black everywhere, Madam. They say that I am not a socialist. Madam, I am 64 years 'old. I am very near the end.

SHRI BHUPESH GUPTA: Not at all.

SHRI T. T. KRISHNAMACHARI: It may be a year, it may be a day, it may be five years. But I am near, much nearer than I ever was. I am getting nearer. Well, I am not an unbeliever but it is difficult for me to think of Heaven or at any rate that I have a place in it. But I do n'ot want to go to hell.

SHRI BHUPESH GUPTA: Where do you want to go?

SHRI T. T. KRISHNAMACHARI: Very possibly the hon. Member and myself will both float in "Trishanku". *(Interruption) I think* we are going to be together for the next one month.

SHRI BHUPESH GUPTA: We wiH go together—and I leave you there.

SHRI T. T. KRISHNAMACHARI: It does not give me any spiritual satisfaction either to be called a socialist or an anti-socialist. I am what I am. I owe allegiance to a Party. The Party has certain principles. So long as I am in the Party and I happen to be what you call an office-bearer in that Party, I do my Party's work faithfully. I carry out its obligations to the people, to the millions of the people who have elected that Party, equally faithfully. The trust that the people have reposed in that Party is a trust which I bear along with my colleagues.

SHRI BHUPESH GUPTA: Every Finance Minister says that.

SHRI T. T. KRISHNAMACHARI: That trust, Madam, will be discharged adequately, satisfactorily, conscientiously, so long as I am here as Finance Minister. At this age we have not come here for power. I am not an aspirant for power, but I am an aspirant for the one thing that is done only for an hour after a man goes, for the feeling that he has been a good man. I do not think I have let down my Party, and my Party, 1 think, believes in me. My Party believes in it. I do not propose to explain whether it is socialist or not socialist. I do not take any delight in it, nor am I going to highlight the fact that th'ose provisions in regard to properties in this Budget are severe, very severe. Some hon. Members said, they are more severe than in any other country. Yes. There are very few countries with this population, there are very few countries with this poverty, there are very few countries with people a_s intelligent a_s the people of India who dare not, who would not oear to see riches being flaunted on their faces all the time when they themselves find it so difficult to make both ends meet, and therefore the riches shall not be there. It is not a matter of any satisfaction bescause every rich man, I think, hos got a soul. We respect him for it. But I am afraid all that we can do is nothing to him. I am not doing anythmg to him. I have not increased his taxes. He finds a little difficulty in paying the wealth tax but he has the wherewithal to sell out his property and pay. I was told by somebody day before yesterday, "I have got only jewels. You ask me to pay the wealth tax. It is riot easy to sell them." If you do not want to sell them in India, sell them outside, it is not difficult and we can get some foreign exchange.

SHRI BHUPESH GUPTA: He seems to be in your confidence. Who is that man?

SHRI T. T. KRISHNAMACHARI: Therefore, Madam, we have not done harm to any individual because we do not do any harm to any individual. When the individual ceases to live . . .

SHRI BHUPESH GUPTA: May I have the name of the gentleman who said it? It is an important thing, a rich man comes to you and takes you into confidence about his shady deals.

SHRI T. T. KRISHNAMACHARI: We have a right to be underground as the hon. member.

SHRI BHUPESH GUPTA: That is all right. But tell me who that big man is who talked to you about ornaments, etc.

SHRI T. T. KRISHNAMACHARI: Therefore, we have not done any harm to the rich man. Or if he wants to transfer his property because he has to pay the tax after death, we shall not permit him to do so. And again, when the man lives, we give him incentive to work, we give him incentive to see some money in his hands, we give him permission to spend money up to a particular point and not more. Otherwise, he pays for it. He pays for everything, the rich man has to pay fo_r it. Therefore, 1 will not claim any credit for having been severe. But m_v only plea is tnat

I have not been severe to the man who is living. If you say that I have been severe to people who have g'ot the property, I admit it, but 1 do not think I am wrong. Well, that is how we intend to build up society, Madam, in this country. We shall encourage the man to work. A_s in all civilised countries including many of the Communist countries, a man who is talented, a man who is a scientist, a man who is an inventor, a man who is a manager, a man who is an engineer will get what he deserves, maybe a salary much out of proportion to what the other people are getting, but he will get it. He can spend up to a point. He has to save. If he gets an unearned increment, he will pay a surcharge; Irom Rs. 10,000 onwards it goes rather steeply, from 12J per cent, to 17 J per cent.

Some hon. Members here have said and very rightly—my friend. Mr. Suresh Desai, and probably other Members said—that maybe ultimately when you aggregate the tax at the top level, it might exceed IOO per dent. It might, I do not say it Won't. It may be that a man has got wealth which has not produced anything, it is dead wealth. It cannot be helped. If you pay a wealth tax up to 2 pet-cent, on property which does not produce anything—naturally that is dead wealth.

I am not responsible. Well, he can sell, he can make it more productive, put it in an investment or in an industry.

SHRI AKBAR ALI KHAN: But it is difficult to sell.

SHRI T. T. KRISHNAMACHARI: We will help him to sell it if he has to sell. But don't ask for a fancy price, we will help him to sell it.

Madam, I shall not labour on the point whether it is socialist or nol. The Budget, I may humbly claim, is in tune with the spirit that drives this Government forward, that controls this Government, that gives momentum to this Government. That is tne essence of the life of this country. I will not say anything more about it.

I am sorry that my friend, Mr. Santhanam, is n'ot here. As is usual in his case, he raised a number of valid points. Some of them are ac-ceptable, some of them are even worK-able; others are not. But the point was made in regard to the defence expenditure by some hon. Members. Well, many hon. Members wanted us to spend a little more on defence. They thought that I was cutting down on defence. We are not. Some Members felt that more money is spent, wasted, on defence. Maybe there is some waste. I do not deny it. The army man does not often c'onform to discipline. We have got to drag him down to it. Sometimes he rebels and we have to suspect his moves. There may be some element of extra expenditure. In fact, the army may ia not a very good accountant or esti-mator. I do not mind taking the House into confidence because I was doing another work in regard to the Army, namely, the Supply Department. In the initial days after the Chinese invasion, the demands were so high; everything was in short supply. We g'ot all goods from all kinds of places, harnessed the manufacturing capacity in very many places. All of a sudden, we were told, we do not want them. Madom, I had to allow these people to go on for three months and stock-pile them for future use. I do not say that the army man is not an estimator, but his business is not to estimate, his business is to fight. If I want the other virtues in him, he will not fight. So, I do not blame him, I will not blame the Army at all, for making estimates which are not realistic, for doing what you call the 'stop-go-business', wanting a lot of things and all of a sudden not wanting them. That kind of thing cannot be helped. We are keeping a very close check on Army expenditure. I may tell the House, I think my hon. colleague, the Defence Minister, will come and say about it at least during

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the time of the Finance Bill or maybe there might be a discussion on a matter in which the House has some interest. We are spending money on the Army, we are trying also to see how much of the money that we spend can foe put to civilian use. We will have the border roads. But we are taking up one big road, the lateral road, and putting it into the civil sector because we think that taking up that road will mean the development of that area. It is a matter with which I am personally concerned deeply concerned. My colleagues, Shri Bhagat and Shrimati Tarkesh-wari Sinha, and I propose to take an interest in this matter and see that the area through which this road traverses is going to be benefited and that development is going to take place, because most of the areas are backward areas. We are going to integrate that development of backward areas. In the same way, the road in Rajasthan, the frontier, wiH be necessary for the purpose of canal development and it will also be integrated with the development of that area. We are trying. Oftentimes we told people if you are building a cantonment, please do it somewhere else; something like a town will grow, the water supply can be used. I have told the Army people that I do not want any more emergency construction. The construction has to be permanent. And we have to go a long way before making practically everything utilitarian. We are trying to convert more of defence things into things which have a civilian bearing. I do not see why the Army vehicles which we make in certain Army depots could not be expanded and used for Government purposes, also at certain times for civil purposes. This is an attempt that we are making to see how much of the Army expenditure will be needed; how much of it could be used for civilian purposes almost in tune with what is happening in very many civilised countries.

The hon. Mr. Santhanam made a reference to social Security. I am personally interested in it, I have given a lot of thought to it for a period of years. I am glaa" to say thai there is adequate response for a development in this direction, both on the part of my colleagues in the CaDinet and also in the Planning Commission. And I do believe that one of the ways in which we can meet this rising cost of expenditure of the individual which is given by this dearness allowance is to convert it into something more beneficial. Social security has to form the sheet-anchor of the development of the standard of life of the low income group.

As I said, we try to cover the families of Central Government servants. An attempt has been going on in the Slate Governments to do likewise. We are also considering; agreeing that the trade unions will co-operate with us, we will get every provident funds subscriber to come into the scheme, so that there will be a pension. I am not one of those who say that I will take over the entire provident fund and give you a pension. No. Now any man subscribing to the Provident Fund would like to see a part of his fund in his hands when he retires, and some portion of it might be diverted for giving a pension to his family member; some contribution by Government will be inevitable. We should probably have to extend this provident fund benefit for self-employed people. If by ihe end of the Fourth Plan we cover something like twenty-five million individuals, we will dbver about one hundred and twenty-five million people all told, including their families, and that would be at a time when the population might have risen to five hundred million. But this is an attempt that has to be made. To cover all the people in the villages will take a long time because, even now, I am sorry to say with shame to ourselves that our minimum wages in agriculture are not implemented, could not be implemented yet. My hon. friend wants to criticise *me* on

the basis of the inadequacy of land reforms. I am quite prepared to plead guilty. I do not say tnat we have done anything wonderful about it. We have got a long way to go because we are fighting all tht: time against the primordial instincts oi human nature to defy regulations, defy any acquisition of his property, because a person goes round and gets over it; sometimes a defect in the legal drafting puts us away by a decade. I mean these are facts which cannot be hidden, which have io be admitted, and we have to fight against them. If my hon. friend is prepared to help, I will accept it, no matter the difference in our political objectives regarding the future of this country.

Well, mention has been made about the poor returns from the public sector projects. Madam, I am a great believer in the public sector. In fact, if you permit me to say, I had been very deeply interested in it at one time; I am still interested. I think public sector has to grow and grow rapidly. It cannot grow Like this; it has got to grow rapidly. Today the total investments in the public sector on what you call heavy-industries are comparable to those of the private sector; it is growing, but there are ways in their growth. I do not mind admitting to you that there is one unit that we have, from which we produce six crores of rupees worth of goods, and we lose one hundred and eighty lakhs of rupees in order to sell them. We have a capital of about seven to eight crores of rupees; we have stores of four crores of rupees, on all cf which the return will be another sixty lakhs oi rupees or more. And one unit which has been made out ol that particular public sector project has not been delivered to any of the parties for six years. I mean, these are things that "happen, not that 1 want to single out any particular Ministry or any particular Manager; I mean to say that it was a salvage operation. It was not something which we began ourselves. '.Veil, sometimes salvage operations are successful. In Italy the total capital of Government in industrial projects in 1962 was Rs. 2,706 million. The entire thing has been a salvage opera-lion. A very large number of units in the industry in Prance, which is owned by the Government, also passed into the hands of the Government because of salvage operations. More of them will come into your hands, maybe because of the Estate Duty, maybe because of our inability to find money, maybe because of their ^efficient management. These things are bound to occur. I do not say this is a very welcome thing. I would like the private sector to manage their business very well; I do not wish them ill at all. But this happened to be in institution which we took over from the private sector. That is why it is difficult for us to get over the initial difficulties of the private sector. But we must reform them, and it , shall be my endeavour, Madam, as ■ an individual, as a person to whom Parliament looks to better manage-j ment of Government's finances, that j we shall make the public sector work and earn more. I do not know if any hon. Member here has ever driven a single bullock-cart. I have. As a method of controlling the bullock-cart the thread by which we control the bullock is not effective, even if you pull the nose-string. The best thing is to twist the bullock's J tail, and I shall do that, and my col-I leagues will do the same thing. Therefore, on the question of public sector projects I admit there is room for improvement. There is necessity for the public sector projects to pay. It is necessary for the public sector projects to become modern industrial enterprises in some cases. An hon. friend mentioned something about Rourkela, something about some contract which we made. That contract was abolished. We paid him a smal! compensation and he took it away. It failed for different reasons but 1 am proud of Rourkela personally. I j nave nothing to do with it. My colleague Subramaniam manages it, yet I I am very proud of it because there

[Shri T. T. Krishnamachari.] were days when I used to go there every three months, used to go and sit at that place where there is the waterworks on that hillock, and watch the sight, and I used to feel proud of it. I am proud of the townships in the public sector enterprises. Neyveli is a model where there is not a single dealer, no private shop, no private enterprise. The clubs are managed by the people themselves, the cinema is managed, the stores are managed. One and a half crores of rupees is the outturn every year, and it is still being managed by them. We run the public sector projects well, some of them ill, but we will get them right. We shall make them model cities for other cities to shape. If Neyveli can do without a distributive sector, I think other parts of India can do without a distributive sector; it is not something that is beyond their competence. It was done by that one man, who is dead and lost now, no longer there. I am very proud ol Rourkela notwithstanding what my hon. friend says. It is a beautiful township. It is a good plant, a sturdy plant, and some time it is going to be number one among the steel plants.

Well, Madam, I have come to the end of my tether, both physically and in regard to material. I have questions in regard to taxation; I do not want to go into details. Figures are mentioned about certain companies profiting and certain not profiting. I know they are profiting. Do you mean to say that I am not aware of the fact that by this rearrangement of the corporate taxation some people did not profit? I can tell you, Madam, that, in regard to those companies which pay the Super Profits Tax, the working of the Sur-tax plus the Dividend Tax still leaves them with a certain amount of money. Don't go and say, 'this company or that company'. When you make a taxation, you don't look to this company or that company. You look at the aggregate. Where is the money for investment? Where 'is the money for ploughing in? Where is the money for development? And com panies which did not pay the Super Profits Tax pay a little more. I don't say it is to the credit of the Super Profits Tax; I said that is a type of taxation and works in a slightly differ ent way. Quite a number of companies got away with it. To day this net covers a larger number and leaves a certain amount of money for them to plough in. Ii do not claim any credit for a device made by my predecessor; maybe my predecessor has made my burden easy; maybe that the predecessor always makes his successor's burden light. Even so I am, and I have this double advantage or this double disadvantage; I have been the predecessor of my predecessor; I hope he will succeed me again—one never knows. Therefore I have not referred to him because, if I say my predecessor did this, then I may have to say that I as his predecessor did something else. So this is not a matter of predecessor or successor. Government watches—the organisation that Government has—the Secretariat watches what is happening, and when distortions come, well, they try to stop them, and here we have tried very hard to put before this country the tax structure both for the corporate sector and for the individual, which probably would need refinement as we go on, but not any radical alteration. I do believe, as you say, this question of ther$_e$ being no advantage to the people with an Income ranging between Rs. 5,000 and Rs. 15,000 other than the compulsory deposit. I agree. In fact, in some cases, instead of Rs. 794 it has become Rs. 804. Well, do you call me a big liar for having said that this does not atlect them very much? If anybody can tell me how a person who gets Rs. 10,000 is very seriously worse off by paying ten rupees more, well, I am prepared to change it tomorrow. Is he going to take a little less butter, or is he going to give up his tea, or is he going to walk to his office instead of going by bus, or that he is

not going to maintain his scooter or his car? If anybody can prove it, I will take that ten rupees off tomorrow. and its offshoot arithmetic is not al-take the camel's burden off, I will do it. But I can tell you, mathematics and its offshoot arithmetic is not always the true weapon. Once you start the slabs these distortions in the higher Sector occur, where we have intended that the addition of the Annuity Deposit to the tax structure should make them pay a little more. There is one bracket which just pays that which is equal. They pay probably Rs. 800 more, Rs. 400 5 P.M. more, Rs. 200 more and so on. But what could you do with somehody who has a low income? If hon. Members do not accuse me of being very personal, I have a son who is a fixed income group earner. He said, "Oh, what have you done? Now I am paying Rs. 300 mors." I told him, l^o, no. You are not paying Rs. 300 more. Now you are not paying Compulsory Deposit. Therefore, you are paying Rs. 300 less." He said, "I am told", all the time like the hon. Members of this House, "I am paying more". I had to take the figures and show it to him to convince him that he was paying Rs. 300 less. Not that I wanted him to pay Rs. 300 less; even this person who is intelligent and not wholly dull, to him somebody has told that he is paying Rs. 300 more. He said, "What is the good? My father is taxing even this poor income."

SHRI BHUPESH GUPTA: How is it that the father could not teach his son elementary economics all these years?

SHRI T. T. KRISHNAMACHARI: In the same way as my hon. friend's father, who must be a very, very good man, did not teach him mathematics.

SHRI BHUPESH GUPTA: He was a Finance Minister and then un ex-Finance Minister.

SHRI T. T. KRISHNAMACHARI: Therefore, fathers are always indifferent people. The sons are better. Well, I brought in a personal note in it merely *to* indicate *to* you that this question of Rs. 300 or maybe Rs. 25, maybe very good to him, or it maybe or mayi not be. But it is not even that. It is much less.

So far as the corporate sector is concerned, I told you before that we hove encouraged firms to plough in money and they are better off than what they were before. We have dealt with the vexed question of section 23(a) or the private group of companies, allowing them to plough back their money if they want, industrial companies. Of course, we Rave raised the rates of duty. I say, you make it a public limited company if you like. If you are in the heavy engineering field, heavy industries field, you are paying 10 per cent less. As my friend, Mr. K. K. Shah, mentioned, maybe we have been very harsh in regard to trading and managing agency firms because managing agents would not have beyond 10 per cent block or 20 per cent block.

Lastly, Madam, there is only one word to say. I did explain the objective of this Monopolies Commission in the other House. It is not a mere fact-finding Commission. I hope T will be able to get eminent people into it. We are trying hard. I wilt be able to get people recommended by people of unquestioned probity. And it is the intention that after a period we have a lot of material. We are gathering a lot of people to help them. I hope they will draft a good law and implement it themselves for a period of 'ime.

Monopolies are of a different character. They have to be according to the utility with which they function. In any event any monopoly which wields political power directly or indirectly has to go.

Therefore, Madam, I claim in all humility that the Government have tried to do the very best in the

[Shri T. T. Krishnamachari.]

circumstances in which they are placed There is very little room for manoeuvre, Madam. I could have done even more if I had room for manoeuvre because the overall consideration of revenue is there. And I am very frightened that if I had given more concessions, if I had thrown Rs. 12 crores of C.D.S. into the market what this will do.

An hon. friend raised the question of the Banks having tightened up. Of course, it might be said that I iid not do it. I might have discussed the broad policy. The Reserve Bank has to take action quickly according to the needs of the situation. In the memorandum that they issued to the Scheduled Banks they have made it very clear that they do not want the *bona fide* needs of industry and small scale industries to be stiffened. They only want a gradual curb in regard to the commodities which ahow a rise in prices. We are watching all the time. So I said that the room for manoeuvre is very, very small. And within that field we have tried to do our best for the country so that when we present for the future an integrated picture there is room for chiselling, there is room for refining, there is room for minor modifications. I may assure the honourable House here that I do not propose to make any drastic changes throughout this Plan period.

1 am most grateful, Madam, Deputy Chairman, for such of the support as I have got, such of the enlightenment as I got, even though it has been admixed with words not quite so kind. Altogether I should express myi gratitude to the House for having received this Budget with a certain amount of tolerance.

SHRI BHUPESH GUPTA: Madam Deputy Chairman, I wish to rise on a point of order and I should like to speak within the four corners of the rules. I hope heat will not be generated because I speak on this matter in the interest of the House as a whole.

Madam, I have asked for the transcript of the speech containing the relevant remarks made by the hon. Finance Mfnister to which we took exception. It is for you to compare what I have said with the transcript and then reconsider the ruling if you think you have given the ruling. The position is this. As far ar we could hear he said, "Every Communist is a traitor" or whaK ver is there in the script.

SOME HON. MEMBERS: No. no.

THE DEPUTY CHAIRMAN: Let Mr. Bhupesh Gupta speak.

SHRI BHUPESH GUPTA: Please do not engage me in a debate over this matter. If the rules permit, you do give me the remedy I am asking for. If not, do not give it. Now we are guided in this matter by rule 200 on page 105 regulating the speeches. Your power is given here. It says:

> "... utter treasonable, seditious or defamatory words;".

Now it does not say about whom or any such thing. In the beginning the rule reads:

> "A member while speaking shall not . . .

Now, if "shall" has the meaning of a mandate or if it is mandatory, then it is not in hi_3 discretion. He must not, he shall not, he is under obligation not to use such defamatory expression. Now it is for you to judge whether the word "traitor" is defamatory.

SHRI M. H. SAMUEL: And also the words "black Congressman".

SHRI BHUPESH GUPTA: That will come. You can raise another point of order. Now even taking it collectively in relation to Communists, it would be, according to me, a foul slander if you mean all without taking the cover that it was not meant for any Member of the House. Even if you say, "Every Communist is a

traitor", you cannot escape the responsibility of addressing your words to the Members of the Communist Partyi who are sitting here, more especially when you are saying this in the very House. Suppose today in the same context I say that every Member of the Congress Party :, a traitor, would you not take it as defamatory against you as Members of the House. You are a Congress Member.

SHRI C. D. PANDE: No, no.

THE DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, please make your points and do not listen to the interruptions.

SHRI BHUPESH GUPTA: Mr. Pande, what you are 1 do not know. Therefore, Madam Deputy Chairman, collectively a slanderous defamatory expression has been used with regard to a political party and ail its members. I repudiate it. "But that is not the point. Tt is foul slander. We are sitting here so many of us. And in these exchanges he used that expression. Patently and clearly he meant us also. He addressed us as "traitors" as Members of the House-Therefore, we take it that as Members of the House we have been called traitors. He has used defamatory expression.

Now under rule 221 you have the power to expunge such things. In this connection I may invite your attention to a recent ruling in the West Bengal Legislature. There, as you know, when some Members were in jail as detenus under the D.I.R., one Minister used the expression "traitor" in connection with those detenus who were in jail. They were Members of the Legislature. After they) came out, the Leader of the Opposition challenged the statement and said that it was unparliamentary and so it should be expunged. Now the Speaker made it absolutely clear that even though the word was used in this manner, nobody could say in this kind of a suggestion that a Member of the House was a traitor. And that set the matter at rest. Now, therefore, irom whatever angle you judge, he has used a defamatory expression within the mischief of rule 200 and it is within your power under Rule 221 to expunge this thing. I therefore submit—you need not give the ruling if you do not have the transcript—I am not in a hurry to get this expunged but I wish this to be taken up.

THE DEPUTY CHAIRMAN: You have explained it.

SHRI BHUPESH GUPTA: If we call each other traitor, that does not add to the dignity of the House. It is regrettable that the hon. Finance Minister has used such an expression. Now it is for you to look into this and give a ruling but I know that you will see some proceedings of the House of Commons. There it will not do because there it is said that you cannot call a Member a traitor' but he has called not only the Members but everybody, not only everybody a traitor but also a Member a traitor . • ■

(Interruptions)

THE DEPUTY CHAIRMAN: You have explained it.

SHRI BHUPESH GUPTA: Have you got the transcript?

THE DEPUTY CHAIRMAN: I will now say what I have to say.

SHRI BHUPESH GUPTA: Have you Sot the transcript?

THE DEPUTY CHAIRMAN: You have had your say. What you heard and what I heard and what the others heard will be there. If a reflection is cast on any individual Member, then it shall certainly be expunged but if the reflection is on a political party, there is nothing wrong.

SHRI BHUPESH GUPTA: There I say . . .

(Interruptions)

THE DEPUTY CHAIRMAN: Let me finish. However, I do not think either side should indulge in invectives because political repartee should be better couched, and this is a general observation I am making from the Chair. Therefore, I will go through the proceedings again, though I have given my ruling. The point is whether it was a reflection on an individual Member or it was a reflection on your Party and after going through, I shall decide again.

SHRI BHUPESH GUPTA: All right.

THE DEPUTY CHAIRMAN: My ruling stands till then.

SHRI BHUPESH GUPTA: We shall take it up tomorrow.

THF. DEPUTY CHAIRMAN: The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at twelve minutes past five of the clock till eleven of the clock on Tuesday, the 17th March, 1964.