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succumbing to any pressure. The leaders of the different parties in the other House informally and also on the floor of the House raised this point. All that I have said is that the Government is considering the matter, it is bound to consider it because when the Speaker has also intervened and said . . .

SHRI A. B. VAJPAYEE: No, no.

SHRI BHUPESH GUPTA: No, no. You said, "I have spoken to . . ." I just draw his attention, Sir, . . .

SHRI SATYA NARAYAN SINHA: So far as this announcement of these concessions is concerned, I really talked to the Finance Minister and we were all agreed that any concession, if it had to be made, should be made there. I do not think that any concession was announced here in this House first. The announcement about the concessions was made first in the other House before. All that I have said is that the Government will consider this. For nine or ten years we have been following this procedure. All that I would like to submit is that the leaders of parties in both Houses—when we are going to consider this matter, I mean, the Government—should also meet together and consider this matter, and let us try to come to some settlement or some decision which would satisfy both the Houses.

(Interruptions.)

SHRI BHUPESH GUPTA: We function here as a House under your leadership. You are our leader, Sir.

SHRI SATYA NARAYAN SINHA: I have made my submissions. The Government is going to consider this matter. We shall take into account all that has been said here and in the other House before we come to any decision.

SHRI BHUPESH GUPTA: Why, Sir,

MR. CHAIRMAN: Please, please. I have no doubt in my mind that the matter is quite clear. As you have all made out, the Constitutional position is quite clear. There is no superiority or inferiority in anything. We are two different Houses; we have prescribed functions to perform. There is no question of any House being superior to the other House. That point is incontrovertible. Then, I can not understand why that question was raised there. It might have arisen on account of a misunderstanding. On account of the special privilege of the Lok Sabha in the case of Money Bills, they have probably the impression that the matter should not be discussed here first, which is wrong. That must have been the reason and no insult, in my opinion, was involved. And, therefore, no injury had been added by the Minister of Parliamentary Affairs, as Mr. Bhupesh Gupta feared. Therefore, the matter, I think, would be cleared up. I would convey the wishes of this House to the Government. The hon. Minister himself here and he has taken note of them.

MEMBER NOMINATED TO THE HINDI SHIKSHA SAMITI

MR. CHAIRMAN: I have to inform Members that I have nominated Mr. Maithilisharan Gupta to be a member of the Hindi Shiksha Samiti.

THE BUDGET (GENERAL), 1963- 64—General Discussion

MR. CHAIRMAN: Now we proceed to the General Discussion on the Budget. Shri Bhupesh Gupta will open the discussion.

SHRI BHUPESH GUPTA (West Bengal): Mr. Chairman, Sir, as you are being succeeded by the Deputy

Chairman I should like to deal with some important aspects of the Budget proposals.

[THE DEPUTY CHAIRMAN in the Chair]

Normally the practice in this debate, Madam, is to make an assessment of the economic situation in the country and then proceed to discuss the Budget proposals. That is how most of us discuss the Budget proposals and the Budget speech. This time, I propose to alter the arrangement for I would like to have the Budget proposals discussed first and then go to discuss briefly the country's economic situation taking into account the speech made by the hon. the Finance Minister and the Economic Survey and other papers that are with us.

We are having this Budget in the third year of the Third Five Year Plan, that is to say, this is the thirteenth Budget under planning. But added to this is the emergency today which, naturally, has an impact on the economic policies and, in particular, on the Budget proposals. It is agreed on all hands that resources should be found for the strengthening of our national defence as well as for the country's economic development. I think, on the whole, it is a right approach in the situation that national defence and economic development, instead of being counterpoised, one against the other, should go hand in hand. Indeed we cannot have a strong self-relying defence potential in the country either now or in the future or in any future at all without having a strong economic base, especially industrial base, for without a strong industrial base you cannot have modern defence in the world today. Therefore, on the whole, it is a right approach and I think we all should stick to this approach instead of trying to counterpoise one against the other. Therefore, on that score there is not any controversy whatsoever, but there is ground for controversy when you come to the Budget proposals.

The tragedy of the present Budget is this, that it heavily penalises the patriotism of our people. It seems that those who have formulated the Budget have taken into their heads that the legitimate sentiments of the people for strengthening the defence of the country, as we all stand for strengthening the defence of the country could be exploited in a manner which is, in a large measure, against the interests of the people as well as against the interests of the defence economy. I wish to make it very clear that defence has two sides, weapons and equipment on the one hand, and the human side as well as the labour power of the working people on the other. I think we cannot conceive of a strong defence in conditions of discontent, privations, sorrow and suffering. I think we will have to evolve a policy whereby the resources of the country could be mobilised simultaneously with the harnessing of the willing labour power, enthusiasm and initiative of our working people. That is how we should approach the problem of defence in a democratic set-up. In conditions of military dictatorship and so on they do not bother about what happens to the people or their condition or, when a country is subservient in the matter of defence to another country, they do not bother as to what happens to the people and so on or to their independence. Somehow or other weapons and equipment are brought from outside and some kind of defence is built up which means, in fact, that when you go in for such a thing, you surrender your entire independence, and we are very glad that the Prime Minister has rightly pointed out, time and again, that in order to defend something, we must have that thing, and defence will be meaningless if we, in the name of the preparations for the defence of the country, begin to sell our independence at some other counter. Such is not, fortunately, the policy of the Government as we understand it, and such can never be the policy of the Government. Therefore there is a national agreement on the question of

[Shri Bhupesh Gupta.] -defence and also on the question of economic development although it has been raised by some people that in order to prepare the country for its defence We must abandon some of our good objectives in the Plan gradually and prune it. But, by and large, the Government, at least in theory, has not accepted it, and we would also like the Government not to accept it in point of fact because, as I said, no defence, worthy of a great independent nation like ours, can ever be built except on the foundations of a solid, growing, strong economy.

Now, therefore, Madam Deputy Chairman, where does the controversy arise between ourselves and the Government? The controversy arises on the question of finding resources, and the question to be asked today is how to set about the task of fulfilling the needs of the situation as a whole and the emergency in particular, and where to find and how to find the resources for the purpose. This is the point of departure as far as we and the Government are concerned, and I should presently go into the question of pointing out to you that the Government's approach and the line of action is certainly not one which was inescapable or unavoidable in the situation. It was possible for the Government to raise the resources without going in for some of the harsh economic burdens which they have decided to impose upon the people.

Last year the Government raised Rs. 1500-25 crores on Revenue Account as per Revised Estimates. This year it proposes to raise Rs. 1852 crores on Revenue Account, and at the existing level of taxation there will be a revenue deficit of Rs. 276 crores, and the new Budget proposes to raise on Revenue Account, an additional sum of Rs. 267 crores to cover this gap—the gap is a little over Rs. 400 crores if you take Capital Account also into calculation. Now this additional sum of Rs. 267 crores is made up of imposts under four heads, Union excise duties, customs, income-tax and corporation tax.

In presenting the Budget the Finance Minister has stated in his speech:

"It has not been an easy thing for me to contemplate that the proposals I am called upon to make for my fifth budget add up in their magnitude and range to very much more than the sum total of my proposals during the previous four budgets."

Now therefore I need not dilate upon it because the dimension and the magnitude of his Budget proposals are there in his speech expressed by him. I should only like to add how they are severe—some of the proposals—as far as the people are concerned. Now here, Madam Deputy Chairman, if you look at the Budget proposals, you will find that he is covering more or less the same ground, out of the same sources and the same set of people, and he proposes to raise a larger sum. I am speaking in terms of the people who are going to pay. The public sector is not to pay much. There is no scheme of nationalisation whatsoever. That would have been a reorientation, offering new sources of revenue for meeting the needs of the situation. This is number one.

Number two, which I should like to deal with at once, is the hon. Finance Minister's claim that he has placed the Budget equitably. I wish it was so because it is not my contention that people should not make sacrifices which are legitimate, which they are in a position to bear, which we should be called upon to make in our good conscience, in the light of the democratic policies and objectives of the Plan and other social objectives enjoined in our Constitution and in other declarations. But the question is: How do you call it equitable? If it were equitable, I would have supported it. I say it is inequitable. The burden has fallen heavily on the common people, poorer sections of the community whereas it has fallen somewhat generously and lightly as far as the richer sections of the community are concerned. Therefore, we cannot forget that as-

pect of the matter when we discuss this Budget, because the human picture must emerge before our eyes as we consider the Budget proposals. After all, they relate to the problem of life, living, labour and all the rest of it.

Now, if you take the major item, under which an additional sum of over Rs. 100 crores is sought to be collected in Union excise duty, tobacco is supposed to fetch an additional sum of Rs. 27.66 crores, and kerosene Rs. 9.06 crores. On the already existing levy on kerosene, there is the additional Rs. 27.09 crores of import duty. Then, you will find—it is already stated in the Speech—that superior kerosene per bottle will go up by 10 nP and inferior kerosene by 7 nP. Then, you have tax on tea and the amount involved is Rs. 5.48 crores. Soap is Rs. 2.08 crores, cotton yarn Rs 1.07 crores. Other items which have been taxed are woollen yarn, paper, coffee, etc. All these items will immediately directly hit the poorer sections of the community. If anything, these sections of the community deserve to be given relief. They do not deserve to be hit so hard by way of additional taxation under the present Budget scheme.

As far as the Union excise duties are concerned, in our budgetary system it has become a means of exploitation of the masses in order to raise revenue and in order to influence the economic policies of the Government in the direction, not of people's interest but of the interest of the exploiting classes. Now, in 1950-51 the Union excise duties used to yield Rs. 67.54 crores. In the present Budget, the Union excise duties are estimated to yield Rs. 690.57 crores. You see the jump. This is ten times the figures of 1950-51. In ten years the jump has been ten times. This is a matter of concern because, as you know, those Union excise duties in the first place hit the interests of the masses. Secondly, they set in an inflationary pressure in our economy and lead to a growth in the disparities

of our national income, all contrary to the declared objectives and policies of the Five Year Plans that we have before us.

Then, let us come to the income-tax. Regarding the question of raising the income-tax on higher brackets we have been always in favour of that. We are not opposed to it. In fact, our criticism of the Government has been that as far as the higher income brackets are concerned, they have dealt with them leniently in fixing the tax rate, in assessing taxes, even in collecting tax arrears which are supposed to be of the order of Rs. 133 crores every year. This figure, let alone other things, is accounted for by big business and other people who are in a position to pay and for whom it should not be difficult for the Government to touch and compel them to pay. But here, now you find a new thing has developed. For income-tax we have a taxable minimum. Now we are developing a system of surcharge which will hit the workers, the peasants, the middle class employees and shopkeepers and traders who may not be in the category of those who pay income-tax but who are to make a compulsory saving because of the surcharge on this category. Secondly, all those who fall in the category of lower income brackets will be asked to bear a heavy tax burden. Take, for example, Members of Parliament. They are fortunate people. I am not talking in terms of their other fortune, political or material. I am talking about their salary, Rs. 400. Whereas a married person is paying a tax of Rs. 42 annually, he would be called upon to pay Rs. 242 annually subject to the deductions on account of compulsory savings. Anyhow, Rs. 242 he has to set apart. Now you can imagine how the middle class families today will be affected, families in the category of an income between Rs. 350 and Rs. 500 per month. How this taxation system will upset their family budget does not require to be argued very much. This can be easily seen.

[Shri Bhupesh Gupta.] Now, even if I go in for compulsory savings, belonging to the Rs. 400 per month income group, I will have to pay a tax of about Rs. 90 or so, around that figure, whereas I am paying now Rs. 42. This is the position.

Now, if you come to the consumption cut, you will find that it will be of the order of Rs 20 per month as against Rs. 350 under the present system. This is a heavy cut in a family budget of Rs. 400, Rs. 350 and so on per month. This has to be viewed in the context of the rising cost of living. You are paying these taxes and paying in such a manner that they will lead to a rise in prices. Therefore, I shall be affected by the deductions that are made at the source by your compulsory levy or taxes on the one hand and by the rise in prices of the essential commodities on the other. There will be depression in my living standard and my family will be made to suffer. That is what will be the position of the lower income group people. This is a serious matter and cannot be passed over in silence. If you call upon their sense of patriotism they have been displaying it for the past few weeks and months. Now, the salaried people will suffer most, as you can well understand, because the taxes, in the case of Government servants in particular, will be deducted at the very source. Others who are not so liable to be assessed may find ways and means of escaping this thing. I am not supporting those who escape, but people who are, regularly paying are placed in a situation where they are not in a position to escape, the incidence of taxation. It is these people, honest people, who are so subjectively and objectively placed in life, who happen to be the most hard hit. Is it equity? Is it righteousness? Is it justice? This is what I would ask the Government to consider. Now, consider and contrast this thing with the highest income bracket persons. With the income of

Rs. 2 lakhs, he will have to pay Rs. 1,40,000 instead of Rs. 1,34,000. That is, he will have to pay Rs. 6,000 more under the new system. In his case the increase is 5 per cent. He is in a better position to save because he does not eat money. I think our capitalists have not yet started eating money. Whatever they eat, with all those expenses, they have plenty to spare and to save. Out of that you get only 5 per cent. But in the case of the lower income group, the Rs. 400 group, you are taking 500 per cent more. Is it equity? This is *not* according to the rules of equity. In fact it should be reversed. In the case of the richer people the additional percentage should be much higher. In the case of the lower income brackets, the percentage should be much lower than what is prescribed in this Budget.

Let me come to the question of the Compulsory Deposit Scheme. Here we had been supporting compulsory deposits. In fact we have been urging on the Government to introduce some such scheme as would enable them to tax the resources lying with the former Princes, multimillionaires, big business and other sections of the wealthy people. They have got plenty of accumulations. Therefore our quarrel is not with the system of savings scheme as such. Here again we find that things have been somewhat misconceived. If the Government was to raise resources by way of compulsory savings from the Indian Princes, multimillionaires and others instead of writing letters' to (the Nizam of Hyderabad and then being repudiated by the Nizam, again, we would all be in favour of that. Go out and mobilise through the Compulsory Deposit Scheme and otherwise those resources that are lying, ill-gotten money that is lying with the upper classes, millionaires, Princes, etc. in the country. That money should be mobilised. Compulsory scheme or no scheme, taxes or no taxes, in whatever manner you think effective, you get them. Therefore, on that score I

have no quarrel as such. Naturally In so far as he achieves this through the Compulsory Deposit Scheme, he certainly deserves our support and I have no hesitation in extending this support to him but then he applies this Compulsory Deposit Scheme to other, also; in other words he is thrusting this scheme on those people who are not in a position to save, in fact whose family budgets are running on deficits, who live on borrowings from month to month, week to week and even from day to day. I have in mind the smaller income brackets. I shall come to that later.

No restriction whatsoever on profits is imposed. Certainly more will be taken by way of taxation but suppose we have introduced a system of restriction on profits at 6 per cent. or so and over and above that, all monies would be available for being kept either through the C. D. Scheme or other fiscal measures, would that not have been a more equitable and just and a democratic arrangement? There is no restriction whatsoever on high salaries. We know that in some cases in the companies, in big concerns, people are being given salaries of the order of Rs. 5,000 to Rs. 6,000 or even Rs. 10,000 in some cases. In this connection I must invite your attention to the fact that according to the latest official statement I find that a large number of I.C.S. officers have found employment in big business concerns. The number is 13 I.C.S. officers since 1957 and they have joined big business concerns and 55 I.A.S. officers and I.P.S. officers. I am giving the figures from the reply to a question in this very House on 25th June last year. You can understand that they are getting very high salaries but there are others who are getting even higher salaries. What should have been done to restrict the salaries. I shall come to that again later.

The old tax concessions that were made when there was no emergency over the last 10 years are maintained.

Year after year tax concessions had been made in favour of the rich and these concessions are maintained. Most of it should have been revoked if only for the sake of emergency in order to meet the needs of the national emergency, the needs of the economy, and in order to avoid putting such crushing burden on the toiling people of our country. The Compulsory Savings Scheme is thrust upon those who are not in a position to save. I would invite your attention to the Tripartite Conference, held in Naini Tal where it was agreed by the Government, employers and the working class representatives that Rs. 125 per month should be the national minimum for subsistence of a working class family. It was decided so. Therefore it is not something which I am saying. Today many of these people who need Rs. 125 per month according to the decision of the Tripartite Conference will be called upon to go in for compulsory savings at the rate of 3 per cent. What will happen? It will so happen that those who are living at subsistence level today will be pushed back to the semi-starvation level. They are not the categories who can save or those who can be expected to save. These are certainly the categories who need relief. Today you are doing exactly the opposite. As far as the working people are concerned, those who are employed in the coal mines or the 35 lakhs of people in the industries who come under the Provident Fund Scheme and so on, deductions are being already made out of their salaries for contribution to the Provident Fund. Therefore, added to these will be this kind of saving.

The Government employees in Classes I, II and III and many in Class IV will all be affected by this scheme. I am not talking about the Government employees in the higher income bracket who can manage to save but what will be the fate of those in the category of Classes III and IV? In Class IV, many who are about to retire, we have calculated, will be called upon to make contri-

[Shri Bhupesh Gupta.] hutions to this. Therefore 2 million employees of the Government of India plus many many lakhs of employees under the Central Government will be confronted with the situation when, whether they are in a position to or not, they will be called upon to make a compulsory saving and what is more deductions will be made from their wages and salaries irrespective of what is happening in their families, it does not matter if their children are starving or if the family is suffering from diseases, it does not matter if the creditors are pressing on them every day to pay the outstanding loans, it does not matter what happens to the education of their children. The cudgel of the Compulsory Savings Scheme will be struck against them ruthlessly and upon these people who are not in a position to pay but who would like to do their mite for the sake of the country by their toil and otherwise. They will be made to pay under the Scheme chalked out by the Finance Minister. Is it equity? Is it justice? Is it in conformity with the social objective that we have enshrined in our Constitution and proclaimed in our Five Year Plans? I would like the hon Members "opposite to consider this and find out the answer.

The small shop-keepers with a turnover of Rs. 15,000 per year will be called upon to pay through this CD. Scheme in addition to the tyranny of the mounting sales tax on them. There you see that those with an income of Rs. 125 or even less will be called upon to make such sacrifices because on a turnover of Rs. 15,000 what profit you can make you can well imagine. It may be even less Rs. 125 but anyhow Rs. 125 is not a big sum.

Some of the import duties will again hit the people as I have said. We certainly stand for restrictions on imports when such imports are not needed. We want the large-scale imports to go out: We want the machineries to come. We want our foreign trade balance to be improved upon which

we cannot do very much in the present situation. We cannot at the same time appreciate why some of the things that are so essential for the people should be subjected to heavy duties. There is kerosene for example. It goes into the consumption of every household in the country and tons of millions of our people will be straightway affected by this imposition. This is another point which I want to be considered. Therefore, while some of the duties we definitely support, others we are not in a position to support because they hit the masses. That is the position. And what is more, these duties will be taken advantage of by the monopolists within the country to boost up the prices, to push the prices up and so on. And against that I do not see any countervailing measures in the entire Budget proposals of the Government. I should have thought that as far as this Government is concerned, the only element against whom they know how to effectively, though wrongly and vigorously use the Defence of India Rules is the Communist Party of India, and the people against whom they never use even the existing laws effectively are those in big business.

As I have pointed out we are not opposed to the corporation tax. We are not opposed to some of the income tax proposals. We are not opposed to the customs duties. But we are certainly opposed to a large number of items in the list having to pay excise duties. I am talking about the additional taxes here.

The question arises then, whether this unprecedented burden now imposed was not avoidable. This is the question I ask myself, because I am arguing on the plane on which the Government would like all of us to argue. I am not suggesting a revolution on the floor of the House in order to have the tax arrangements changed. All I am asking you is to consider, granting the existing framework and the broad policy, whether it was not possible to avoid some of these taxes

here. Could we not have found money from other sources without hitting the people? This is a vital question and I think we should engage ourselves in a serious objective public debate upon this matter. Let us debate it in a free and frank manner and let the matter be resolved on the strength of reason and argument rather than on the strength of the decision by the Government unilaterally taken by them. In our view, we think that many of these economic burdens put on the people could have been avoided. The Emergency and the needs of the national economy certainly desperately demanded an orientation of the Budget. That I agree. But this orientation should not have been anti-democratic in any respect. It should have been a popular orientation. It should have been an orientation which responds to the willing cooperation and voluntary contribution of the millions of our people. These contributions have been made over the past three months or so. No fiscal measure was necessary for our women to bring forth their lives' savings and their ornaments to pour them into the National Defence Fund. No fiscal measures or threat of the Defence of India Rules were necessary for the workers to work overtime and give their day's earnings—as contribution to the Fund. No fiscal measures or any such things were necessary when the Government employees and others came out and competed with each other for swelling the National Defence Fund. Such measures, of course, are necessary against the Nizam of Hyderabad and against the Maharajas and multimillionaires, gentlemen who form the subject-matter of the Vivian Bose Enquiry Commission or those gentlemen who are running the Ruby Insurance or the Asiatic Insurance Company. To them I shall come later. Therefore, Madam, I find that some of the taxes, out of those amounting to Rs. 266 crores may be justified, as I have said before, but the others do not seem to be justified. They are unjustified and these could have been avoided if the Government had taken

a different approach in this matter.

I have tried to calculate and it seems to me that under the Union Excise Duties, taxes worth Rs. 40 crores are clearly unjustified. Their incidence falls heavily on the people. Under Customs taxes amounting to Rs. 27 crores and a part of the levy under the income-tax in the lower categories, I mean surcharge and so on, of the order of Rs. 18 crores, are also unjustified, according to our reckoning, naturally speaking subject to correction. So, Rs. 80 crores to Rs. 90 crores seem to be within the category of unjustified taxes.

The question, therefore, arises whether we could have found these Rs. 80 to Rs. 90 crores by avoiding these unjustified impositions and by going in for some other methods for raising resources. This is a straight question and my answer to this question is in the affirmative. It was possible for the Government, given the mind to do so, to raise these Rs. 80 to Rs. 90 crores by other means and methods, without putting such heavily loaded burdens on the common man. This is my point of view. Here I would like to deal with this matter and concretise, because I do not want any thing to be left vague. Naturally I do not run a Department. Otherwise it would have been possible to work out the details and give a more exact picture. All I now say is that by abolishing these tax holidays and certain other concessions, which I have stated earlier, several crores could have been found.

Now, these tax holidays business, I do not understand. We thought we had holidays only in our schools and colleges, but it seems we have tax holidays also now. This tax holiday business was introduced some years ago. These could have been avoided today, I mean these tax holidays. They should have been cancelled. More effecting compulsory savings should have been introduced. You should tap the companies and restrictions on private salaries of the officers and soon should have been placed more

[Shri Bhupesh Gupta.] effectively. We should have compelled the ex-Rulers to disgorge their hoarded gold and other wealth. Recently the Nizam has given an account and it has been published in "The Current". We can see what fabulous wealth he has. And they are writing letters to the Nizam. We do not believe in writing letters to the Nizam. We believe in getting money from him. You do not write letters to the Government employees for their compulsory savings. Shri Lai Bahadur Shastri does not sit and address postcards to the two million Government employees for their compulsory savings. Why in the case of the Nizam is such sweet reasonableness to be exercised rather than compelling him to disgorge his ill-gotten wealth over which he is sitting today? You see your gold bond scheme has failed. It has brought in only Rs. 7 crores. It has failed, you are going after the ornaments of poor women. But this is not the way. This is the way that the Finance Minister wants. What about your gold bond scheme? Only Rs. 7 crores has been realised so far. What has happened to the gold which the Princes, which the millionaires have? According to the note of the Ministry of Finance, gold of the order of Rs. 4,100 crores is held in the country, a good part of it at least in blocks, not in jewellery and ornaments. What about that? The Maharaja of Darbhanga the other day invested 11 maunds of gold. Just imagine so much wealth held by one Maharaja, and I say he is only a small Maharaja, a Cinderella Maharaja. He pales into insignificance by the side of, say the Maharaja of Mysore or the Nizam of Hyderabad, or the Maharaja of Jaipur or for that matter if you like the Maharani of Jaipur, or the Maharaja of Jodhpur and all the rest of them. But this gentleman could produce 11 maunds of gold for investment. What has happened to the other gentlemen? Were they hoarding gold just as people hoard iron and coal? I know we have not got at this wealth and it has got to be obtain-

ed. In 1960 it was revealed in Parliament that the foreign assets held by Indians in bank investments, in companies abroad and so on, were about Rs. 62.69 crores. And this figure was related to the year 1955. Since then, if anything, this has increased. What about tapping these resources and the foreign assets in private accounts held by companies and others in foreign banks? Here again I have to point out the question of the collection of income-tax arrears. These arrears remain. People do not pay. Penalty has to be paid by people who are not in a position to pay, Government employees and others.

THE DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, the lunch interval will be cut down by half-an-hour. The House now stands adjourned till 2 P.M.

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

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

SHRI BHUPESH GUPTA: Madam Deputy Chairman, before we adjourned for lunch, I was dealing with the question of arrears of income-tax collections. I think that it will be agreed that even now the collections are not satisfactory with the result that the outstanding arrears, effective arrears, come to about Rs. 133 crores, perhaps more. Recently, the Public Accounts Committee, in its Report, has stated that a test audit of 572 cases of income-tax assessment revealed that the total concealed income was nearly Rs. 50.50 crores and the tax thereon was determined at Rs. 24-83 crores. Now, this is one of the many examples that could be given but since it occurs in the Report of the Public Accounts Committee, I have invited his attention to this. I think it has become a scandal as far as tax evasion and avoidance in the country is concerned. Mr. Kaldor pointed out that the total eva-

sion and avoidance was of the order of Rs. 300 crores a year. It may not be as big as that; we do not know whether it is any less but even assuming that it is Rs. 180 crores or Rs. 200 crores, the sum would be considerable and if this thing is not found out, naturally Government has to find the money and then it introduces such indirect and other direct taxes as would hit the masses. In this connection, I would also like to add that under this Budget Government is supposed to get a sum of Rs. 25 crores by way of super-tax. I think this is an underestimation. A much larger sum could be obtained by way of super-tax, especially in the case of big business interests and I think this under-estimation is not something which speaks well of the budgetary knowledge or approach of the Government. I do not see as to why, when we are in trouble, we should not be recovering outstanding loans given to the Tata Iron and Steel Company and the Indian Iron and Steel Company, which owe us Rs. 10 crores each, a total sum of Rs. 20 crores. This money was given in 1954 under a certain agreement, without any maturity date. No interest had been paid and now, lately, they have started paying interest on it but the Government decided not to recover either the whole or any part of this amount from these two concerns whereas they have successfully utilised this loan from the Government in order to expand their factories and earn enormous profits. They are earning enormous profits, as you know, today and why, in such cases, should it not be possible for the Government, in view of the stringency in our economy, to recover from them at least part of this capital amount so that the Budget could be balanced without hitting the masses?

Madam, I would also like to draw your attention to certain other taxes which the Government abolished or certain concessions given. In 1955-56, a development rebate of 25 per cent, was given on new machinery irres-

1251 RS—4.

pective of what the concern is, whether it really needs a rebate or not. I do not think that such a rebate should be given so sweepingly. There should be discrimination. I do not think everyone who is enjoying this rebate is entitled to do so and I think we should cancel this rebate in respect of a number of concerns or cases. In 1955-56, business losses were allowed to be carried forward from year to year. This again should be stopped. In 1960-61, the Wealth Tax on Companies' funds was abolished. We protested against it. In this emergency, the Wealth Tax on companies should be restored and the companies should be made to pay. In 1961-62, the tax on new bonus issues was reduced from 30 per cent, to 12½ per cent. Whatever may have been the reason at that time for reducing this—and we protested against it at that time—I do not think we can continue this reduction. We should restore the level of taxation to the older percentage, namely, 30 per cent. Bonus shares should be taxed at 30 per cent, as before. In 1961-62, the benefit of the five-year tax holiday was extended to newly started hotels and so on. I think this should also be reconsidered. Mr. Oberoi is not here; he is the champion of hotels and he does not appear to be any less prosperous than many others in the big business. The old position should be restored and if you do so, plenty of money will be coming under those heads. This is what I want to point out. I am not making any very great revolutionary suggestion. In fact, I am reminding Mr. Morarji Desai and the other Finance Ministers of what they had done and asking them to return to some of those old taxes which they had nullified or killed because of reasons best known to themselves.

Madam Deputy Chairman, the provident fund rate should be raised from 6½ per cent, to 8 per cent. This is demanded by a large number of trade-unions in the country and this is the demand of the workers. If you do so, you will be augmenting the contributions in the provident fund from

[Shri Bhupesh Gupta.] Rs. 46 crores to Rs. 59 crores, that is to say, an increase of Rs. 13 crores. This will be a substantial gain in the savings account of the country and the money could be utilised for development and other essential purposes. I have made all these suggestions within the framework of the existing policy.

Now, let me *come* to another aspect of the matter. Every year remittances are being sent by foreign concerns in our country and the quantum is increasing year by year. The remittances of profits, dividends, etc., earned by foreign concerns amount to Rs. 40 crores, roughly speaking. Why should this thing be allowed to continue in this manner? Today, we should at least restrict it to fifty per cent, and utilise the other fifty per cent, as compulsory loans to the Government and thereby we can easily get Rs. 20 crores, may be a little less, may be a little more. We should compel those concerns which are sending money—the Managing Directors, etc. —to their parent companies in England or abroad. Ask them not to send so much money but to invest a good part of it with the Government. That way, we can keep this amount. I think the compulsory savings scheme should be directed against these companies which are sending funds out of the country every year and with the increased quantum of investment in our country in the private sector by the foreigners, this amount tends to rise every year. I think here again there is a good source of revenue to Government.

I now come to certain other things. I think we should develop our external trade in the State sector. Our external trade comes to Rs. 1500 to Rs. 1600 crores. If a big part or a substantial part of it is taken under the State sector, whether under import or export, we shall be earning quite a substantial amount as profits Or commissions which are now appropriated by the big business houses

and in many cases, foreign business concerns. I am not talking about shipping. If we improve our shipping industry, we can save considerably on account of freights which come to the order of Rs. 70 to Rs. 80 crores annually. In the internal field also the Government should enter into trade. Agencies similar to the State Trading Corporation should be set up so that in the trade of the country the Government and the State may participate and earn money for the purposes of development, defence, etc.

In this connection I would also like to ask the Government as to why they should not at least suspend payment of privy purses to the wealthy Princes. We are paying Rs. 75 lakhs to Nizam. We can stop it for the duration of the emergency or for a certain specified period. We are against it of course but I say, let this controversy be settled later on. But we can certainly stop payment to the Princes for the time being. They will never be down and out if we stop payment of privy purses till the matter is settled. I am aware of the constitutional provision in this connection but suspension of payment is within the range of Government's competence and power. I am not suggesting that you should stop payment to every one of them who is getting Rs. 1000 or so but you can stop payment to the top ones. They are getting a substantial amount.

I think now the time has come to rethink about our finances. I think more and more funds must come from the public sector apart from the Railways. Under the Third Five Year Plan it was envisaged that the undertakings under the Central Government would yield in the entire Plan period Rs. 305 crores while the undertakings under the control of the States would yield Rs. 105 crore³ making a total of Rs. 410 crores. In the first two years the performance has been of the order of only Rs. 20 crores. Money is not coming from

them. Therefore the State undertakings should be made to yield better returns. But what is more important in this connection is not only to set up new industries and wait till they yield revenues but the Government should nationalise a number of concerns in the country. Why can't we do that? Only recently Burma has nationalised banking. We have done life insurance but certainly we should nationalise our banks. Apart from the profits that we will get, huge amounts of money will become available to the Government for utilisation in the interests of the nation. There will be Rs. 2,000 crores worth of deposits available to the Government. These financial resources will be in the hands of the Government. Apart from that, once the Government gets control over the banking system it will be in a better position to control or direct the entire course of economy of the country. I think the time has come for the Government to shed its inhibition about banking. It is not an ideological question at all. It has been nationalised, for example, in Burma and you know what kind of Government it is. Take Egypt. President Nasser has done it. Why can't we do so? Unless we nationalise the entire banking system—and this should be brought under the control of the State directly; it should be a State institution—it is no good. I know we have done it in the case of the Imperial Bank of India but why should we stop at that? I think all the banks should be nationalised and unless we do so we will not get the resources nor an effective grip over the economy of the country.

The oil refineries in the hands of the foreigners should be nationalised. The requirements of defence demand it. We would not like, when we are dealing with our defence, that the oil refineries should be in foreign hands. It is in consonance with the industrial policy resolution of the Government because it was envisaged that some day or the other the oil industry should be 100 per cent in the State

sector. Today vast industries doing refining, distribution, etc. remain in the hands of Burmah Shell, Caltex, Standard Vacuum and others. We should take them over. If Ceylon could take them over, why can't we take them over? It is not again an ideological question at all. Then mining should be nationalised. These are some of the suggestions that I make. This raises broader questions of policy, I realise it but I think that if it is really an emergency and if you think that the situation has to be met, we must make every effort to mobilise resources. We must have a revenue-yielding State sector especially in the key sectors of our industrial economy. That is what I would submit to the House. It should be done.

Before I pass on to the other things, Madam Deputy Chairman, I would like to invite your attention to the Vivian Bose Commission's Report. I am not saying much on that now because the matter will be discussed in this House but this Report should not be taken as if it relates only to those concerns or to those individuals or ten companies and those who are in control of them. This is an exposure of the entire system of big business in our country and of the manner in which they function, of their countless frauds, swindle, defalcation, malpractices and thuggery of all kinds. This is typical of the big business in our country. Mr. Dalmia and Mr. Shanti Prasad Jain did not fall from the skies. They are the product of Indian big business, born in corruption, built in malpractices and swindle. All this has been exposed today and I think the whole country should discuss the entire thing concerned with the big business institutions and suitable action should be taken. The Government should not waste time in this manner by referring it to a Committee and waiting for what the Experts Committee has to say.

In this connection, Madam Deputy Chairman, I should like to know from the hon. Finance Minister as to why

[Shri Bhupesh Gupta.] the Report which the Chartered Accountants submitted after enquiry into the affairs of the New Asiatic Insurance Co. and the Report which the same two Chartered Accountants submitted after enquiry into the affairs of the Ruby General Insurance Co. are not being made public. As you know, the late Mr. Feroze Gandhi brought forward complaints about them and as a result of his initiative and good efforts the Controller of Insurance was pleased to ask two Chartered Accountants, Mr. Sailen Ghose and Mr. Suresh Mathur, to go into the affairs of these two companies and submit reports.

In the case of the New Asiatic Insurance Co. a report running into 132 pages was submitted to the Controller of Insurance on 17-8-1959. The Report says that there was a regular conspiracy to falsify books of accounts systematically and manipulating profits from year to year for the purpose of showing a rosy picture before shareholders. This is finding No. 1 in that Report. The second finding is:

'It would appear from Exhibit No. 9 that L. N. Birla had knowledge about the suppression of losses in 1953. Loans and investments were mostly made under his Instructions.'

The third finding is:

"The Company has withdrawn by manipulating accounts without disclosing the nature of payment and used for purposes best known to the Company."

The amount so withdrawn and known to the investigators was Rs. 11,79,705-6-6.

The fourth finding is:

"Books Of accounts were falsified for purposes of converting loans to investments in order to circumvent the provisions of Section 29 of the Insurance Act, 1958."

The fifth is:

"The commission accrued on business of allied concerns of Birlas has been diverted in different names and used otherwise."

Sixth:

"By so conducting itself the New Asiatic violated seven Sections of the Insurance Act, two Sections of the Indian Companies Act, 1913, two Sections of the Indian Companies Act, 1956, and Section 5(i)(a) and (c) of the Foreign Exchange Regulations Act, 1947."

Madam, the same story is told in the Report that has been submitted in regard to the Ruby General Insurance Co. Ltd. The Report which runs into 147 pages was submitted to the Controller of Insurance on 4-3-1960. Here again they say that the books of accounts of the Company were systematically manipulated for the purpose of showing a rosy picture to shareholders. They also say that the Company has been "very liberal in settlement of claims" especially of the allied concerns of the Birlas and "has paid claims which are not payable." Again the Report said:

"Books of accounts show that large amounts were withdrawn under the head salaries to field workers, commission, organisation expenses, entertainment, travelling and conveyance expenses which have been used for some other purposes. . . . We are inclined to take the view that a substantial portion of these expenses relate to extra commission."

I am almost quoting the words of the Commission:

"In some cases the commission accrued to Birla Bros. (P) Ltd. has been diverted to different names without sufficient reasons."

Then enquiries about the addresses of some of the agents who earned huge commission evoked "evasive reply". In so conducting itself, they say, Ruby violated two sections of the Insurance Act, one section of the Indian Companies Act, 1956 and one section of the Foreign Exchange Regulations Act.

Now, these are almost open secrets but our Government will not publish these Reports. They are with them, and Mr. Morarji Desai knows inside out what is contained in those Reports. But our Government will not make them public. I charge the Government with suppressing these reports with a view to covering up the Birlas. That is what I say. Let them bring out these reports and tell the country what they contain. Let us discuss these in Parliament to find out whether Mr. Birla is guilty or not, instead of suppressing these reports and sleeping over them. Then, again, the affairs of the house of Thackersay are there. Much correspondence has passed between the Prime Minister and other Ministers of the Government pointing out malpractices, corruption, etc. Volumes are there. Now, these are also suppressed by the Government. I would like all these things to be placed before the hon. House in order that we can discuss the problem quietly, dispassionately, soberly, in the larger interests of the country, so that we can help the Minister, not merely to go after Mr. Dalmia who has been exposed—thanks to Mr. Vivian Bose—but to unearth the house of Birlas, which was subjected to such investigations and the results of the investigations are contained in the two reports. We would like to know what is happening to the house of Thackersay. This is very important for us. It is all very well to impose taxes on the people, but you cannot do so when the very people see men in high positions, men of high finance sitting in high positions, evading law and avoiding taxes and even escaping the arm of law. We do not like such a state of affairs to continue.

Now, I have very little time to deal with the question of assessment of the situation. I would like to say a few words in this connection, but before that I say that the suggestions I have made with regard to alternative resources are mostly found from the accepted policies of the Government which are for nationalisation. Even nationalisation of banking is within the ambit of the policy of the Government. It has to be nationalised and the question is when it has to be nationalised. As you will see, I have made many suggestions for the restoration of the old taxes and for the cancellation of certain concessions which have been given to big business in the private sector in order that we can easily find over Rs. 100 crores in order to balance the Budget, instead of putting such a high tax burden on the people. My submission before the House is that it is not at all necessary for the hon. Finance Minister to go in for these economic burdens on the people or go in for these taxes which directly hit the people and which tend to push the prices up as indeed the prices are rising. People are hit by the taxes and people are hit also by the after-effects of these taxes in the form of rising and spiralling prices. It is most unfortunate today that in the name of defence such things should have been done. In this context I would like to make one point.

I do not know what will be the military expenditure. Some Rs. 700 crores are being sanctioned. I hope the money will be well spent. According to the official figures, during the seven years starting from 1952-53, India spent nearly Rs. 300 crores on importing weapons and equipment from abroad and we have seen the results of such a policy. We would like to see our defence industry built up. We would like to see the weapons and equipment that we require are mainly produced within our country. Therefore, we should get prototypes, start factories and manufacture our own weapons, so that we become truly independent. In the mat-

[Shri Bhupesh Gupta.] ter of defence. This is very important I think we have wasted a lot of money in the past in buying things which are outdated, from England or the United States of America or from France. Today the time has come to build up our modern defence potential on the basis of our own national industry which we should start. Here no concessions whatsoever should be given to the private sector. Defence must be exclusively in the public sector and the public sector enterprises should take up the task of building up the defence in all its branches. This is all, I would like to say especially in view of the fact that there are tendencies to make fresh concessions to the private sector even in the matter of defence.

As far as the economic assessment is concerned, as usual, a one-sided picture is given. We would like to know, with a view to understanding it, what are the trends in our economy, etc. We do not get a better picture here. All I can say in this connection is this. I do not say that we do not get useful material and so on, but the picture is not a complete one. For example, it is forgotten in the "Economic Survey" that there are certain objectives before the nation laid down in the Second and Third Five Year Plans. The rate of growth is slow today. The national income should be rising now at the rate of 7 per cent. Well, it should have been rising all the while at the rate of 6 per cent., but it is now less than 3 per cent. When the rise is so slow, investment also gets limited and when the investment gets limited, we suffer. The tempo of development also gets limited. This is one aspect of the situation which should be borne in mind. In regard to agriculture, we do not know when we are going to be free, it is quite clear that the 100 million tons target, which was reduced from 110 million tons, under the Third Five Year Plan, we are not going to achieve in the Third Five Year Plan period. Somebody should be respon-

sible for it and there should be a better explanation as to why the situation is such. In fact, last year the production fell and now it has improved a little. But we are in the neighbourhood of 78 to 79 million tons in the third year of the Plan. I do not know how you can attain the 100 million tons target. Your cotton production has gone down by a million tons. We are having to import cotton with the result that the industry faces difficulties. Agriculture is in a semi-stagnant condition. The result is dependence on foreign countries and higher costs of production. We are facing difficulty in regard to foreign exchange on account of food imports and fall in the production of industries which are based on agriculture. Also, there is a rise in prices. These are the net outcome of the stagnation or semi-stagnation in our agriculture. It remains more or less at the same level.

As far as the community development projects and other things are concerned, I need not say very much because nobody talks about the community development projects very much. The silent revolution it was supposed to be has become a most colossal fiasco as we all know.

Now, with regard to the industrial sector, it is good that certain developments have taken place with regard to coal, steel, aluminium, cement and other things. We should have liked the development at a faster rate. At the same time, the rate of industrial development is slow. It is doubtful whether we shall be attaining the eight per cent. rate, as compared to 10 to 11 per cent. in the last year of the Second Five Year Plan. How is it that in the third year of the Third Plan when the tempo should have been much higher we are lagging behind in this manner? I do not get any explanation for that. The unutilised capacity is very high. In this country in as many as 17 industries the unutilised capacity is of the order of 37 per cent, and so on. Utilisation

of the rated capacity is 63 per cent. and you can well understand that the unutilised capacity is 37 per cent. Now, this is the picture. Even with regard to the engineering industry, which in the present emergency should be fully utilised, we find that 35 per cent, of the capacity in 75 engineering branches remains idle.

As far as unemployment is concerned, well, it is mounting every day and today we know that there is nothing in the Plan, nothing in the statement, which shows that it will be lessened. On the contrary it will grow up. It will go on increasing.

As far as the balance of payments position is concerned, between 1957-58 and 1961-62, the trade deficit amounted to Rs. 2,179 crores and our export remains more or less stagnant, just enough to service our existing rate of import. And I do not know how we can balance our external budget, balance our trade that way. Our export to Asian and African countries has declined. This is a very alarming position and our exports to the U.K. and other Western countries is steadily showing signs of improvement. And when you come to the ECM countries there is deterioration. We are running an annual deficit in our trade with the ECM countries of the order of Rs. 140 crores. Our import is for Rs. 190 crores. Our export to those ECM countries is only worth Rs. 50 crores. This is again a discouraging feature of our economy. The only countries in respect of which we are really gaining somewhat are the socialist countries of Eastern Europe. According to the Budget papers it seems to me that we are gaining somewhat from there. But what is even more alarming with regard to our trade with the West is this. The prices of jute, tea and other products are falling. We are sending more quantities, but receiving less in money, and that is inflating our debit balance in the Budget. Again this needs to be examined by the Government. Madam, I should like therefore the trade to be

diversified and the trade policy should be considered, external trade policy, by the Government, because we can be in a situation where the external liabilities are mounting. When our external assets have come down to Rs. 105 crores which are not even good for what is called currency reserves of the country and when we do not know what will happen to the requirements of the Third Five Year Plan and Fourth Five Year Plan, we should see that we definitely make a turn in this situation. We should certainly promote exports, but the export promotion policy is highly defective. It is another name for just some how or other giving incentives and feeding monopoly. Government should give concessions where they are needed, but what is important is to diversify and reorganise our trade pattern with the State itself playing more and more part as the trader, as the importer and the exporter. These are some of the suggestions.

Madam, all I can say in conclusion is that we expected that in this emergency, in this situation, the hon. Minister would formulate his Budget proposals which would match the patriotism which has been shown by the people at large in our country. What has happened however is that he has produced certain Budget proposals and evolved an approach which do not enthuse the people, large sections of the people, precisely those whose cooperation and assistance and whose labour we need in order to strengthen the economy and to build up our defence power. The hands that feed us have been struck. This is what I feel. I think the people have every reason to complain, and as you see, Madam, not only the goldsmiths and jewellers are complaining but many others also; the consumers, the Government servants and others are complaining. I think the Government should not try to draw so heavily on the patriotism of the people in order to pass this Budget. There is yet time for the Government to reconsider the tax proposals and withdraw all anti-

[Shri Bhupesh Gupta.] people and undemocratic tax measures and re-formulate the taxation policy along the lines we have been suggesting, in consultation with the Members of Parliament in Committees and otherwise. I think it would be a good thing if the hon. Minister realised the importance and significance of this situation, if the national unity and spirit were carried forward in reviewing the existing tax measures in the light of criticisms and in the light of the alternative suggestions that we and others make so that we can arrive at a proper formulation of policies and Budget proposals which on the one hand enable the Government to find the requisite resources for building up the national defence and the national economy on sound lines and on the other hand not hit the people and the working people in particular. This should be the approach. It is within the range of possibility. All that we need is a reorientation in outlook and a change in approach, his resolution to do so and courage to hit against the vested interests, courage to hit the big money, courage to find the resources from wherever they lie instead of chasing the downtrodden masses who are suffering, the unemployed families who are suffering from all kinds of hardship today, the Government employees and others, peasants, workers, artisans and so on. I think we should give up this kind of approach. It is a wrong approach at any time. In a national emergency when the nation's spirit has to be roused, such an approach is contrary to the spirit of our time, to the spirit displayed by the people. Such an approach is not being true to the patriotic upsurge that has taken place in the country today. As you have seen, Madam, it is most unfortunate that wrong lessons should have been drawn and that the very people who have come forward to make such magnificent sacrifices should have been the object of such cruel attack on the part of the Government and the Finance Minister. There is yet time to retrace the

steps, and may I finally appeal to him that he should do so in the larger interests of the nation and even of his Government?

SHRI K. K. SHAH (Maharashtra): Madam, I have listened with rapt attention to the impassioned speech of my friend, Shri Bhupesh Gupta, and what I propose to do is to analyse what he has said and specially lay stress on certain aspects which he has pointed out—whether higher brackets are dealt with leniently by this Budget, whether the burdens are unavoidable, whether this Budget will lead ultimately to the lessening of unemployment, and so on.

Madam, I propose to start with the last argument that my hon. friend has advanced. He has been complaining that unemployment has been rising. He has not given any figures, but assuming for the sake of argument that it is so, the only way to meet this unemployment is by rapid industrialisation. Rapid industrialisation, so long as it is consistent with the policy of socialist pattern of society, which has been accepted, can be the only way by which this unemployment can be met. I am very happy that he has not found any fault with the defence expenditure which has been provided. If the defence expenditure has to be met, if unemployment has to be countered and if rapid industrialisation is necessary both for defence and for meeting unemployment, let us examine these proposals and see whether they lead to the main aims and objects which have been accepted by him.

Madam, in this country the entire national income amounts to about Rs. 14,000 crores out of which nearly half comes from agriculture, and the remaining half comes from non-agricultural resources. If the present Budget is accepted, it amounts to about Rs. 1800 crores, and the States' Budgets will amount to more than, Rs. 1000 crores. If all of them are added and if allowances are made for indirect taxes and for some revenue

assessment that we are getting at least one-third of the non-agricultural income is necessary to meet the defence expenditure and to bring about rapid industrialisation in this country. Whether this one-third of the expenditure falls heavily on the richer class or whether it falls on the poorer class needs a closer examination of these Budget proposals. Therefore, Madam, I propose to start with the memorandum explaining the provisions of the Finance Bill.

I shall first start with a little remark for the information of my hon. friend that if you want rapid industrialisation, it can only be brought about by an incentive for saving, by an incentive for capital formation. If you do not have an incentive for capital formation and if you behave in a way which will bring about expenditure of the entire national income, there will be no capital formation and there cannot be rapid industrialisation. Let us look at the formation of companies. Rapid industrialisation can only be brought about, as he has put it, either by the public sector or by the private sector, and this country has wisely accepted the mixed economy in the sense that we wish to have both the public sector and the private sector. Now I am dealing with the private sector. In the private sector rapid industrialisation is brought about by formation of companies, and it will help you to know that so far as companies are concerned 51 per cent, of the capital is now in the hands of the common man. The share capital is now widely distributed.

SHRI BHUPESH GUPTA: That is what Mr. Dalmia says.

SHRI K. K. SHAH: That is what you must know. So far as Mr. Dalmia is concerned, I am dealing with him, in need not be in a hurry about it. If capital formation from this widely dispersed population is to be had, they must have a little incentive. What is the incentive? The only incentive to

them is dividend. Here if we look at the present Budget proposals, we will find that so far as companies are concerned 50 per cent, of the income after certain deductions are made will be first of all taken away. After 50 per cent, is gone what is left is 50 per cent. Out of this 50 per cent, only 6 per cent. will be allowed by way of dividend. If you want to have more than 6 per cent., up to 10 per cent., an additional 50 per cent, will be knocked down. And if it is above 10 per cent., 60 per cent, will be knocked off. Therefore, out of Rs. 100, the first Rs. 50 will go. Out of the remaining Rs. 50, 60 per cent, will go, and the maximum will be in the neighbourhood of 75 per cent, so far as the companies are concerned. Now, we cannot afford to forget here that even though the Bank Rate is 7½ per cent., what we are giving to these rich people is 6 per cent, return. Now, let us see what happens to the 6 per cent, return. I will come to the other provisions later on. But so far as this 6 per cent, is concerned, please look at page 2 of the Memorandum. On the first income of Rs. 1 lakh, Rs. 64,815—it is not an earned income—will be deducted. On an income of Rs. 2 lakhs, Rs. 1,53,075 will be deducted. That means, on the additional income of Rs. 1 lakh, Rs. 88,260 will be deducted. That will leave them with a balance of Rs. 11,200. Now, what about this balance of Rs. 11,200? He gets that additional income of Rs. 1 lakh provided he has an investment, at the rate of 6 per cent., of Rs. 16 lakhs. On Rs. 16 lakhs, he will pay 1½ per cent. Wealth-tax. Please bear this in mind that to have an income of Rs. 1 lakh, as pointed out on page 2 he will have to have an investment, on the basis of 6 per cent, return, of Rs. 16 lakhs. I am prepared to calculate it on the basis of 7 per cent.; I am prepared to calculate it on the basis of 8 per cent. Then he saves Rs. 12,000. I have no complaints. I am only pointing out to those of my friends who feel that the richer people have been left out, that when there is a saving of Rs. 12,000, the man will pay, at the rate of 2½ per cent., Rs. 40,000 by way of Wealth-

[Shri K. K. Shah.] tax. That means, he will have to pay Rs. 23,000 out of his pocket. This is what will happen so far as the present Budget is concerned. If he has more wealth he cannot save after expenses. I have therefore a request to make to my friends who have been talking of a socialistic pattern of society, who think of socialism and who at the same time want that incentives should be given for capital formation so that rapid industrialisation takes place. Rapid industrialisation can take place only when there are savings in the companies and a socialistic pattern of society can only be ushered in when the individual profits are knocked down. And if for nothing else, at least for this the framer of this Budget deserves congratulations because, on the one side, an eye is kept on mopping] individual profits and, on the other hand, incentive by way of high dividends was provided. It was kept at least till last year. When I discuss this year's Budget, I will point out to you how it was impossible for the framer of the Budget to look after capital formation to the extent that it was done last year. But so far as the companies are concerned, in which 51 per cent, of the widely dispersed population are partners, incentives must be given for the purpose of capital formation and if those incentives are utilised by the rich people, their profits will be knocked down by higher rates of Income-tax and Wealth-tax. Therefore, the entire profit does not remain with them. Do they become plus or minus? If they become plus, nay, even if they save individually after expenses, I will be with Mr. Gupta. I am prepared to get these Budget proposals examined by any economic expert whom he names. And if that economic expert says that under the present proposals any rich man who has a capital of Rs. 1 crore or Rs. 50 lakhs is able to save anything, I will be with him. On the contrary, I except a certificate from Mr. Gupta if that expert says that a rich man will be minus, not plus. If these proposals bring about such a result, can I not expect from my friend a certificate

after a dispassionate analysis of the present proposals? If encomiums were to be paid, I hope that the Finance Minister will not mind it. I cannot think of a more capable and greater socialist than the Finance Minister who has framed this Budget.

SHRI BHUPESH GUPTA: Nice.

SHRI K. K. SHAH: I am saying this not because I belong to the Congress Party. I request my P.S.P. friends, I request my socialist friends, I request anybody who believes in socialism, to get these proposals examined by any expert and if he says that any saving is permitted to the rich people after payment of Income-tax, Super-tax and now the Super Profits-tax, I will be with them.

May I say one thing in this connection? So far, we have been complaining against the managing agency commissions. Now, this Budget will strike the death-knell of the managing agency system. What is managing agency system? People who have the managing agency systems do not have a capital of Rs. 10 lakhs, or Rs. 50 lakhs or Rs. 1 crore. The managing agency corporation has a capital of Rs. 1 lakh or Rs. 1,50,000 on which they will now get six per cent, return. It is true that the managing agency commission sometimes amounts to Rs. 8 lakhs or Rs. 10 lakhs. But since capital is Rs. 1 lakh, they will only be able to deduct only Rs. 6000/- or Rs. 9000/- as the case may be, on the basis of six per cent, return. There are no reserves in the managing agency commission. On the basis of six per cent, return, he will be entitled to a deduction of Rs. 6,000 if the capital is one lakh. Therefore, out of the entire managing agency commission of Rs. 8 lakhs or Rs. 6 lakhs the first 50 per cent, will go. It will leave Rs. 3 lakhs. Out of this sum of Rs. 3 lakhs, deduct Rs. 6,000. It will be six per cent, return. The balance of Rs. 5,94,000 will again be subjected to 60 per cent. tax. That is the Budget. That is the tax on the rich people. Do not be given to slogans only. Slo-

gans do not solve problems. Slogans are all right if there is sound basis for your stand on that too on a proper analysis. But without any proper analysis, slogans will not help you and therefore my request to you is that ...

SHRI BHUPESH GUPTA: You need not request me. I support all this. Only I say that it should be stepped up.

SHRI K. K. SHAH: All right. Very good. I am very happy that he has come round. Reasoning does appeal to my friend and I am very happy that this reasoning has appealed to him. Now, let us see whether it is desirable to step it up. You take away 80 per cent, and 20 per cent, is left. And when that 20 per cent, goes into the hands of the original owner who gets it by way of dividends, it is subject to 88 per cent. tax. What is it that is left with him? We are interested that the incentive, whatever little it is, is kept up to have rapid industrialisation, that the incentive to invest in industry is kept up. I do not think that from that point of view, what little incentive we want to keep up should also be taken away. Then, I will have to repeat your statement that we are killing the goose which is laying golden eggs.

After having given this analysis of the Excess Profits-tax and the Income-tax, I propose to come to certain aspects which, as I said, are inevitable. But before I go to those aspects, I do wish to point out that even in 1958—I am not saying this by way of any comprint—it was realised by a great man like Acharya Kripalani that in spite of taxation, it has not been possible to bring about rapid industrialisation. And in 1958 and 1960, he went to the extent of asking us to cut down our defence expenditure. I have got his speeches both of 1958 and 1960. And his speech amounted to saying that:

"There were no enemies so far as this country is concerned and it was wrong to have such a large defence expenditure."

SHRI A. D. MANI (Madhya Pradesh): Mr. Krishna Menon said in the United Nations that China was India's friend. At the same time he said . . .

SHRI K. K. SHAH: You do not accept what we say as gospel truth. You expect us to accept as gospel truth what is said on that side. It may partly apply to you. Please forgive me if I say that. Therefore, I am quoting what is said from the other side and not from this side, and then it will not require scrutiny. (*Interruption*). But I am very happy that those who were talking of Shanti Senas, of reduced defence expenditure in 1958 and 1960 and those who have been talking of unilateral disarmament, are all one with us, and they say that we must now increase our defence expenditure. All of them then were of the view that defence expenditure to the extent of Rs. 375 crores was much too high and they were finding fault with our defence expenditure to such an extent. Now they have all come round and they concede that the Government of India was right in that, in spite of the persistent demand for reducing defence expenditure, in spite of the persistent demand for Shanti Senas, in spite of the eloquent demand for unilateral disarmament, the Government of India went on spending on defence or adding to the defence expenditure which, before the unabashed Chinese aggression took place, was in the neighbourhood of Rs. 375 crores. Now they all come forward and say that Rs. 375 crores is not at all enough, that we are not well prepared, that we should add to the defence expenditure, that the expenditure should be to such a level whereby we are able to defend ourselves on both the fronts, that it is not enough to be fully prepared only on the Kashmir front and that we should also be fully prepared on the Chinese front as well, even though we were feeling at that time—and rightly so—that if China, in her folly, would invade us, we would get outside help from England and America, but if Pakistan invaded us we would not get help from anybody.

[Shri K. K. Shah.] That is why we were fully prepared so far as only Kashmir was concerned and if we took a little risk on the other front, it was because we wanted to proceed with rapid industrialisation of the country and desired consequent solution to the unemployment problem under planned development so that it created hopes for a better future, for the greater well being of the people. I may make bold to say, and I hope Shri Bhupesh Gupta will not mind my saying so, if the pro-Chinese elements did not succeed in creating disorder in the country to help the Chinese, it was because the masses in this country had hopes of a better future on account of the good planning—thanks to planning—going on in this country, and that is why they did not play into the hands of the pro-Chinese elements. This is how the Chinese invasion was thwarted and therefore that policy should continue. It is not enough that we find only the additional defence expenditure. Rapid industrialisation not only provides the sinews of war but provides the sinews for brighter future. All these can only be brought about by an increase in our national income and by a decrease in unemployment, which in turn can only be brought about by rapid industrialisation, and if the twin objectives of a socialistic pattern of society and rapid industrialisation are to be achieved then, as I have said, the socialistic pattern of society is taken care of by the income-tax proposals and by the supertax proposals. Then so far as the other aspect of rapid industrialisation is concerned, incentives for capital formation will have to be provided. If 51 per cent, of the shares are owned by widely dispersed masses of people, then it will be possible to mop up their surplus income by giving them a higher dividend.

Now my friend has been complaining about a number of other imposts. Nobody will agree or even feel happy to tax a man whose income is low unless it becomes absolutely necessary and if by way of compulsory savings

something is desired to be taken out of his possession, it is with a view to keeping down the prices; it is in his own interests. If the prices go up, then all his income will disappear. On the other hand if, by way of compulsory savings some money is taken back but prices are kept down so that the effects of inflation are not felt, then out of the same money, on account of lower prices he will save something which he will compulsorily deposit. This is the object of compulsory deposits. Compulsory deposits are not aimed at penalising the small man, who has been helping us and will help us considerably. I am prepared to look after his interests, and this is a device to see that whatever little he gets meets his requirements. By asking him to deposit, his power to purchase is cut down so that the demand for goods goes down. Lesser demand means lesser prices, which is in his interest. On the one side he saves, helps to control prices and, on the other, he gets interest on his deposit.

Now there have been friends who have been complaining against the Gold Control regulations. Gold Control regulations are to be examined not from the point of view of whether the hidden gold has come out or not. Gold Control regulations are to be examined from this point of view. Do you want ornaments or do you want industries? Our foreign exchange resources are limited and they have dwindled already. We want to save as much foreign exchange as possible. But if that foreign exchange is utilised for stealthily purchasing gold, then to that extent that foreign exchange is frittered away. It would have been available for setting up industries. Stopping purchase of gold in future, Rs. 30 crores worth of foreign exchange can be saved, and if this Rs. 30 crores foreign exchange is utilised for the purpose of, say, 4, 5 or 10 industries, then out of the profitable working of these industries it will be possible to go on adding to these industries and giving employment to thousands of people. That is the object of Gold

Control regulations. It is true that if it were possible to persuade everybody to fork out his gold then it would be a great thing, a great act done in the interests of the country at this time of crisis. But then there is the tradition that comes in the way, the tradition of keeping gold with oneself to meet any eventuality of sudden want of funds, to meet any unexpected financial difficulty. Now it is said that the gold held in private possession is worth Rs. 4,000 crores or Rs. 3,000 crores or Rs. 2,000 crores. It is difficult to say what exactly is the worth of such gold held by people. But even assuming for the sake of argument that such gold is worth Rs. 2,000 crores, if willingly the people were persuaded to fork out that gold worth Rs. 2,000 crores, our foreign debts to that extent will go down. If the foreign debts are, say, Rs. 2,000 crores, and we are paying interest at the rate of 7½ per cent, per annum, the interest alone comes to Rs. 150 crores per year in terms of foreign exchange. If the people are to make this gold available to the Government, then the country will be able to wipe off the foreign debt of Rs. 2,000 crores and will not have to pay interest of Rs. 150 crores. Our forefathers while leaving some gold for their children used to say, "This gold is kept so that in times of difficulty you have not to borrow money and pay interest on it. If you incur a debt, do not go on paying interest on it for ever. Utilise this gold and wipe off the debt." Our forefathers in their wisdom have left behind such words of advice and that tradition continues. Instead of following that advice, at this time of emergency we are going the other way. I would beg of my friends on the opposition benches not to bring in party policies but propagate what our forefathers had said in the matter of gold. Let us tell the masses that the country is in difficulty, that we want rapid industrialisation, that we want to pay off our debts, that we do not want to pay unnecessary interest on them. Thus let us persuade the people to part with their gold. From the savings each year on interest, a sum of

Rs. 150 crores or Rs. 200 crores would be saved, we can purchase the entire gold after a period of fifteen years and utilise that amount for further industrialisation. We want rapid industrialisation. We know who are the people who can help us for industrialisation. If concentration of economic power takes place, as I said we know how to mop it up. Even for industrialisation they are made to pay premium to the Government. Machinery is brought for the purpose of industrialisation, but that machinery we tax to the extent we can, because we want money for the defence of our country.

I therefore beseech of my friends to examine these proposals in the light of what I have indicated, and if you find that any proposal is in the interests of the rich people or is unfavourable so far as the poorer sections of our masses are concerned, then you will be justified in criticising the Government. If you find that on the whole the entire Budget is based on this consideration that those who can pay must pay, according to their capacity to pay and after that is done, if we find that the return is much below the requirement, then we go to the masses and tell them, "Please save something. It is in your interests to save something; it is in the interests of the country to save something". I am sure the Finance Minister has not done anything wrong by asking them to save. At the same time I would certainly say that we should effect economy in our expenditure. And that is the demand all over the country, namely, that there should be economy in our expenditure. I am sure the Government of India, especially the Finance Minister, will do his best to see that there is economy, because if we want economy on the part of the people, and if we do not set an example, we cannot ask the people to follow something which we do not follow ourselves. And I am sure the Government of India have their eyes on this question of economy. I am very happy to find that in some columns,

[Shri K. K. Shah.] when it is compared, with 1961-62 and 1962-63, there is minus. Though I would have preferred to find minus in all places instead of "in some places", but at least in some places there is minus—I am very happy the Treasury Benches are nodding their heads. Madam Deputy Chairman, my time is up. I support the proposals, and I would end by joining in the plea that after hearing the arguments in both the Houses, unless it is absolutely necessary, unless it is inevitable, we should not tax the common man, but we should go to the rescue of the common man. I am sure at the end of the debate after a careful scrutiny and examination at the hands of friends on this side and friends on that side, these proposals will ultimately emerge in the interest of the country. Nobody should make it a party issue. We are passing through an emergency; I am sure everybody will make constructive proposals; it will not be a proposal for the sake of a proposal, and when this constructive shape emerges, the burden will be borne by those who can afford to bear and not by those who cannot afford.

SHRI DAHYABHAI V. PATEL (Gujarat):
Madam Deputy Chairman

SHRI BHUPESH GUPTA: Warm up the House.

SHRI DAHYABHAI V. PATEL: The ways of Providence are inscrutable. Events happen in such a way that sometimes their significance is not understood; they are not fathomable. The late Lokmanya Tilak died on the day when Gandhiji announced his programme of non-violence and non-operation. That we all remember. Dr. Rajendra Prasad expired after the Budget proposals of the Finance Minister were announced.

SHRI M. S. GURUPADA SWAMY (Mysore): Because of shock?

SHRI DAHYABHAI V. PATEL: I did not say so. But I am sure the country received two terrible shocks—the great shock of the death of Dr. Rajendra

Prasad and the second shock in the Budget proposals that were made by the Finance Minister.

Madam, I am sorry the Government is being driven by my friend, Mr. Bhupesh Gupta, and his friends, to the oppressive measures that they have been taking one by one. This is not going to help the country.

SHRI BHUPESH GUPTA: On a point of order. It is a reflection on Shri Morarji Desai,—as if I can drive him

SHRI DAHYABHAI V. PATEL: Since Mr. Bhupesh Gupta has made that interjection, may I say that while Mr. Morarji is the Finance Minister, he does not decide the policies of the Government. The policies of the Government are decided by Pt. Jawaharlal 'Nehru who cannot stand a Finance Minister very long like Bluebeard who could not stand a wife long. How many Finance Ministers have we seen? And a Finance Minister who cannot be driven and made to tighten the belts here and there of the people will not remain. That is the experience of so many years.

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI) : I am afraid this is a very wrong reflection that the hon. Member is making against me and also against the Prime Minister and against the whole system.

SHRI DAHYABHAI V. PATEL: If any Finance Minister has stood the Prime Minister for more than three years, it is only Mr. Morarji Desai.

THE DEPUTY CHAIRMAN: You can now come to the Budget proposals.

SHRI MORARJI R. DESAI: Mr. Deshmukh was there for six years.

SHRI AKBAR ALI KHAN: (Andhra Pradesh): We are all *one* in policy.

SHRI DAHYABHAI V. PATEL: As I said, it is exactly what Mr. Bhupesh Gupta wants. I am sorry to say that in many cases we are following the method of repression or the policy that the Communists follow.

SHRI SHEEL BHADRA' YAJEE (Bihar): This is a very irresponsible statement.

AN HON. MEMBER: East Germany?

SHRI DAHYABHAI V. PATEL: East Germany is called the German Democratic Republic. We know how democratic it is. Similarly, let us see how some of the proposals are classed. Look at the memorandum explaining the provisions in the Finance Bill. How oppressive it is going to be to the poorer classes is revealed on the first page. On the first slab of Rs. 5,000 income, the tax so far paid is Rs. 42. Under the new proposals it will be Rs. 241. I am not going to read more. Everybody has been supplied with a copy of it. But it was only to illustrate what I mean, namely, that we are going on using more and more the terminology used by these friends, which is very often misleading. I am constrained to say that the Budget proposals, viewed together, cannot but be classed as oppressive, if not repressive in themselves. To call it an effort to meet the war is also something similar to what I referred to earlier.

Madam, the Government are not economising on their non-developmental civil expenditure. You have only to read the reports of the Public Accounts Committee, and you will find enough proof of this. On the other hand, the revenue account shows an increase in civil expenditure of Rs. 83 crores, almost unrelated to planning programmes. An estimate of Budget receipts here gives a distorted picture of the Government finances. Savings in the total grants and appropriations also prove what I say. The percentage of savings in the total grants and appropriations for the five years ending 1960-61 is given below:—

(In crores of rupees)			
	Total of voted grants and charged appropri- ations	Amount of saving	Percen- tage
1956-57 .	4,279	650	15.2
1957-58 .	5,499	221	4.0
1958-59 .	6,892	443	6.4
1959-60 .	7,308	255	3.5
1960-61 .	7,416	500	6.7

The position in 1960-61 showed deterioration as compared to the three earlier years. The analysis of the savings by grants shows that in 54 grants, the savings exceeded 10 per cent, of the funds provided and that in 21 of these cases, the savings exceeded 20 per cent.

The supplementary provision totalling Rs. 15.44 crores proved entirely unnecessary in 11 cases as the expenditure did not even come up to the original grant for appropriation. In 8 of these cases, the supplementary provision had been obtained as late as February, 1961. Further, the supplementary provision proved excessive under 12 grants or appropriation*. While the supplementary provision under these totalled Rs. 12.50 crores, the amount utilised was Rs. 7* 8 crores. I am quoting this from Audit Report (Civil), 1962, pages 22, 23 and 27.

SHRI M. P. BHARGAVA (Uttar Pradesh) : They are all past accounts.

SHRI DAHYABHAI V. PATEL: That is the performance of the Government which is the same Government. I think Mr. Bhargava knows it and what is the hope that it is going to be better this year?

The impost of 50 per cent, of land revenue is inequitable particularly as there is no relief to the small cultivators.

[Shri Dahyabhai V. Patel.] tors. Instead of incentive, this will be a disincentive and will result in falling of production from land which we need to raise so much in this country. The additional surcharge will hit the pool man drawing a salary of Rs. 300 per month.

The limit of Rs. 5,000 on employees' remuneration and perquisites will entail double taxation—once at the hands of the companies and the second time at the hands of the employee concerned. Moreover, what about foreign technicians? Will they work on Rs. 5,000 a month or with this sort of taxation, shall we say H3oodbye' to them?

The import duty on petroleum products and the additional excise on automobiles and the enhanced duty on spares will be such as to render car ownership a grievous liability and will throw road transport that is just beginning to shape in this country, completely out of gear. This will also aggravate the slack noticed in the economy in recent months. It will disturb the lull and price levels which will prove self-defeating. The Chancellor of the Exchequer in England in November last, announced a reduction of 2 per cent, in, tax on motor cars, not commercial vehicle, because he said that the economy of the country, the economy of all countries based on industry and engineering, was geared to the fortune of the small car. I do not agree entirely with the people who say that the small car is a luxury. Shri Bhupesh Gupta also knows it, as he uses a car. He comes to Parliament in a car. It is a fallacious notion to say: *You should not go about in cars and everybody should go in the buses.' It takes a lot of time. Besides, it is necessary to put the car at the disposal and within the reach of the small man. The Industrial Revolution came about in America because of the idea of Henry Ford to see that every factory worker in his company comes to the factory in a car. How did he do it? It was not by raising the taxes, not by raising the car prices

but by reducing the car prices. Unfortunately in this country we have been going the wrong way. We are raising both.

The impact of these proposals on the cost of living of the masses will be such that the effect of these will be difficult to forecast just now but with the upward thrust in the prices, the cost of living will go up. How will it react on production? This needs deeper thought and consideration and once the price level is disturbed, we will be faced with demands for higher

wages -----there they are ----- which will mean higher costs again . . .

SHRI BHUPESH GUPTA: They are also there. . .

SHRI DAHYABHAI V PATEL: Which will mean lower production.

Whether for defence or for conserving foreign exchange, the proposed increase on duty on kerosene oil will hit the poorer section of the society. The poor working class, men or women, will remember the Finance Minister every time he or she goes to buy a bottle of kerosene oil that they need every day. They do not have even the money or the resources to buy in tins.

The interpretation of the duty imposed on vegetable oil what is processed oil and what is unprocessed—is already confusing people. The interpretation by the Excise people is already commencing to lead to hardships to the trade. Even a simple filtration of oil is considered processing and telegrams have been received by many Members in this House, those coming from districts where oil crushing is going on, as to what exactly the Government's intentions are in this case. I hope an early clarification will be made. I believe the Finance Minister and his Deputy have received the note that I have sent to them in this connection and I hope they will make an early clarification.

The method of the levy of the Compulsory Deposit Scheme is cumber-

home. The administrative machinery for income-tax collection which is even now inadequate will be further burdened. There will be scope for more evasion. The Super profits-tax, which is proposed in this super-Budget, as regards the corporate sector, is charged on a low level of profitability and it will have an impact on almost all reasonably efficient industrial unit. It will be as high as 75 per cent. ;i 80 per cent, in the aggregate on some companies. Well-managed c >mpanie-with a small capital and t large income will b_e hit very hard. It will work as a levy on dividends and drag on the amount to be ploughed back which so necessary for maintaining the efficiency, leave alone the progress and expansion of th_p industry.

Advertising is going to be allowed at the complete discretion of the I.T.O. When Mr. K. K. Shah goes ^,d as!« for an advertisement in the Annual Number of th_e Congress at RJ. 10,000 a page, it will be given and it will not be questioned by the I.T. O. wsen s Company grants it but when I ask for an advertisement at Rs. 500, the chances are that it will be questione.; ud it will not be allowed.

HON. MEMBERS: No, no.

SHRI DAHYABHAI V. PATKL: knowing things as they are, with so many years' experience, with the pressure that is put on the Government officers at the lower levels, it is \$oma, to be very difficult, I say. f~r the I.T.Os. to act independently, and fairly in these cases. This leaves a very large and wide gap where there is scope for corruption and we know that there is a certain amount of corruption existing. In arriving at the chargeable profits for the Super Profits-tax, the I.T.O. may add r-emmi'ssion, advertising expenses and entertainment expenses, etc which he considers to be excessive. These discretionary powers give too wide an authority to the I.T.O. and will be a source of corruption.

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The Super Profits-tax will take away all resources which the companies usually plough back This mgh impost will stop expansiozi and development of industries. Because of less dividends, savings and capital formation will be affected. A common man will not have the incentive to invest in company shares. Anybody who invests in the joint stock companies does so with a view to securing a dividend but if the dividend is to be given by well-managed companies, with the present taxation, how many of them will be able to give 6 per cent, on th« market value of those shares tod'y? Mr. K. K. Shah has of late become a great industrialist. Will he tell me how many of the industries, where he is a director, according to the present rates of taxation, if they pay their taxes honestly, will be able to give a 6 per cent, dividend on the market rate? If not, how will they attract the investors? Or is it the policy of the Government to go and support th« monopolists, people who have already established industries? I do not think that is the policy of the Government. It is, I think, the policy of th_e Government to encourage more and more industries to come up. Are you going to increase the formation of industries by such taxation? Instead of a superprofits-tax the Government should have charged all profits in excess of a certain standard profits, say the average of the last three years' profits. Or the Government could have asked the companies to compulsorily deposit with the Government profits in excess °f the standard profit. Perhaps such a provision would have met the needs of the present situation and would not have been so oppressive. How can we hope to get any foreign capital when earnings above 6 per cent, are penalised and this at a time when the levels of corporate taxation abroad are tending to go down? Of course, those who read newspapers know that drastic cuts in income-tax levels are introduced by President Kennedy in the U.S.A. and other progressive countries are following that lead. Are we going to follow the lead of the Iron Curtain countries and

[Shri Dahyabhai V. Patel.] squeeze out everything that is left with the people?

The Government's estimates of revenue as disclosed by successive Budgets are usually on "the low side. But this time it is much too low because of the complicated nature of the proposals. Therefore, the proposals have come before us now and the GoYOTB-ment have not got any scientific background to assess actually what the impact is going to be and as usual, there is under-estimate. My fears are that the under-estimate is very much more than it should be. In the case of individuals the curb on deduction for expenditure on account of remuneration and perquisites at Rs. 60,000 per annum for an individual employee amounts to enforcing a sort of ceiling on income through the backdoor. If BO, let them say so. Perhaps Mr. Bhupesh Gupta wants it.

SHR^r BHUPESH GUPTA: Absolutely.

SHRI DAHYABHAI V. PATEL: Let me inform my hon. friend, Shri Bhupesh Gupta, that in the land which he admires so much, there is neither a ceiling on income, nor is the disparity between the income of the poor worker or the peasant and that of the topmost paid ^{man} less than the proportions that we have here. They are as high if not higher than that in progressive European countries.

SHRI BHUPESH GUPTA: Thon you should follow what I am saying here now.

SHRI DAHYABHAI V. PATEL: Out of the total investible resources pool in this country, the Central Government and the State Governments will now be taking away about 30 per cent by way of taxes, loans, savings and compulsory deposits. The Defence expenditure will be met and the public projects expenditure also. But what about the other sectors of the Plan? In a mixed economy enough resources should be left for deve-

lopment and expansion of other sectors of the economy. But under the plea of mopping up purchasing power in order to prevent inflation, the Government is taking away all the resources from the total investible pool in the country and it is well known that the investments in the public sector bring negligible return. This will have serious repercussions on the present industrial development of the country and the future capital formation. In this connection I would like to draw the attention of hon. Members to . . .

SHRI ARJUN ARORA (Uttar Pradesh) : Is he reading from a book?

SHRI DAHYABHAI V. PATEL: Yes, I am presently reading.

THE DEPUTY MINISTER IN CHARGE
MINISTRY OF FINANCE (SHRI B. R. BHAGAT): From what book?

SHRI DAHYABHAI V. PATEL: I will just tell you. In this connection I would like to bring to your notice the opinion of well-known experts. This is from the publication "Taxation and Investment" by The National Council of Applied Economic Research, New Delhi.

SHRI MORARJI R. DESAI: That is not a Government publication.

SHRI ARJUN ARORA: It is not a Government organisation. It is an independent organisation.

SHRI DAHYABHAI V. PATEL: But Government-recognised. The Government has recognised it. I will correct myself if the hon. Minister says that the Government does not recognise it.

SHRI MORARJI R. DESAI: No question of not recognising it.

SHRI AKBAR ALI KHAN: These are not Government's figures.

SHRI DAHYABHAI V. PATEL: But they are recognised expert economists and they have been giving their advice

and their advice is often quoted by the Government when it suits them. I am, I believe, entitled to quote them also.

SHRI MORARJI R. DESAI: When it suits you.

SHRI DAHYABHAI V. PATEL: On page 78 it is stated here:

"The real position, however, is quite the contrary. Net savings by public sector have really declined since 1951-52. The ratio of net government savings to net government investment has steadily fallen from 94 per cent in 1951-52 to 18 per cent in 1957-58. In other words, an increasing proportion of public investment is financed by drafts on private savings."

And let us remember that this was as far back as 1951-52. Madam, the draft on private savings has gone very much further and what will it be after these proposals? Then further it is stated here:

"At still higher levels of wealth, the sum of income and wealth-tax liabilities will first equal and then exceed the entire income of the individual. In other words, consciously or otherwise, the tax system is so fashioned as to impose a virtual ceiling on individual wealth holdings."

Madam, if this is the policy of the Government, I would like Government to come out with a clear statement that they want to impose such a ceiling on salaries, a ceiling on earnings and on capital.

SHRI ARJUN ARORA: Would you accept it?

SHRI DAHYABHAI V. PATEL: I would like them to put it clearly before the country so that the country can make up its mind whether to accept it or not.

SHRI ARJUN ARORA: But will you?

SHRI DAHYABHAI V. PATEL: I have made myself sufficiently clear and I need not be told and goaded by Shri Arjun Arora to make myself sufficiently clear.

Next, Madam, I would like to invite the attention of the House to a passage in another authority—Taxation and Foreign Investment—since this country depends very much on foreign investment, this is very pertinent. At the end of Chapter X, on page 90 it is stated here.

"Although the Indian rate of wealth-tax on companies compares favourably with the rates in the six European countries, which tax the wealth of companies, this tax is not in force in important capital-exporting or capital-importing countries, which compete with India for foreign capital. Secondly, it imposes a burden on companies which is in addition to the already high rates of company taxes. This tax would, therefore, be a deterrent to foreign investment in India."

And this was said some years ago. What will be the position after the Finance Minister's recent proposals?

Madam, the State Finance Corporation charges interest at 7 per cent and 8 per cent. The corporation is a State sponsored organisation. If the Finance Corporation hopes for and legitimately wants and the Government also supports this policy of taking interest at 7 per cent and 8 per cent, then is it fair to ask the industry or the private investors to be satisfied with less than 6 per cent? If the profits are reduced, then the source or the pool from which wages and bonuses ultimately come will be reduced. Whether it is direct or indirect, the burden impinges on the body politic at the lowest level where all the weight has to be supported. The burden of the Budget is ultimately going to fall on the consumer and the toilers at the lower levels. The present set-up and industrial structure of our economy is such that it will convert direct taxes into indirect taxes and the burden of it will fall heavily on the consumers and the

[Shri Dahyabhai V. Patel.] wage-earners. The State Budgets and the Central Budget reveal that the entire internal and external policies have led us to this rising pitch of taxation. It should be obvious that it cannot be right to do so. It is time—and I have been, as a matter of fact, saying this for more than a couple of years—for Parliament and the country to think whether it is right for a Government to continue with such policies and whether it is right to continue such a Government, if it cannot find other ways of carrying on the administration of the country except by resorting to such oppression. The situation of danger to national security so close by the Chinese aggression last winter cannot be met by oppressive taxation. Such methods will only undermine the moral stratum and the

SHRI ARJUN ARORA: Are hon. Members allowed to read their speeches? This is what the hon. Member is doing.

THE DEPUTY CHAIRMAN: He is not reading. He is only refreshing his memory.

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SHRI AKBAR ALI KHAN: He is only referring to notes.

SHRI DAHYABHAI V. PATEL: May I point out a ruling by the hon. Speaker that Members may refer to their notes as often as they like?

SHRI ARJUN ARORA: But not continuously.

SHRI DAHYABHAI V. PATEL: It is said, as often as they like.

Such methods of oppressive taxation will undermine the moral stratum and the vigour of the people, incapacitate them to resist future aggression of such a type and will damage the prospects of increased production, both in industry and agriculture which we need so much. Madam, why do we do this? On an earlier occasion I had pointed out that in one of the Sanskrit books called Rajtarangini, the Sanskrit pun-

dots are said to have advised the Kings of Kashmir—and the translation of this book, if you please, was made by the late Shri R. S. Pandit, brother-in-law of the Prime Minister, and the Prime Minister has written a foreword to this book—that if they wanted to keep their power, they should look after, keep an eye on the cultivator*. "Do not allow the cultivator to keep more than a year's requirements of grain. Do not allow him to keep bullocks in excess of that required to plough the land for one year. Do not allow him to ride a horse because he will get wind in his head. Do not allow him to keep more woollen clothing; he should have just the bare clothing necessary; otherwise he will become soft and will not go out to work in the fields in the cold of Kashmir.

SHRI M. GOVINDA REDDY (Mysore) : He seems to have written this for the Swatantra Party.

SHRI DAHYABHAI V. PATEL: For the information of the hon. Member, I might tell that this book is more than a thousand years old but I want to ask my friends opposite, who do not see the writing on the wall, whether the Prime Minister is not acting according to this advice.

SHRI AKBAR ALI KHAN: Not at all.

SHRI DAHYABHAI V. PATEL: Once on the saddle, then do everything according to the advice of the Sanskrit pundits to make your rule perpetual.

SHRI BHUPESH GUPTA: Is that all that we get from Rajtarangini?

SHRI DAHYABHAI V. PATEL: Madam, it is therefore, and because the policies are not progressive, that I shall oppose the Budget proposals. What are progressive countries doing? Why is there so much hush-hush about our defence efforts, when we ask about the defence equipment we have and about the expenditure on this? It is quite true, and I quite understand, that to a certain extent there should be

jome secrecy on defence expenditure but the present system that we have debars any scrutiny. On the contrary, look at what the progressive countries of the world are doing. In a magazine called "US. NEWS AND WORLD REPORT" there are figures given of defence manpower and expenditure on defence relating to more than a dozen countries. These are published, the manpower that they have got, the length of the military draft, the equipment they have. Where do we stand here? If the country is expected to make a sacrifice and tighten its belt to the limit that we will have to, are we not entitled to know the equipment we have, the efforts that we are making to build up our defences w> that, God forbid, if we are to face another foreign invasion once again, we will know where we stand. In all seriousness, Madam, I ask, what is the Government, what is the Prime Minister, - who has been having the unquestioned love of the people for the last thirteen years doing? And, under these circumstances, to come out with a Budget of this type, Madam, is something that I cannot understand and, Madam, it is time that people got up and said that they woul<j have no more of this. I oppose this Budget.

SHRI M. GOVINDA REDDY; Madam Deputy Chairman, before I proceed to make my remarks on the Budget, I would like to say a word or two on what my recent predecessor has said.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.]

The distinguished Member of the Swa-tantra Party was today in a shocking mood. He said that the country received two shocks. Of course, he was true in one sense, saying that the country has received a shock by referring to the death of the greatest Indian, Dr. Rajendra Prasad.

SHRI DAHYABHAI V. PATEL: I said, two shocks.

SHRI M. GOVINDA REDDY: Yes, I am coming to that. There he was right

in the first shock, but in the second, by making that reference, he really shocked the House. The hon. Member has himself shocked me and most of the Members of the House by speaking for the poor man, the common man. He was speaking for the poorer classes, referred to the fifty per cent, compulsory savings of land revenue as iniquitous, condemned the surcharge as affecting the poor man and blamed the Government for not bringing the car within the reach of the small man. All these things were for the poor man but the cat was out of the bag when he came to the question of the super profits-tax. He said that the tax was imposed on low levels of profit. He also talked of the provisions regarding advertisements and all that. He also said that the super profits-tax takes, away all resources and incentives for capital formation. It is the greatest shock that a party which is wedded to the theory of *laissez faire* should be existing in the modern world, a party wedded to an outmoded philosophy should still be found to be living in this country.

SHRI M. RUTHNASWAMY (Madras) : Ask the people about it.

SHRI LOKANATH MISRA (Orissa) : And seasoned politicians of the Congress Party getting into it.

SHRI M. GOVINDA REDDY; Wa know what type of people are coming to you and you know it too.

Mr. Vice-Chairman, to make a correct appreciation of the financial position of the country and of the taxation proposals that have been made—and the extent of the taxation proposals of a far-reaching nature— it would not be out of place to say a word or two about the background against which we have to view the proposals today. The Government of independent India inherited a legacy, an impoverished country with languished resources and production, with men and women too weak, poor and unequipped to be able to aid production. So the paramount task of tb» (Government was to build up an

[Shri M. Govinda Reddy.]

economy to inject strength into the means of production so that we would be able to produce more and more and also organise human and other resources in order to increase production still further. It was for this purpose that the Government of the country launched upon a programme of planning. Obviously this necessitated planning for a structure which was beyond the financial resources of the country and therefore they had to plan for an annual expenditure even leaving some portion of the provision in the annual Budget uncovered. So this has been no easy task for the Government. This has been a stupendous task. Now we are faced with the result that in addition to the planned expenditure of last year we have to meet an increase in capital outlay of Rs. 234 crores, in civil expenditure of Rs. 73-79 crores and in defence outlay Rs. 106 crores over last year and this leaves a deficit of Rs. 454 crores to be covered. This huge deficit has to be covered somehow or other. If we look at the external position of our trade, we are not in a very happy position although the Government of the day has done its best to build up the trade. Our exports which were enjoying a comfortable position have in the last year not shown the performance which they were showing. In Western Europe they were declining although that deficiency was made up by our trade with East European countries. Internal production also has not registered the increase which was expected and which was planned for. Resources through small savings have kept up almost to a constant limit of Rs. 100 crores. And faced as we are with a situation where we have to meet increasingly additional expenditure, it is necessarily a difficult task for anybody to cope with and one can easily realise the difficulties of the Finance Minister in balancing the Budget. I think it is a staggering situation, a breath-taking situation and one could not have taken easily upon one's shoulders, under such odds and in addition to all this In the

face of our dwindling foreign exchange reserves, to make a Budget which would save the people from additional taxation. The one point to be noted here is that we are faced with a situation where at the existing level of taxation we are left with a gap of Rs. 454 crores. If it is only for one year we can equanimously look at this gap and prepare to face it but with the enemy at our border—and God knows how long this emergency will last: there is no sign of its easing; if we take what the Prime Minister said yesterday into consideration, it may be that the enemy may even before the winter is off start an attack and there is no possibility of our visualising the emergency receding—we not only have to provide to cover as great a, part of this gap of Rs. 454 crores but it may be that we will have to provide for more. If that is so, the additional taxation that has been now imposed according to these Budget proposals will have to be perhaps increased. That is the prospect that we have in view and it is no pleasant prospect. It is a prospect for which the country no doubt is prepared and the magnificent response that we have received in the country after the emergency set in is an indicator of the fact that the country is prepared to bear, that the people are prepared to bear, the burden but it is for the Government to see how well the burden should be distributed. I do not agree with the hon. Member of the Swatantra Party that this Budget is lopsided or has made uneven provisions. The Finance Minister working within his limitations has been just, has been fair, has tried to hold the scales even.

Sir, if it were not for the fact that this deficit is going to continue, that we will have to face additional defence expenditure year after year until the emergency disappears, I would not have come forward to say a few words on them. If these imposts were only for a year, I would not have said a word about them. Now, faced with this situation of continuing to bear for an indefinite period these

additional taxes, should we reconsider and review the position in regard to this taxation? That is the question? It may be said that instead of resorting to taxation, we may effect some savings by pruning the Plan but the hon. Minister has said in his speech very clearly that there can be no halting of developmental programmes because we are already committed to these developmental programmes. And to carry on the additional duties imposed upon the country and the additional burden that has to be borne with regard to the increased scope of planning, we have to incur additional civil expenditure of Rs. 73-39 crores, so that there can be no saving on that account. And there is not much hope of raising more by small savings also. When these avenues are not open for the Finance Minister the only other way is to see whether there can be certain alterations in taxation, whether the pattern of taxation can be altered in order to make up this deficit equitably.

Now, I would like to say something about indirect taxation. I do not want to mention here—I wish to mention of course but I will not have the time—the appreciative items of these taxation proposals. As Mr. Shah has made it abundantly clear I am not going into them. With regard to indirect taxation, the general principle is that the wider the net you spread the larger the catch you get. That is true but there is also a consequential principle involved in this and that is the burden of indirect taxation should not be heavy on any particular section of the people. It is here that I would like to submit to the Finance Minister some of the conditions which perhaps have not come to his attention as poignantly as they have come to my attention. One consequence which follows the imposition of indirect taxes is that it is difficult to hold the price-line. The Finance Minister is very anxious about this and he has suggested various corrective measures in order to see that there will be no shooting up of prices. But as it happens in practical life, the blackmarketeer or

the one who evades the law has only a 000001 chance of being caught. They know that in all these months after the emergency only two or three kerosene dealers have been prosecuted. You go to the market where you want to buy a cigarette or soap or anything of that sort. You do not get it at the old price plus the addition of the excise. It will be three or four times more than the excise imposed or that will be charged on the article. This is what everyone says. And what is more, if one commodity of ordinary consumption is taxed, the merchant puts that impost on all other items. So much so, if today I buy a kilogram of sugar which is not to bear any additional excise, I will have to pay for everything else which I buy an additional price, much more than what it was before the Budget proposals were announced. I am pointing this out to indicate that the family budgets of middle-class people, of the poorer classes, will naturally get upset. When for one item an excise duty is imposed and for a hundred other items also the rates increase in the market, he will have to incur additional expenditure. This is a factor which I have been trying to bring to the notice of the Government time and again in this House but which, I think, has not completely appealed to them. They do not see eye to eye with me there. Now, I will not mind that as far as the higher income brackets are concerned, because even though it is unfair that the market should be exploiting them, they can afford to pay because they have the resources. But where limited incomes are received by people and where the middleclass family man has to keep up a hundred appearances of respectability, it will be difficult for him to balance his budget. The same is the case with the poorer class also, but fortunately as far as the labour class is concerned, three or four members in a family will be earning and the burden on such a labour class is not much of a hardship. But in the case of a middle-class family where there is only one earning member and where there are aged parents,

[Shri M. Govinda Reddy.] children and so many dependents, as is customary most unfortunately in Indian families, it is difficult to balance the budget. Let the Finance Minister get it worked out—if a family gets, say, between Rs. 100 and Rs. 250 as income per month, how will that amount be apportioned? What will be the amount for house rent, what will be the amount for food, what will be the amount for education, what will be the amount for medicine, what will be for this, that and the other? This point has to be considered. I do not mean to say that additional excise should not be imposed on these items. , I do not mean to say that at all. But if this hardship could be avoided, it should be avoided, because we are adding the last straw on the camel's back. If we can prevent it, let us prevent it.

In regard to the additional excises proposed, I would like him to reconsider the surcharge on paper. As you know, the poorer classes here in this country have to be educated and these days 'books have become terribly expensive. One middle-class family man cannot buy text-books for one boy, let alone for all the boys and girls in his family. When that is the case, when we have to encourage literacy, should we not make them simpler, bring them within the reach of the ordinary man? By imposing a surcharge of 10 per cent, I think, on printing and writing paper and 20 per cent on other paper, I believe it is somewhat of a hardship. Similar is the case of kerosene. I do not mind superior kerosene being taxed. Inferior kerosene is used by everyone. Now, these days you do not get other fuel. Forests are being denuded.

SHRI MORARJI R. DESAI: I do not want kerosene to be used as fuel.

SHRI M. GOVINDA REDDY: That is being done. There is no other way. The Finance Minister can very well say that he does not want kerosene to be used as fuel. But they have to get either power or some kind of fuel. You do not expect them to

starve. They have to cook their food. If they have to cook their food, they have to get fuel. You please go to the villages. I come from the villages myself. From where we used to get fuel, we do not get even fodder. It has become much more difficult, because more and more land is coming under cultivation. Forests are being denuded and this Government has not taken care to see that deforestation which is the enemy is stopped. Where is he to get his fuel from? Please look at it from that point of view. Then, there is no fodder also available because more and more land is coming under cash crops. There is no fodder and he cannot keep more cattle on land. Then, how can he get cow dung? He must use kerosene. So, what is wrong? If well-to-do people can burn petrol for their car, should not the poor man burn kerosene for his food, for his living? I am surprised that the Finance Minister does not want kerosene to be used. I am only pointing out the hardships. (*Time bell rings*).

Therefore, I suggest some other alternative means. Well, this is an abnormal situation and my suggestions are also abnormal. I request the Finance Minister to forgive me if they are startling. I am making these suggestions on the assumption that this emergency is a continuing one and that we are prepared to face this deficit and we will be facing it year after year. One of my suggestions is take away all the profits of joint stock companies, freezing their dividend at 4 per cent. Now, when I heard Mr. Shah, I really appreciated his way of argument. After all the demands by way of taxes are met, he said he would be getting into a minus. If an industry is getting into minus, after the present taxation is met, why not take away the entire corporate profits? And as far as incentives are concerned, there cannot be any greater incentive than patriotism. If for the duration of this emergency people are not prepared to sacrifice their profits in order to see that people do not starve, I do not want them to exist. So,

there is the powerful incentive of patriotism. So, let all profits beyond four per cent be taken away. I want also that all the privy purses should be suspended. Payment should be suspended. I know that we have entered into covenants and this is a constitutional provision. But it can be easily overcome by suspending the Constitution for the duration of the emergency. That can be done.

SHRI ARJUN ARORA: You mean that particular class.

SHRI M. GOVINDA REDDY: Now, my next suggestion is to suspend promotions, to freeze all salaries above Rs. 1,500 per month and to stop all promotions. I am very confident that the officers are also patriotic and they will not mind bearing this burden for the duration of the emergency. I have got some more suggestions of this sort. Banks should be nationalised and all profiteering concerns should be nationalised or their profits should be absorbed by the Government, only during the pendency of the emergency. Some such measures could be devised because they will be called upon to bear additional burdens, more burdens than the present ones. Since you have already indicated that my time is up I do not wish to proceed with the other points.

Thank you.

شری عبدالغنی (پنجاب) : وائس
چیمبر مین صاحب - میں اس بجٹ
کے بارے میں چنتا کی کہا رائے
ہے اس کو بڑے چھوٹے شہدوں میں
عرض کرتا ہوں :
قالی قالی پتہ پتہ حال ہمارا جانے ہے
نہ جانے تو مراد نہ جانے سنسار تو
سارا جانے ہے
آج یہ حالت کھوں ہوئی کہ ہمیں
اتنا ہبوی بجٹ ہے ہمیں اتنے ہبوی
ایکسپنڈسز اور اس کے لئے اتنے ہبوی

ٹیکسیز لگانے کی ضرورت پڑی - سمجھے
دیکھ ہوا جب میں نے مسٹر شاہ
کو یہاں سنا اور انہوں نے یہ کہا
کہ جو : تم تھے کہ ہتھیاروں کی
جنگ جو ہے اس کا دھماکا چھوڑ
دو : ہتھیار بندی نہ کرو اور گاندھی
جی کی بات مان لو وہ بھی آج
اس بات پر آگئے ہیں کہ ہمیں
زیادہ سے زیادہ قیغس کی نہاری
کے لئے بوجھ اٹھانا چاہیئے - میں
ایمانداری سے یہ محسوس کرتا ہوں
کہ ہماری حکومت نہ تو گاندھی
جی ہی کو ایذا پہنچی کہ اس کا
پیغام دنیا کو دیتی اور نہ ہی یہ
ہتھیار بندی پورے طور پر کرا سکی
اگر وہ یہ کرا سکی ہوتی تو ہمیں
یہ جو بدنصیب دن دیکھنا پڑا بارگزر
پر چائینا کے ہاتھوں وہ شاید ہمیں
نہ دیکھنا پڑتا - و حال میں اگر
مراد جی کی جگہ ہوتا اور میری
سرکار کی پالیسی یہی ہوتی کہ
اتنے بڑے ہبوی ایکسپنڈسز کو ہمیں
پرداشت کرنا ہے اور اتنا بڑا امانت
تہاہی کے ہتھیاروں کے لئے یا اچھے
ملک کے بچاؤ کے لئے جیسا بھی
آپ سمجھ لیں خرچ کرنا ہے تو میں
کہا کرتا - میں یقیناً اس بات
کی کوشش کرتا کہ بجائے اس کے
کہ عوام پر زیادہ سے زیادہ بوجھ پڑے
میں کوشش یہ کرتا کہ کم سے کم
لوگوں پر یہ بوجھ آئے اور اپنے دیس
کی ہم حفاظت کرسکیں

[شری عبدالغنی]

میں مستقر رہتی کے ساتھ تعلق کرتا ہوں اور مجھے اگر یہ رویہ پورا کرنا ہوتا تو میں سب سے پہلے ٹرانسپورٹ کو نیشنلائز کرتا - تو اس کا مقصد یہ لوگوں پر اثر پڑتا لیکن ہمارے فائدہ میں اس سے کروڑھا روپیہ اضافہ ہو جاتا اور دیہی والوں کو اس کے لئے زیادہ تکلیف نہ ہوتی - اگر مہرے بس میں ہوتا تو میں انڈسٹری کو، ہیڈکوارٹر وغیرہ کو نیشنلائز کرتا اور یہ کروڑا کمپنٹ اور یہ کڑی کوئی کچھ لوگ حلقے سے نکلنے پر مجبور ہو جاتے اور میں انہیں دیہی کو اور زیادہ مضبوط کرتا - اگر مہرے بس میں ہوتا تو میں بہت سی انڈسٹریز جو سرکار کے سارے چلتی ہیں، کو کچھ وقت کے لئے نیشنلائز کرتا جب تک کہ ہمارے دیہی کو پھسے کی ضرورت ہوتی - اگر میں ان سے اتفاق کروں کہ آج باوجود اس کے کہ دنیا پر یہ ظاہر ہو گیا ہے کہ رشا اور امریکہ نے تباہی کے ہتھیاروں میں اتنی دوز دوزی ہے کہ کوئی دیہی اس کا مقابلہ نہیں کر سکتا لیکن آخر ان کو بھی گندھی جی کے اصول پر آنا پڑے گا اور اس بات پر آنا پڑے گا کہ ہم تمام روپیہ اہلی بھائی کے لئے اور حوام کی بھائی کے لئے اور تمام ملک کی بھائی کے لئے خرچ کریں نہ کہ تباہی کے لئے خرچ کریں - ان کو

آخر اپنی موجودہ پالیسی سے ہٹنا ہوگا - لیکن اگر ایسا ابھی ممکن نہیں اور ہمیں بھی ہتھیار کے لئے روپیہ خرچ کرنا ہی پڑتا تو میں یہ کرتا کہ تمام سہماز کو اور تمام انڈسٹری کو نیشنلائز کرتا - مہرے بس میں اگر ہوتا تو میں تمام دیہی جس پر ایئرٹمز جو ہوں ان کو کچھ وقت کے لئے لے لیتا اور تمام سنگلز سونے کو لے لیتا - مزار چھ بھائی کے خیال میں آج یہ بد نصیب دن اس لئے ہی آیا کہ ہمارا فارن ایکسچینج جو ہے وہ بہت کم ہو گیا ہے اور وہ گولڈ کنٹرول پالیسی پر عمل کرنے پر مجبور ہوئے اور اس کے ساتھ یہ اندیشہ بھی ہمارے سامنے آیا کہ ہم نہیں جانتے کہ وہ کب یہ حکم دے دیں کہ ان تمام لاکروں کی ایک ہی وقت میں تلشی ہو جائے جو سونا دہائے ہوئے ہیں - ان کے اپنے الفاظ میں جو انہوں نے اسٹیٹمنٹ کیا کروڑھا روپیہ کا سونا سنگل ہوتا رہا - میں چھران ہوں کہ جو اتنا دور اندیش فائنلس منسٹر ہے اس نے کہوں پہلے خیال نہیں کیا جب کہ برسوں سے یہ سنگلنگ ہو رہی تھی اور کروڑھا روپیہ کا سونا سنگل ہوتا تھا اور وہ بھی سرکاری سایہ میں - اس کا ہم لوگوں نے خاصہ چرچا کیا لیکن بے سود - ملک کا جو نقصان ہو رہا ہے اور یہ جو اندیشہ

تھا کہ کہیں ایسا نہ ہو کہ ہمارا فارن ایکسچینج کھٹکتے کھٹکتے یہ نوبت آ جائے انہوں نے اس کی روک کے لئے اتنا زبردست مہموز نہ سہی، اتنا مضبوط قدم نہ سہی، کوئی تھوس قدم کہوں نہیں اٹھایا۔ مہموزے پاس اس کا کوئی جواب نہیں ہے۔ ممکن ہے مرار جی بھائی کے پاس اس کا کوئی جواب ہو۔ آج حالت تو یہ ہو گئی ہے رائس چیرمین صاحب۔ کہ ہم گولڈ کے لئے اتنے پریشان ہیں۔ ہماری سہیلنگل گورنمنٹ نے دلہا کے نہ سہی، ہمارے دیس کے سب سے بڑے نہتاؤں میں ایک بڑے نہتا بابو راجندر پرشاد جی کا سات روز کا مانم منانے کا فیصلہ کیا لیکن مانم میں کچھ اسٹیٹوں کے چیف منسٹروں نے سونے میں پلڈت جی کو تولیے کی فکر کی یا اپلی اپلی شان دکھانے کے لئے سہیلنگل گورنمنٹ کے فیصلہ کی بھی کچھ پرواہ نہیں کی اور وہ فلکشن پرائم منسٹر کے لئے چیف منسٹروں کی طرف سے دئے گئے کیونکہ آج فارن ایکسچینج کی ہم کمی محسوس کر رہے ہیں۔ لیکن پرائم منسٹر کے ہاتھوں سہیلنگل گورنمنٹ کا اپنا جو فیصلہ ہے، اپنا جو اعلان ہے، اس کا کسی طرح سے بھی ڈائریکٹ یا انڈائریکٹ ایمان ہو تو اسے کہاں تک جائز کہا جائے گا میں نہیں جانتا ایسا کہوں ہو رہا

ہے۔ میں دیس بھارا ہے، مرار جی بھائی کو دیس بھارا ہے اور اگر یہ ہم چاہتے ہیں کہہ دیس کی آن بچے تو پھر وہ کروڑوں روپیہ کے سونا جو دبا ہوا ہے بانکوں میں یا کسی اور جگہ لوہوں کے پاس یا راجاؤں کے پاس اس کو نکالنا ہی ہے کیونکہ ہمیں اپنے دیس کے بچاؤ کا سب سے پہلے دھیان ہے لیکن اگر مہموزی پروزیشن ہوتی تو میں اس سے اور بھی زیادہ ادھیک قدم اٹھاتا۔ ہم دیکھتے ہیں اور محسوس کرتے ہیں کہ کئی کلسرن ہیں کئی فیکٹریاں ہیں، کئی کارخانے ہیں جو صرف گورنمنٹ کے ایسٹشیلنگی سرٹیفیکٹ پر چلتے ہیں۔ گورنمنٹ ان کو ایسٹشیلنگی سرٹیفیکٹ کے لئے اجازت دے دیتی ہے اور وہ گورنمنٹ کے اثر کا فائدہ اٹھاتے ہیں اور اس سے کروڑوں روپیہ بناتے ہیں۔ مرار جی بھائی کو ہمارے امرتسر کے ایک بزرگ شری قاصر نے چٹھوں نے دیس کے لئے بڑی قربانی کی ہے یہ لکھا کہ ہوزری کے لئے جو ولن یارن استعمال ہوتا ہے اور جس کے لئے ایسٹشیلنگی سرٹیفیکٹ جاری ہوتا ہے اس میں کروڑوں روپیہ کا یارن بلیک میں چلا جاتا ہے کیونکہ جس بھاؤ پر وہ آتا ہے اس سے کہیں مہلتا کھلے بازار میں اس کا بلیک ہوتا ہے۔ اس لئے میں سمجھتا ہوں کہ اس طرح جتنا

[شری عبدالغلی]

سپلٹ ٹیکس یا انکم ٹیکس کا اویزن ہوتا ہے اس کو رکلمے کے لئے گورنمنٹ ان تمام فیکٹریوں کو ان تمام کارخانوں کو نیشنلائز کر لے جو صرف گورنمنٹ کے اثر ہی سے چلتے ہیں اور کنگڈوم ختم کرے - اس سے نہ صرف بلنک رکے گا - بلکہ گورنمنٹ کے دیونہو میں بھی اور اضافہ ہوگا - اس کے ساتھ ساتھ میں یہ بھی دیکھتے ہیں کہ اس وقت یہ جر پالیسی ہے سرکار کی اور سرکار کے نیچے چھوٹی سرکاروں کی کہ ایمرجلسی کے نام پر ذاتی اور نکلے کام کئے جائیں اس کے لئے میرا یہ کہنا ہے کہ یقیناً ایمرجلسی ہے لیکن اپنے دیس کی ایک پالیسی اور بھی ہے کہ میں کسی پر ہانپہ نہیں اٹھانا ہے ، میں کسی ملک پر حملہ نہیں کرنا ہے ، میں ہر ملک کی آزادی کو برقرار رکلمے کے لئے اپنی قربانی دیتی ہے -

تو ایمرجلسی کے نام پر بڑی بڑی تلخوہ والوں کا ایک دم سے اضافہ کر دینا ٹھیک نہیں ہے - میں یہ نہیں کہتا کہ یہ صرف فیوژنم کے لئے ہے ، میں یہ نہیں کہتا کہ کلبہ پروری کے لئے ہے - لیکن میں محسوس کرتا ہوں کہ جب آپ غریب سے ایک ایک قطرہ خون کا مانگتے ہیں اور وہ خوشی سے اس کو دیتا ہے - اس وقت سرارجی بھائی

نے سوام پر جو فالتو ٹیکس لگایا ہے وہ قریب دو ارب روپے کا ہے - اس کو وہ خوشی خوشی دینگے وہ یہ نہیں کہہ سکتے کہ ہم پر یہ کیوں لگایا ہے کیونکہ وہ یہ جانتے ہیں کہ دیس کی حفاظت کے لئے ہے جب ان میں یہ جذبہ ہے ، جب ان میں یہ احساس ہے کہ اس وقت وہ اس حکومت کے ہاتھ کو ، سرکار کے ہاتھ کو مضبوط کرنا چاہتے ہیں تب سرکار کا بھی یہ دھرم ہے کہ وہ تمام ان اخراجات پر چاہے وہ سرکاری مہمان نوازی پر ہوتے ہوں ، چاہے وزیروں کے ذریعہ کئے ہوئے ادائیگیاں پر ہوتے ہوں ، چاہے وزیروں کے دورے پر ہوتے ہوں ، چاہے افیسروں کے دوروں پر ہوتے ہوں یا افیسروں کی فیسلیٹیز پر ہوتے ہوں ، ان پر ایک سہانگ لکائن ہے ان کو کم کردیں تاکہ غریب یہ محسوس کرے کہ ہم جو اپنے خون کا قطرہ قطرہ دیتے ہیں وہ سرارجی بھائی کے ہاتھوں میں ، سرکار کے ہاتھوں میں محفوظ ہے -

میں دیکھتا ہوں کہ جہاں انگریزوں کے زمانے میں تین کمشنر ہوتے تھے وہاں اب آٹھ زمانے میں پندرہ ہو گئے ہیں - میں ماننا ہوں کہ جب دیس آزاد ہوتا ہے تو ذمہ داری بڑھتی ہے لیکن ہم کو اتنا ہی پاؤں پھیلانا چاہئے جتنی کہ

ہماری چادر ہے اگر ہم چادر سے زیادہ
پھر پھیلائیں گے تو چادر پھٹ جائے
گی۔ اگر ایک سال کے لئے مزاجی
بھائی کا یہ بھٹ ہوتا تو شاید میں
کہتا کہ بغیر کسی ٹیکہ تپلی کے
سب کو اسے قبول کرنا چاہئے لیکن
مجھے قہر تو یہ لگتا ہے کہ جس
طرح سے ہم اپنے ایڈمنسٹریشن کو
بڑھا رہے ہیں، جس طرح سے ہم اپنے
اخراجات کو بڑھا رہے ہیں، وہ وقتی
نہیں ہے بلکہ وہ آئندہ سال اور بھی
بڑھیکا۔ آج ہم اتنا بوجھا اپنے سر پر
اٹھا لینگے تو پھر وہ بوجھا آئندہ کے

لئے اور مصیبت بن جائے گا۔ اس
وقت شاید وقتی طور پر یہ ٹھیک
ہو کہ جہاں اتھارہ ڈپٹی کمشنروں
سے کام چلتا تھا وہاں اب چھتیس
ڈپٹی کمشنر بنائے گئے ہیں کیونکہ
ایک ڈپٹی کمشنر ضلع کے تمام ان
فرسز کو، تمام ان ذرائع کو موبیلائز
نہیں کر سکتا ہے جو کہ ڈیپنٹس
کے لئے چاہیے لیکن جب ان کا
درجہ بڑھ جائے گا تو پھر ان کو نیچے
نہیں لا سکیں گے اگر لانا چاہیں گے تو
شور مچے گا اور ایسا ممکن نہیں
ہو سکے گا۔

آج ہماری حالت یہ ہے کہ ہم
دیہی کو انڈسٹریلائز کرنے جا رہے
ہیں اور ہم دیہی سے کریشن کو دور
کرنے کی طرف اور بھائی
کے کاموں کی طرف توجہ دے رہے

ہیں تو میں ادب سے عرض کروں گا
کہ ہمیں اپنے اخراجات کو بڑھاتے
وقت اس بات کا احساس کرنا ہے کہ
ہم اس کو اس طرح سے نہ بڑھائیں
کہ پھر ان کو کم کرنے کا اپنا ہمارے
پاس نہ ہو۔ اس لئے میں عرض
کرنا چاہتا ہوں کہ جو بڑے بڑے
افیسرس کے درجہ ہیں ان کو بڑھانے
کے بجائے کم کرنے کی کوشش کریں
آج آپ ایمرجنسی کے لئے کہہ دیجئے
کہ ہم ایسا کر رہے ہیں لیکن پھر
اس کو کم کرنا مشکل ہو
جائے گا۔

مجھے یہ بھی عرض کرنا ہے کہ
جس طرح سے ہم ملگری کی طاقت
کو سمیٹا رہے ہیں اور ملگری میں
کو اپنا رہے ہیں اور وہ ملک کو اپنا
رہے ہیں اس طرح سے جو پولیس ہے
یا جو سٹی پولیس آرگنائزیشن
ہیں جیسے کہ ہوم گارڈس ہے، رکھا
دل ہے جیسے کہ میں پروویٹ آرمی
کہتا ہوں، جس کی کہ بڑی چرچا
ہے، اس سب کو سینٹر کے تحت
کرو۔ اس طرح ایک تو یہ ہوگا
کہ سارے اسٹیٹوں میں ایک پالیسی
چلے گی اور دوسرے یہ ہوگا کہ
کریشن کا جو دروازہ کھلا ہوا ہے جو
بلک مارکیٹنگ کا دروازہ کھلا ہوا ہے
وہ بند ہوگا اور جو کسی وقت پر
ہوں صوبہ پرستی اور ذات پرستی اپنا
سر اٹھا سکتی ہے اس کو بھی سر

[شری عبدالغنی]

اٹھانے کا موقعہ نہیں ملے گا۔ اس طرح خرچ بھی کم ہوگا اور ہمارے اندر دیس کو بچانے کے لئے اور دیس کو اٹھانے کے لئے ایک بہتر افیشہلسی آئے گی۔ تو میں عرض کرنا چاہتا ہوں کہ پولیس کو یا جٹنی سہمی پولیس آرگنائزیشن میں ان سب کو ملا کر کرنے سے بچانے کے لئے سہلتر کے تحت لگو۔

عوام کو یہ بہروسہ دلانے کے لئے جب وہ اپنا ہر طرح کا کوالیفیشن پیش کر رہے ہیں تو ان کو انصاف ملے گا سارے دیس میں جریڈیشن کو آزاد کرو تا کہ بڑے بڑے آدمی سے بھی چاہے وہ کتنا ہی بڑا کہوں نہ ہو اگر کوئی بھول ہوئی ہے اس سے کوئی زیادتی اثر ہوئی ہے، تو اسے سزا ملے۔ مجھے یہ جواب نہیں دیتے نہ دیں کہ کسی منسٹر کو کہا فارن ایکسچینج دیا گیا یا، کن لوگوں کے خلاف مقدمہ چلایا گیا جنہوں نے کہ انکم ٹیکس نہیں دیا۔ اس کی مجھے ضرورت نہیں ہے۔ میں تو صرف ان چیزوں کو نگاہ میں رکھنے کے لئے کہتا ہوں کہ آج دیس کس طرف جا رہا ہے، آج دیس کی مانگ کہا ہے۔ تو میں کسی ایک کے لئے دیس کو قربان نہیں کرنا چاہتی، عوام کو قربان نہیں کرنا چاہتی۔

میں ایک اور عرض کرونگا کہ جیسے تاج محل ہے اور ایسے ہی کچھ اور ہسٹوریکل پلہسز ہیں جن کو دیکھنے کے لئے دنیا بھر کے لوگ چلے آتے ہیں وہاں ٹکٹ لگائے۔ اس میں کوئی خرچ کی بات نہیں ہے۔ اور جو فوٹو گراف کرنا چاہوں ہر تو قبل سے ہی قبل ٹیکس لگائیے۔ اس طرح سے زیادہ سے زیادہ ذرائع کو بڑھائیے اور جو آمدنی ہے اس میں اضافہ کیجئے۔

اسی طرح سے کول انڈسٹری ہے اس لئے بھی میں یہ عرض کرونگا کہ جتنا زیادہ فائدہ اس سے ہم اٹھا سکیں اٹھانے کی کوشش کرنی چاہئے۔ بچانے اس کے کہ ہم ایک طرح سے پولینڈیکل کرپشن کا دروازہ کھولیں کہ کچھ لوگوں کو پوسٹ دیئے جائیں، کچھ لوگوں کو ٹالس دیئے جائیں۔ کم سے کم جب تک ایمر جیسی ہے تب تک حکومت کو کچھ لوگوں کو پیٹرونائز کرنے سے بچنا چاہئے اور اپنے ریونیو کو بڑھانے کی طرف زیادہ سے زیادہ خیال کرنا چاہئے۔

ایک عرض اور کیا چاہتا ہوں اور امید ہے کہ مہری صاف کوئی کو اچھ قہنگ سے لیا جائیگا اچھ۔ وچار سے لیا جائیگا۔ وائس چہرمین صاحب اذہاروں کو اپنا بلانے کے لئے ہم استہتوں اور سہلتر میں کروڑھا روپیہوں کے اشتہار دیتے ہیں۔ ٹھیک ہے کبھی کبھی ایسا بھی ہونا ضروری تھا کہ

وہ سرکار کی اچھی باتوں کی چرچا کریں یا سرکار کے اچھے لوگوں کی چرچا کریں۔ یہ تھپک ہے لیکن آج ضرورت اس بات کی ہے کہ ہم ایسے خوجوں پر بھی روک لگائیں۔ یہ تو حلوئی کی دکان نانا جی کا فاتحہ ہے۔ ان اخراجات پر کوئی نظر رکھنی چاہئے ان پر ذرا ہاتھ کا سلکوج لگائیں کہ اس بات کا کوئی فائدہ نہیں ہے۔ بعض اخبار تو ایسے ہیں۔ وائس چیمبر مین صاحب۔ آپ خدا نہ ہو جائیں۔ جو کہ شاید اسی دن چھوٹے ہیں جس دن کہ گورنمنٹ سے اشتہار ملتا ہے۔

उपसभाध्यक्ष (श्री महावीर प्रसाद भार्गव) : अब आप खत्म कीजिये ।

شری عبدالغنی : میں ختم کر رہا ہوں جیسا کہ آپ کا کہنا ہے۔ میں نے ایسا ختم کیا تھا کہ آپ مجھے پانچ سات ملٹ اور دے رہے ہیں۔

उपसभाध्यक्ष (श्री महावीर प्रसाद भार्गव) : पांच मिनिट आप को और दे दिये हैं

شری عبدالغنی : تھپک ہے۔ یہ حال میں عرض کروں کہ اس وقت یہ جو بجٹ ہے اس کو آپ ضرور منظور کرینگے کیونکہ آپ کی پارٹی کی طاقت ہے وہ تو وہی چالکا، وہ ہو کر رہا لیکن آپ اس بات کا دھیان ضرور کریں کہ جو دیکھ اس

وقت خرچ کرنے جا رہے ہیں وہ تھپک سے کہیں جیسا کہ میں نے کشمیر کے بارے میں اپنی رائے کا اظہار کیا تھا کہ اگر آزاد کشمیر کو واپس لینے کے لئے ہمارے زوردار اقدام نہیں ہوتے۔ ہماری سرکار اتنے بڑے تھنلس بجٹ کے باوجود اتنی بڑی نوجی تھاری کے باوجود آزاد کشمیر کو واپس لینے کے لئے قدم نہیں اٹھا سکی تو اس سے لوگوں کے دلوں میں سرکار کے خلاف جذبہ پیدا ہوگا اور ایک نیا دھڑا ہوگی اور وہ ضرور فکر مند ہونگے کہ سرکار نے ہم پر تو سب کچھ لے لیا لیکن ہمارے دیس کا جو انگ ہے جو ہمارا حصہ ہے، جس پر دشمن کا ناجائز قبضہ ہے، اس کو واپس لینے کے لئے اس نے کوئی کوشش نہیں کی۔ میں امید کرتا ہوں کہ سرکار ان باتوں کی طرف دھیان دینگی اور بتائے اس کے کہ پرائم منسٹر اپنی گدی کے لئے فکر مند ہوں یا کوئی منسٹر اپنی گدی کے لئے فکر مند ہو یا کوئی چیف منسٹر اپنے لئے رکشا دل بلاتا پھرے۔ مہاراجہ رنجیت سنگھ بلے کھائے دیس کو بلانے کے لئے اسے فکر ہوگی۔ دیس دھیکا تو سب کی گدی قائم رہے گی اور دیس اگر مصہبت میں آگیا تو کسی کی گدی مستحکم نہیں رہے گی خدا ہی بہتر جانتا ہے۔ وائس چیمبر مین صاحب۔ آپ خدا تھے ہوں تو میں عرض کروں کہ اگر

[شری عبدالغنی]

چائنا کو بدھی نہ آتی - اس پر دنیا
کا ۛ چاہے وہ امریکہ کا ہو ۛ چاہے رشتہ
کا ہو ۛ چاہے وہ ہماری اپنی طاقت
یا اقتصاد کا اثر و اثر و رکنا نہیں
تو نہ معلوم یہ منسٹر کہاں ہوتے اور ہم
کہاں ہوتے - جے ہلد -

†[श्री अम्बुल शर्मा: (पंजाब) वाइस
चैयरमैन साहब, मैं इस बजट के बारेमें
जनता की क्या राय है इसको बड़े छोटे शब्दों
में अर्थ करता हूँ —

डाली-डाली, पत्ता पत्ता हाल हमारा जाने है।
न जाने तो मुरार न जाने संसार तों सारा
जाने है।

आज यह हालत क्यों हुई कि हमें इतना
हैवी बजट, हमें इतने हैवी टैक्सेज और
उसके बिये इतने हैवी टैक्सेज लगाने की
जरूरत पड़ी। मुझे दुख हुआ जब मैंने
मिनिस्टर शाह को यहां सुना और उन्होंने
कहा कि जो कहते थे कि हथियारों की जंग
जो है उसका ध्यान छोड़ दो, हथियार बन्दी
न करो और गांधीजी की बात मान लो
वो भी आज इस बात पर आ गये हैं कि
हमें ज्यादा से ज्यादा डिफेंस की तैयारी
के लिये बांध उठना चाहिये। मैं ईमान-
दारी से यह महसूस करता हूँ कि हमारी
हुकूमत न तों गांधी जी हों को अपना
सकी कि अमन का पैगाम दुनिया को देती
और न हो ये हथियार बंदी पूरे तौर पर करा
सकी। अगर वो ये करा सकी होता तो हमें
ये जो बदनसीब दिन देखना पड़ा बाईर पर,
चायना के हाथों, वो शांति हमें न देखना पड़ता।
बहरहाल मैं अगर मुरार जी की जगह होता
और मेरी सरकार की पालिसी यही होती
कि इतने बड़े ह्यूज एक्सपेन्सेज को हमें वर्धास्त
करना है और इतना बड़ा एमाऊंड तबाही
के हथियारों के लिये या अपने मुल्क के बचाव

के लिये जैसा भी आप समझ लें खर्च
करना है तो मैं क्या करता। मैं यकौनत इस
बात की कोशिश करता कि बजाय इसके कि
अवाम पर ज्यादा से ज्यादा बोझ पड़े मैं यह
कोशिश करता कि कम से कम लोगों पर वह
बोझ आये और अपने देश की हम हिकाजत
कर सकें।

मैं मिस्टर रैंडो के साथ इत्फाक करता
हूँ और मुझे अगर ये रूपया पूरा करना होता
तो मैं सबसे पहले ट्रान्सपोर्ट को नेशनलाइज
करता। तो इसका मुट्ठी भर भार लोगों पर
असर पड़ता लेकिन हमारे फन्ड में इससे करोड़ों
रूपयों का इजाफा हो जाता और देश वालों
को इसके बिये ज्यादा तकलीफ न होती।
अगर मेरे बस में होता तो मैं आर्थल इंडस्ट्री
को, पैट्रोलियम क्वॉरंटी को नेशनलाइज करता
और ये कड़वा घुंटा और ये कड़वी गंवा कुछ
लोग हल्क से निगलने पर मजबूर हो जाते और
मैं अपने देश को और ज्यादा महफूज करता।
अगर मेरे बस में होता तो मैं बहुत सी इंडस्ट्रीज
जो सरकार के सहारे चलती हैं, को कुछ
वक्त के लिये नेशनलाइज करता जब तक कि
हमारे देश को पैसा का जरूरत होती। अगर मैं
इन से इत्फाक करूं कि आप-बिबिजूदे इसके
कि दुनिया पर यह जाहिर हो गया है कि
रशिया और अमेरिका ने तबाही के हथियारों
में इनको दोड़ दी है कि कोई देश इनका
मुकाबला नहीं कर सकता लेकिन आखिर
उनको भी गांधी जी के उसूल पर आना पड़ेगा
और इस बात पर आना पड़ेगा कि हम तमाम
रूपया अपना भलाई के लिए और अवाम
की भलाई के लिये, और तमाम मुल्क की
भलाई के लिये खर्च करें न कि तबाही के लिये
खर्च करें। उनको आखिर अपनी मौजूदा
पॉलिसी से हटना होगा। लेकिन अगर ऐसा
अभी मुमकिन नहीं और हमें भी हथियार
के लिये रूपया खर्च करना ही पड़ता तो मैं
यह करता कि तमाम सिनेमाज को और
तमाम फिल्म इंडस्ट्री को नेशनलाइज करता।
मेरे बस में अगर होता तो मैं तमाम रिलिजियम

प्रापर्टीज जा हैं उनको कुछ वक्त के लिये ले लेना और तमाम स्मगलड सोने को ले लेना। मुरारजी भाई के खयाल में आज यह बदनसीब दिन इपलिये भी आया कि हमारा फारेन एक्सचेंज जो है वो बहुत कम हो गया है और वो गोल्ड कंट्रोल पालिसी पर अमल करने पर मजबूर हुए और उसके साथ ये अंधेरा भी हमारे सामने आया कि हम नहीं जानते कि वो कब ये हुक्म दे दे कि इन तमाम लाकर्स की एक ही वक्त में तलाशी हो जाये जो सोना दबाये हुये हैं। उनके अपने अल्फाज में जो उन्होंने स्टेटमेंट दिया करोड़ों रूप्यों का सोना स्मगल होता रहा था। मैं हैरान हूँ कि जो इतना दूरदेश फाइनेंस मिनिस्टर है उसने क्यों पहले खयाल नहीं किया जब कि वहाँ से ये स्मलिंग हो रही थी और करोड़ों रूप्यों का सोना स्मगल होता था और वो भी सरकारी साये में। इसका हम लीगोंने खासा खर्चा किया लेकिन बेमूद। मुल्क का जो नुकसान हो रहा है और ये जो अंधेरा था कि कहीं ऐसा न हो कि हमारा फारेन एक्सचेंज घटते घटते ये नीबत आ जाये, उन्होंने इस को रोक के लिये इतना जबरदस्त मैजर ना सही, इतना मजबूत कदम न सही, कोई ठोस कदम क्यों नहीं उठाया। मेरे पास इसका कोई जवाब नहीं है। मुमकिन है कि मुरारजी भाई के पास इसका कोई जवाब हो। आज हालत तो यह हो गई है, वाइस चैयरमैन साहब, कि हम गोल्ड के लिये इतने परेशान हैं। हमारी सेंट्रल गवर्नमेंट ने दुनिया के न सही, हमारे देश के सबसे बड़े नेताओं में एक बड़े नेता बाबू राजेन्द्र प्रसादजी का मात रंजा का मातम मनाने का फैसला किया, लेकिन मातम में कुछ स्टेटों के चीफ मिनिस्टर्स ने सोने में पंडित जी को तौलने की फिक्र की या अपनी अपनी शान दिखाने के लिये सेंट्रल गवर्नमेंट के फैसले की भी कुछ पर्वाह नहीं की और वो फंक्शन प्राइम मिनिस्टर के लिये, चीफ मिनिस्टर्स की तरफ से हुये क्योंकि आज फारेन एक्सचेंज की हम कमी महसूस कर रहे हैं लेकिन प्राइम मिनिस्टर के हाथों सेंट्रल गवर्नमेंट का अपना जो फैसला

है, अपना ऐलान जो है, उसका किसी तरह से भी डाइरेक्ट या इन्डाइरेक्ट अपमान हो तो उसे कहीं तक जायज कहा जायेगा। मैं नहीं जानता ऐसा क्यों हो रहा है। हमें देश प्यारा है। मुरारजी भाई को देश प्यारा है और अगर ये हम चाहते हैं कि देश की आन बचे तो फिर वो करोड़ों रूप्यों का सोना जो दबा हुआ है बैंकों में या किसी और जगह नवाबों के पास या राजाओं के पास, उसको निकालना ही है, क्योंकि हमें अपने देश के बचाव का सबसे पहले ध्यान है लेकिन अगर मेरी पोजीशन होती तो मैं इससे और भी ज्यादा अधिक कदम उठाता। हम देखते हैं और महसूस करते हैं कि कई कन्सर्न हैं, कई फैक्ट्रियां हैं, कई कारखाने हैं जो सिर्फ गवर्नमेंट के एमैन्वेलिटी सर्टिफिकेट पर चलते हैं। गवर्नमेंट उनका एमैन्वेलिटी सर्टिफिकेट के लिए इजाजत दे देता है और वो गवर्नमेंट के असर का फायदा उठाते हैं और इससे करोड़ों रूपया बनाते हैं। मुरारजी भाई को हमारे अमृतसर के एक बुजुर्ग श्री कासिर ने जिन्होंने देश के लिये बड़ी कुर्बानी की है यह लिखा कि होजरी के लिए जो बुलन यार्न इस्तेमाल होता है और जिसके लिये एमैन्वेलिटी सर्टिफिकेट जारी होता है उसमें करोड़ों रूप्यों का यार्न ब्लेक में चला जाता है क्योंकि जिस भाव पर वह आता है उससे कहीं महंगा खुले बाजार में उसका ब्लेक होता है। इसलिये मैं समझता हूँ कि इस तरह जितना सेल्सटैक्स या इनकम टैक्स का इवेजन होता है उसको रोकने के लिये गवर्नमेंट उन तमाम फैक्ट्रियों को, उन तमाम कारखानों को नेशनलाइज कर ले जो सिर्फ गवर्नमेंट के असर ही से चलते हैं और कंट्रोल खत्म करे। इससे न सिर्फ ब्लेक रुकेगा बल्कि गवर्नमेंट के रेवेन्यू में भी और इजाफा होगा। इसके साथ साथ मैं यह भी रिक्वेस्ट करूंगा कि इस वक्त यह जो पालिसी है सरकार की और सरकार के नीचे छोटी सरकारों की कि एम-जैन्सी के नाम पर जाती और निवम्मे काम किये जायें इसके लिये मेरा यह कहना है कि वकीनन एम-जैन्सी है लेकिन अपने देश की एक

पोलिस और भी है कि हमें किसी पर हाथ नहीं उठाना है, हमें किसी मुल्क पर हमला नहीं करना है, हमें हर मुल्क को आजादी को बरकरार रखने के लिये अपनी कुर्बानी देने है।

तो एमरजेंसी के नाम पर बड़ी बड़ी तन्त्रवाह वालों का एक दम से इजाफा कर देना ठीक नहीं है। मैं यह नहीं कहता कि यह सिर्फ फेब्ररीजम के लिये है, मैं यह नहीं कहता कि कुनवा परवरी के लिये है लेकिन मैं महसूस करता हूँ जब आप गरीब से एक एक कतरा खून का मांगते हैं और वो खुशी से उसको देता है, इस वक्त मुरारजी भाई ने अवाम पर जो फालतु टैक्स लगाया है वो करीब दो अरब रुपये का है, इसको वो खुशी खुशी देंगे, वो ये नहीं कहेंगे कि हम पर ये क्यों लगाया गया है क्योंकि वे जानते हैं कि देश को हिफाजत के लिये है। जब उनमें यह जज्बा है, जब उनमें यह एहसास है कि इस वक्त वो इस हकूमत के हाथ को, सरकार के हाथ को मजबूत करना चाहते हैं तब सरकार का भी यह धर्म है कि वो तमाम उन अखराजात पर चाहे वो सरकारी मेहमाननवाजी पर होते हों, चाहे वो वज्जियों के जरिये किये हुये उद्घाटनों पर होते हों, चाहे वज्जियों के दौरे पर होते हों, चाहे आफिसरों के दौरों पर होते हों या आफिसरों की फेसिलिटिज पर होते हों, उन पर एक सीलिंग लगायें, उन को कम करें ताकि गरीब यह महसूस करे कि हम जो अपने खून का कतरा कतरा देते हैं वो मुरारजी भाई के हाथों में, सरकार के हाथों में महफूज है।

मैं देखता हूँ कि जहाँ अंग्रेजों के जमाने में तीन कमिश्नर होते थे वहाँ अब अपने जमाने में पन्द्रह हो गये हैं। मैं मानता हूँ कि जब देश आजाद होता है तो जिम्मेदारी बढ़ती है लेकिन हमको उतना ही पांव फैलाना चाहिये जितनी कि हमारी चादर है। अगर हम चादर से ज्यादा पैर फैलावेंगे तो चादर फट जायेगी। अगर एक

साल के लिये मुरारजी भाई का ये बजट होता तो शायद मैं कहता कि बगैर किसी टीका टिप्पणी के सब को इसे कबूल करना चाहिये लेकिन मुझे डर तो यह लगता है कि जिस तरह से हम अपने एडमिनिस्ट्रेशन को बढ़ा रहे हैं, जिस तरह से हम अपने अखराजात को बढ़ा रहे हैं, वो वक्त नहीं है बल्कि वो आयरदा साल और भी बढ़ेगा। आज हम इतना बोझ अपने सिर पर उठा लेंगे तो फिर वो बोझ आइन्दा के लिये और मुसीबत बन जायेगा। इस वक्त शायद वक्ती तौर पर यह ठीक हो, कि जहाँ १८ डिप्टी कमिश्नरों से काम चलता था वहाँ अब ३६ डिप्टी कमिश्नर बना दिये हैं क्योंकि एक डिप्टी कमिश्नर जिला के तमाम उन फोर्सिज को तमाम उन जराये को मोबेलाइज नहीं कर सकता है जो कि डिफेंस के लिये चाहिये लेकिन जब उनका दर्जा बढ़ जायेगा तो फिर उनको नीचे नहीं ला सकेंगे। अगर लाना चाहेंगे तो शोर मचेगा और ऐसा मुमकिन नहीं हो सकेगा।

आज हमारी हालत यह है कि हम देश को इंडस्ट्रीयलाइज करने जा रहे हैं और हम देश से कर्प्शन को दूर करने की तरफ और भनाई के कामों की तरफ तवज्जो दे रहे हैं, तो मैं अदब से अर्ज करूंगा कि हमें अपने अखराजात को बढ़ाते वक्त इस बात का एहसास करना है कि हम इसको इस तरह से न बढ़ायें कि फिर इनको कम करने का उपाय हमारे पास न हो। इसलिये मैं अर्ज करना चाहता हूँ कि जो बड़े बड़े आफिसरों के दर्जे हैं उनको बढ़ाने की दजाय कम करने की कोशिश करें। आज आप एमरजेंसी के लिये कह दीजिए कि हम ऐसा कर रहे हैं लेकिन फिर इसको कम करना मुश्किल हो जायेगा।

मुझे यह भी अर्ज करना है कि जिस तरह से हम मिलिटरी की ताकत को सम्भाल रहे हैं और मिलिटरीमेन को अपना रहे हैं और

वह मुल्क को अपना रहे है इसी तरह से जो पुलिस : या जो सेमी पुलिस आर्गनाइजेशन है, जैसे कि होमगार्ड : रक्षा दल है, जिसे कि मैं प्राइवेट आर्मी कहता हूं, जिसकी कि बड़ी चर्चा है, इस सब को सेंटर के तहत करो। इस तरह एक तो यह होगा कि सारे स्टेटों में एक पालिसी चलेगी और दूसरे यह होगा कि करप्शन का जो दरवाजा खुला हुआ है, जो ब्लैकमाकटिंग का दरवाजा खुला हुआ है वो बन्द होगा और जो किसी वक्त पर भी सूबा परस्ती और जात परस्ती अपना सर उठा सकती है उसको भी सर उठाने का मौका नहीं मिलेगा। इस तरह खर्च भी कम होगा और हमारे अंदर देश को बचाने के लिये और देश को उठाने के लिये एक बेहतर एफिशियन्सी आयेगी। तो मैं अर्ज करना चाहता हूं कि पुलिस को या जितनी सेमीपुलिस आर्गनाइजेशन है इन सब को मुल्क को गिरने से बचाने के लिये सेंटर के तहत लाओ।

अवाम को यह भरोसा दिलाने के लिये जब वो अपना हर तरह का कोपरेशन पेश करे वो उनको इंसाफ मिलेगा। सारे देश में ज्यूडिशरी को आजाद करो ताकि बड़े से बड़े आदमी से भी चाहे वो कितना ही बड़ा क्यों न हो, अगर कोई भूल होती है, उससे कोई ज्यादाती अगर होती है तो उसे सजा मिले। मुझे यह जवाब नहीं देते न दें कि किस मिनिस्टर को क्या फारेन-रेक्सचेंज दिया गया था किन लोगों के खिलाफ मुकदमा चलाया गया जिन्होंने कि इन्कमटैक्स नहीं दिया। इसकी मुझे जरूरत नहीं है। मैं तो सिर्फ उन चीजों को निगाह में रखने के लिये कहता हूं कि आज देश किस तरफ जा रहा है, आज देश की मांग क्या है। तो हमें किसी एक के लिये देश को कुर्बान नहीं करना चाहिये। अवाम को कुर्बान नहीं करना चाहिये।

मैं एक और अर्ज करूंगा कि जैसे ताजमहल है और ऐसे ही कुछ और हिस्टोरिकल प्लेसिज हैं जिनको देखने के लिये दुनिया भर के लोग चले आते हैं वहां टिकट लगाइये, इसमें कोई हर्ज की बात नहीं है। और जो फोटोग्राफ

करना चाहे उन पर तो डबल से भी डबल टैक्स लगाइये। इस तरह से ज्यादा से ज्यादा जराये को बढ़ाइये और जो आमदनी है उसमें इजाफा कीजिये।

इसी तरह से कोल इंडस्ट्री है। उसके लिये भी मैं यह अर्ज करूंगा कि जितना ज्यादा फायदा उससे हम उठा सकें उठाने की कोशिश करनी चाहिये। बजाय इसके कि हम एक तरह से पोलिटिकल करप्शन का दरवाजा खोलें कि कुछ लोगों को परमिट देते जायें, कुछ लोगों को लाइसेंस देते जायें, कम से कम जबतक इमरजेंसी है तब तक हुकुमत को कुछ लोगों को पेट्रोलाइज करने से बचाना चाहिये और अपने रेवेन्यू को बढ़ाने की तरफ ज्यादा से ज्यादा ध्यान करना चाहिये।

एक अर्ज और किया चाहता हूं और उम्मीद है कि मेरी साफगोई को अच्छे ढंग से लिया जायेगा, अच्छे विचार से लिया जायगा। वाइस चैयरमैन साहब, अखबारों को अपना बनाने के लिये हम स्टेटों और सेंटर में करोड़ों रूपयों के इश्तहार देते हैं। ठीक है कभी कभी ऐसा भी होना जरूरी था कि वो सरकार की अच्छी बातों की चर्चा करे, या सरकार के अच्छे लोगों की चर्चा करे। यह ठीक है। लेकिन आज जरूरत इस बात की है कि हम ऐसे खर्चों पर भी रोक लगायें। यह तो हलवाई की दुकान नाना जी का फातिहा है। इन अखराजात पर कड़ी नजर रखनी चाहिये, इन पर जरा हाथ का संकोच लगाएं क्योंकि इस बात का कोई फायदा नहीं है। बाज अखबार तो ऐसे हैं—वाइस-चैयरमैन साहब—आप खफा न हो जाय—जो कि शायद उसी दिन छपते हैं जिस दिन को गवर्नमेंट ने इश्तहार मिला है।

उपसभाध्यक्ष (श्री महावीर प्रसाद भार्गव) : अब आप खतम कीजिए।

श्री अब्दुल गनी : मैं खतम कर रहा हूं जैसा कि आप का कहना है। मैंने ऐसा क्या किया था कि आप मुझे पांच सात मिनट और दे रहे हैं।

उपसभाध्यक्ष (श्री महावीर प्रसाद भार्गव) : पांच मिनट आपको और दे दिये हैं।

श्री अब्दुल गनी : ठीक है। बहरहाल मैं अर्ज करूँ कि इस वक्त यह जो बजट है उसको आप जरूर मंजूर करेंगे क्योंकि आप की पार्टी की ताकत है, वो तो हो ही जायेगा। वह होकर रहेगा। लेकिन आप इस बात का ध्यान जरूर करें कि जो सपना इस वक्त खर्च करने जा रहे हैं वो ठीक से करें। जैसा कि मैंने काश्मीर के बारे में अपनी राय का इजहार किया था कि अगर आजाद काश्मीर को वापस लेने के लिये हमारे जोरदार इकदाम नहीं होंगे, हमारी सरकार इतने बड़े डिफेंस बजट के बावजूद, इतनी बड़ी फौजी तैयारी के बावजूद आजाद काश्मीर को वापस लेने के लिये कदम नहीं उठायेगी तो इसमें लोगों के दिमागों में सरकार के खिलाफ जज्बा पैदा होगा और एक नफरत पैदा होगी और वह जरूर फिक्रमंद होंगे कि सरकार ने हमें तो सब कुछ ले लिया लेकिन हमारे देश का जो खर्च है, जो हमारा हिस्सा है जिस पर दुश्मन का ताजाइज कब्जा है उसको वापस लेने के लिये इसने कोई कोशिश नहीं की। मैं उम्मीद करता हूँ कि सरकार इन बातों की तरफ ध्यान देगी और बजाय इसके प्राइम मिनिस्टर अपनी गद्दी के लिये फिक्रमंद हों, कोई मिनिस्टर अपनी गद्दी के लिये फिक्रमंद हों, या कोई चीफ मिनिस्टर अपने लिये रक्षा बजट बनाना फिरे महाराजा रणजीत सिंह बनने के लिये, देश को बनाने के लिये उसे फिक्र होगी। देश रहेगा तो सबकी गद्दी कायम रहेगी और देश अगर मुसीबत में आ गया तो किसी की गद्दी माहफूज नहीं रहेगी। खुदाही बेतर जानता है। वाइस चैयरमैन साहब, आप खफा न हों तो मैं अर्ज करूँगा कि अगर चायना को वृद्धि न आती, उस पर दुनिया का चाहे वो अमेरिका का हो, चाहे रशिया का हो, चाहे वो हमारी अपनी ताकत या इतहाद का अंतर हो, अगर वो रुकता नहीं तो न मातूम ये मिनिस्टर कहाँ होते और हम कहाँ होते। [जय हिन्द।]

SHRI N. SRI RAMA REDDY (Mysore): Mr. Vice-Chairman, Sir, I rise to welcome the Budget as presented by the hon. Finance Minister to the other House and which is being discussed here today, broadly speaking. Now, Sir, it is but natural that this Budget should be heavily defence-oriented. Facing as we do a great crisis arising out of the aggression committed on our northern border by our great and treacherous neighbour, China, it could not be anything but be of this magnitude so far as defence is concerned. Sir, while defence needs have been taken into consideration fully, I should congratulate the hon. Finance Minister that he has not forgotten to take into consideration the development needs of the country. Sir, it was only yesterday, speaking in Amritsar, our illustrious Prime Minister was saying that the roots that sustained war or defence should be found in the field and the factory. No greater truth than this could be said of the present needs of our country. Therefore I am very happy that the needs of defence as well as development have been fully taken into consideration in framing the Budget proposals.

Now, Sir, the Budget of the Central Government consists of two parts, what is called the Revenue budget and also the Capital budget. Coming to the Revenue budget, Sir, on the current basis of taxation revenue has been estimated at about Rs. 1,585 crores whereas revenue expenditure during the next year is estimated to be Rs. 1852'40 crores. This leaves us with a deficit, so far as revenue expenditure is concerned, of Rs. 266-67 crores. Of course no Finance Minister worth the name could propose a deficit of this kind to be suffered by the country without damaging the finances of his own country. Much less can our present bold and patriotic Finance Minister do so. That is why probably he has come down with a bold taxation policy which is expected to yield Rs. 275'50 crores. Of course deducting from this the States' share of Rs. 9-60 crores, he has left, so far as the Revenue budget

is concerned, a nominal deficit of Rs. 77 lakhs. On this score, Sir, he deserves to be congratulated. So far as the revenue Budget of the Central Government is concerned, it is balanced. We can take it so for all practical purposes.

Now there is the other side of the Budget called the capital Budget. Capital expenditure during the current year has been put down at Rs. 827 crores, loans to States and other parties, Rs. 716 crores, debt repayments, Rs. 231 crores, and the total capital Budget is estimated to be Rs. 1,774 crores. Therefore, the Finance Minister naturally should find ways and means to find this sum of Rs. 1,774 crores—it is but natural. Now arising out of these two budgets a budgetary gap has been created. And what is the total gap? The revenue deficit is Rs. 267 crores; capital outlay is Rs. 827 crores; loans to States and others, Rs. 716 crores repayment of debts, Rs. 231 crores, and a total amount of Rs. 2,041 crores is left as a gap but which is proposed to be filled up by the following means: internal and external borrowings to the extent of Rs. 967 crores, repayment of loans, Rs. 248 crores, investment of P. L. 480 Funds, Rs. 90 crores, Miscellaneous Debt and Deposit heads, Rs. 282 crores. Thus the total receipts are estimated to be Rs. 1,587 crores, which leaves a net gap of Rs. 454 crores. In his speech he has referred to this Rs. 454 crores net gap in the Budget, which he proposes to make up in the following ways: Additional taxation, as has already been pointed out, accounts for Rs. 267 crores, compulsory deposits, Rs. 37 crores, and deficit financing, Rs. 151 crores. Thus, Sir, he has kept deficit financing to the utmost limit of Rs. 151 crores. This was a tremendous task by itself, which he has done well according to me.

Sir, India's public finances took on a new dimension as a result of the recent aggression committed by China. The Finance Minister has attempted to burrow into the pockets of all sections of the people. He does not seem to have spared anybody. Of course it should be only in this way

and I am quite sure, in this national crisis, everybody has a sense of participation and I am sure, as free people we are extremely interested in participating in this war effort and in the preservation of the freedom of our country. That is why I make bold to suggest that in the entire country nobody will grudge to pay his tax dues. Therefore he has tapped the poor people, he has tapped the middle-class people, the moderately affluent people and also, what are called, the shamelessly rich people, to borrow a Shavian expression—that is Che Shavian way of putting it. Now, Sir, this bold attempt, which has never been made by any Finance Minister in the history of India has been made by our present Finance Minister. There is no other way out and I hope the entire country will be one with me in accepting the proposals in toto.

In order to make up this budgetary gap he is taking recourse to what are called Direct taxes and Indirect taxes, and also compulsory deposits. Both the direct and indirect taxes proposed, and the compulsory deposit scheme cover the entire range of salaried employees, tax assessees, agriculturists, petty traders, corporate bodies and others. It is all-comprehensive. But this situation has become one of necessity and a Question of survival of our nation in freedom. Therefore we shall not have to grudge. However, the rigour of both taxation and compulsory savings could be reduced without sacrificing at the same time the immediate interests of this country. This I say with great emphasis because I find that there is a factor of great under-estimation of revenue from the new proposals. Sir, I have a basis to make this because last year's performance is an indication of the trend which is taken by the Finance Ministry, probably for very good reasons, the trend of under-estimating revenues. Last year's performance was this. Estimated revenue was put at Rs. 1380'93 crores and the Revised Estimates went up to Rs. 1,500 crores. In the meanwhile he did not take recourse to any taxation. He left the field open. All—

[Shri N. Sri Rama Reddy.] the same an increase of Rs. 119 crores has been effected during the last year. This shows that our Finance Minister, of course for his own financial reasons, always under-estimates the revenues. This may be a right policy. I do not find fault with him, Sir. What I suggest is that the present estimate of revenue is far too low. On this basis I venture to suggest that the increase of Rs. 265-93 crores in taxes is an underestimate since it covers a far greater number of items, and as is said, net is cast not only far and wide, I say it has been cast farthest and widest. There is an increase of another Rs. 150 crores in the revenue probably. In my own humble estimate—it cannot be taken for true—if last year's performance was in excess of Rs. 119 crores this year's performance will not be any less than Rs. 150 crores. Therefore, Sir, our Finance Minister, on the present basis of taxation which he has proposed for the year 1963-64 need not have taken recourse to deficit financing at all. Therefore, what I propose is when his budgetary position is so sure and secure, when he has cast his net, as I said before, farthest and widest, why should he not give proper reliefs wherever they are deserved? I do not mean to under-estimate the necessity of revenue, but what I want to emphasise here is that there are very, very hard cases where relief is an absolute necessity and it ought to be given.

First of all, Sir. I come to a point which has been referred to also by previous speakers, namely, kerosene oil. Kerosene oil is a necessity. The hon. Member, Shri Govinda Reddy, was saying that kerosene oil is required for cooking purposes. I am not referring to that at all. I doubt whether in the rural parts where majority of our people live, kerosene is at all used for cooking purposes. The hon. Minister, Mr. K. D. Mala-viya, need not be afraid that kerosene, which is imported at a heavy cost of our foreign exchange re-

sources, is going to be used for that purpose. Even a poor hut requires a little light. Fortunately, God has created 12 hours' day. But at least for a few hours in every hut a kerosene oil lamp must burn. This is not a luxury. This is a necessity of absolute importance. The necessity for kerosene oil is all the more great because, as pointed out by the honourable Shri Govinda Reddy, the devastation in the countryside of all non-edible oil-yielding trees and vegetation has been so great that day after day non-edible oil has been vanishing from the country. Therefore, kerosene oil is the only way to have a little illumination. Therefore, he should not grudge it though it means a heavy cost. And it is not that when you import kerosene oil, you cannot pay an additional tax. An additional tax of Rs. 19' 06 crores is estimated to be the yield according to the Memorandum that has been given to us. Therefore, this has got to be completely written off. I request the hon. Finance Minister not to impose any excise on kerosene oil.

Now, I come to another point. Without any reason whatsoever, from non-essential edible oils he has chosen to remove excise which has been giving him Rs. 10-25 crores. I should like to know the justification for removing this excise on edible oil. Edible oil is eaten by middle classes and poor classes only. The poorest man does not use edible oil at all. In the South, I can assure the hon. Finance Minister, the poor man does not use any oil at all, oil is not at all known to him. He does not know how to cook items of dietary in oil. Even so in the North, the poor man prepares his chapatti and a sabzi and eats it. He does not require edible oil either. Therefore, which are these classes of people who use edible oil? Only the middle and the poor middle classes of people. Therefore, there is no justification whatsoever for removing excise duty on this edible oil which has been giving the Finance Minister Rs. 10-25

crores. Sir, I want relief on kerosene oil and not on edible oil. And I think he will have to give a debit on the revenue to the extent of Rs. 3-81 crores.

Coming to unmanufactured tobacco it is the only luxury which our poor people in the village are enjoying. From that the Finance Minister expects Rs. 5-68 crores. I want him to reduce that also. On the top of it he has put more surcharge which is estimated to yield Rs. 1-2 crores. So, on tobacco, as I said, you must write off Rs. 6-8 crores.

Then, you have put excise on cotton yarn of less than 35 counts. It is estimated to give you Rs. 1-7 crores. After all, cotton yarn below 35 counts is used by poor handloom weaver in our villages. I do not see any justification for an excise of this kind. After all, the loss will be only Rs. 1-7 crores. Why do you put this small excise and cause trouble to the handloom weaver in the village whose number runs into millions?

Now Sir, tea is a common beverage to all North Indian people and coffee for the South Indian people. Coffee and tea for Heaven's sake, do not touch. Our Finance Minister is very particular about prohibition. At whatever cost, he is prepared to enforce prohibition in the country. In the South, more often than not, for poor people coffee has been the substitute for today. Please allow them at least this luxury. Do not charge any more excise on coffee and tea. Probably for coffee and tea this surcharge and excise is Rs. 2-25 crores.

SHRI P. N. SAPRU (Uttar Pradesh): Do not compare it with toddy.

SHRI N. SRI RAMA REDDY: That is their only drink. Let them have some luxury.

AN HON. MEMBER: Neera.

SHRI N. SRI RAMA REDDY: Toddy is called by the name Neera

when . . . (Interruptions). Well, please do not interrupt me. The hon. Vice-Chairman has not given me much time.

Now, washing soap is another thing. Now, like our Prime Minister, I should like to see everybody wearing white clothes. But on soap also you have put excise. For Heaven's sake, do not put excise duty on the small things which are of everyday use by everybody. It is as good as salt. Just like salt, soap is used by the richest as well as by the poorest. The rich man might waste some soap whereas the poor man will be most frugal in its use. So, on all these counts, Rs. 22 crores is all the concession that I ask for from the hon. Finance Minister—just Rs. 22 crores. It is not even one-fourth—why on the fourth, it is only one-eighth of the amount which comes under the estimation of items which I had already proposed.

Now, Sir, I come to direct taxation. I took some trouble to prepare a long table. The lowest man is hit the hardest. A man with a salaried income of Rs. 5,000 was till now paying only Rs. 42. He is now asked to pay Rs. 241. What is the percentage of increase? Should there not be some proportion? You have increased it by 474 per cent

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The figures are not correct.

SHRI MORARJI R. DESAI: May I say that out of this Rs. 242, Rs. 150 will be his compulsory saving which will come back to him with interest? Therefore, it does not go away from him like that.

SHRI N. SRI RAMA REDDY: Your Memorandum given here does not indicate that.

SHRI MORARJI R. DESAI: That does indicate.

SHRI N. SRI RAMA REDDY: Anyway, Sir, I was given to understand

[Shri N. Sri Rama Reddy.]
on reliable aul that since t'he
rate of taxation has been fthe lowest here,
therefore, they have done Jike that. In the case
of salaried people who get Rs. one lakh, they
have to pay 56 per cent., Rs. 56,625. On Rs.
two lakhs it is Rs. 1,40,000 or 70 per cent. In
any case whether it be a salaried person or
wholly earned income person or wholly
unearned income person all these people re-
quire a more humane consideration. That does
not imply that an inhuman approach has been
made. The Rs. 5,000 person and Rs. 10,000
annual income person, all these categories must
be treated differently than what is done here.

Holders of immovable property situated in
urban areas and assessed a tax, whether known
as property tax, house tax etc. are to pay 3 per
cent. There are people who get Rs. 100 and
there are people who get Rs. 1,000. Why
should we create this irritation? Why should it
be so wide? In every city the Municipality or
Corporation has already increased the tax. You
want them to contribute a further 3 per cent, on
the basis of the rental value. The outcome
might be very little but the irritation that we
cause to the people may be very great. The
hardship they will be put to by your galaxy -
of officers may be very great. I think even
without it our Finance Minister can well and
more ably manage these things.

With regard to Compulsory Savings this
exemption may be given. If we cannot do it, at
least fix up some limit. You may say Rs. 10,000
and catch hold of him and get it. Why get hold
of Rs. 100 or Rs. 200 man? How many people
do you approach? I You want a huge
establishment. I do not think it is worthwhile
taking so much trouble.

Similarly I come to Professional Tax.
It is too trivial a sum. A body that pays
any tax is asked once

again to contribute to the CD. scheme. A man
who pays Rs. 2 is asked. There are people
whose tax comes only to Rs. 2 and even he is
to be approached. I think all these might be a
little too much to deal with.

Now I have one more class of people for
whom I will have to plead fervently, namely,
those paying land revenue. In this country at
least there are 8 crores of land-owners paying
tax. Now, every person should pay 50 per
cent, of his land revenue on the basis of 1959-
60 assessment. It comes to 8 crores of people
or 8 crores of farmers. What a huge
administration you need. The entire galaxy is
to be there.

SHRI MORARJI R. DESAI: May I ask my
hon. friend this when he says that 8 crores of
people pay land revenue? There is a
population of 44 crores, and 8 crores of
people paying land revenue means it accounts
for a population of 40 crores. Are there 40
crores out of 44 crores as agriculturists?

SHRI N. SRI RAMA REDDY: I may be
wrong. The rural householders are estimated
in the census to be 7-5 crores. I base my
calculations on that. I was not hazarding a
guess. I could not do so especially when there
is a very learned Finance Minister sitting here.
If it is not 8 crores, it may be 6 crores. It is not
less than 4 crores. Already your Revenue Inspectors,
Tahsildars, all these people are harassing
thorn. I know in every State contribution to
the N.D.F. is being collected almost on the
basis of the revenue payment. Again to add to
these, I do not think it is worthwhile to irritate
such a huge number of people. Better not do it
because it involves enormous labour and after
all we may dig all this mountain only to get a
mole-hill. Therefore when the right royal
thorn is given to the Finance Minister, should
he do like this? Only once more . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : No more. Your 25 minutes are over.

SHRI N. SRI RAMA REDDY: What has happened to our economic growth? In spite of the taxation, in spite of the tempo of developmental expenditure increasing year after year, our progress with regard to the economic growth is deteriorating. Is any attention being given to this great subject? Our per capita income is reduced and it is getting reduced year after year and especially last year it has been so according to the figures that have been circulated. He himself admitted that one of the fundamental tenets of the budget of any Government is the promotion of economic development. If that has not been so to that extent there has been a failure. Let us search our hearts. Every one of us is a patriot and therefore it is well that we should do our job correctly. Thank you very much.

SHRI A. D. MANI: Sir, if I say so, I should like to extend a very qualified approval to the Budget presented by our hon. friend, the Finance Minister, and the taxation proposals that he has announced in his Budget speech. Today my hon. friend, Mr. K. K. Shah, raised the question that the taxation proposals do not affect the poorer classes as much as they do the richer section of the community. I would like to go on, in an analysis of the taxation proposals, to point out that the proposals which the Finance Minister has placed before the House affect the poor classes much more deeply than the richer section of the community.

Before going into a study of the detailed taxation proposals, I should like to raise the preliminary question about the budgeting for defence. I quite agree that the Finance Minister has to find the necessary resources for the high Defence bill of over Rs. 800 crores. If we examine the Budget proposals, we find that in

1961-62 the Defence Estimates were Rs. 289 crores, in 1962-63 it was Rs. 451 crores and now it is Rs. 708 crores. The country is not technically at war but is in a state of emergency. In all democratic countries, whenever the Defence expenditure has been stepped up, some information is given on the broad heads on which the money is going to be spent. Let us not say that any statement made in the Pajya Sabha or the other House would be made use of by the enemy because the enemy has a Legation in Delhi which collects information on all these matters. It is an unfortunate fact that we received more information about Defence and about the army under the British Government than we have done under the independent Government. I am making no reflection at all. The conditions are changed and we realise that we cannot give information as freely as the British Government used to give to the non-official Opposition in those days. A study has been made by the Institute of Strategic Studies in England which has come to the conclusion that the Defence Expenditure of India is only 1/40th of what Israel is spending on its defence. They have gone into the Defence Budgets of all countries and come to this conclusion. What I would like the Finance Minister to state in his reply is to give a broad idea of the progress of Defence Expenditure in the next 2 or 3 years. Is the money that he is asking here for meeting immediate needs or for modernisation of our army to meet the demands which will be made on it in the war against China? It is necessary that we should have a clear picture before us and such a statement would enable the country to steel its mind to bear more tax burden in the future.

I would like also to raise the general question that if the country is to proceed on the basis of a war economy, it is not possible for us to allow the State finances to be in the condition in which we find them today. The other day the Finance Minister of

[Shri A. D. Mam.] Bihar said that there was a deficit but he was not able to raise the taxes. A similar statement was made by Mr. C. B. Gupta in U.P. If the States are not going to raise the money for the war effort, how is the Defence economy of the country going to be strengthened? It is necessary for us to realise that the emergency has made this Constitution virtually a unitary Constitution, I should like the Finance Minister to consider the proposal that an assessment should be made about the taxable resources of the States in order to see that the States give their equal contribution to the war effort; otherwise every year the Finance Minister will have to come to the Houses of Parliament and ask for their approval of heavy burdens of taxation.

I would also like to suggest that while we think in terms of strengthening the army, there is no point in proceeding on *ad hoc* academic grounds that the development expenditure should not be curtailed. Over Rs. 1,200 crores are going to be given to the States and for the implementation of the Third Plan. I realise that every day more mouths are being born and that we have got to create employment for the rising population in our country, but when we think in terms of Defence, the first priority should be given to the starting of Defence ancillary industries. It is a disappointment to me that in the Finance Minister's speech there is no reference whatever to the starting of ancillary industries for defence. It is necessary that the country should be informed what industries are going to be started in order to strengthen the defence effort. If that is done and if the State Governments are made to realise what their responsibilities are, I would even suggest the creation of a State Taxation Authority in which the State Ministers would meet and give, more or less, recommendations to the State Governments that taxation of this order should be levied in order to keep the Plan going. Unless the Government thinks in terms of a

unitary constitution at the present stage, it will not be possible for it to prosecute the defence efforts.

Sir, I would like to mention the point that I raised today and that is about the level of taxation in our country and how far it has affected the common man. The Finance Minister just now said in an interruption that on an income of Rs. 5,000 a sum of Rs. 241 will go in the form of surcharge and compulsory deposits, and out of this Rs. 241 a sum of Rs. 150 will be the compulsory deposit. I quite concede the point and I am very glad he has clarified the position now. But the House knows that the present level of taxation is Rs. 42 and the element of taxation after removal of the deposit now will be Rs. 90. In other words, on a man getting Rs. 5,000 who is not able to bear the burden, you are now imposing a levy of Rs. 50 more, that is to say, 100 per cent more. If we examine the levels of taxation, we find that as one proceeds from Rs. 5,000 to Rs. 10,000 and from Rs. 10,000 to Rs. 15,000, the percentage of burden is gradually less and less. In other words, the man who is not able to pay is bearing the highest burden of taxation now. There is no point in saying that he will have Rs. 150 in deposit now. The hon. Finance Minister wants the common man on the one hand to benefit and on the other he has tried to increase export duties, he has tried to increase the import duties and the surcharge on a large number of articles. Whatever is going to happen, it is certain that the cost of living in this country will certainly go up. Last year a demand was put forward before Parliament asking for Rs. 38 crores for the payment of dearness allowance. I am certain that next year the hon. Minister will come forward with a demand that government servants should be paid dearness allowance of an equal order on account of the rise in the cost of living. Taxes have been levied on 41 commodities. My submission is that this taxation is wholly

uncalled for Sir, I am not at all satisfied with the administrative efficiency of Government in its various Departments. In this connection I would like to refer to the Report of the Estimates Committee, the Seventeenth Report, which was placed on the Table of the Lok Sabha on the 23rd of February. The Committee mentions various items and says this. I would like to mention that in the case of certain selected Ministries it gave its opinion that though the bulk of the work in these Ministries was not directly connected with the Plan, there was a significant rise in the number of posts in each Ministry during the Second Plan period and this increase was concentrated during the period 1955 to 1957. The answer of the Government is that the matter is being studied. Sir, if there is a 10 per cent, cut in the administrative expenditure, a sum of Rs. 150 crores can be raised by economy, and this Rs. 150 crores would completely cover the yield expected from the increased import duties and the increased excise duties. If it is possible to raise money by economy, is it not necessary that that avenue should be explored first before asking the people to bear a very heavy burden of taxation?

Sir, I would like to mention here that at the present level of taxation it will not be possible for the people to bear the tax burden even this year let alone the increased tax burdens.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Mani, you need not have an eye on the clock. We will rise when you have finished.

SHRI A. D. MANI: Thank you, Sir. Now, I will have to cut out from the record what I said just now, because I do not know where I stopped. I say that it will not be possible for the citizen to bear the great burdens that are threatened to be placed on him in the coming years. As I said earlier, the present level of expenditure on defence is not going to be a continuing factor. It is going to be a rising rate. We have got to raise more

resources to bear the defence expenditure and so more and more import duties and more and more excise duties are going to be levied on the people. My submission is that there is bound to be a rise in the indices of the cost of living in the country and it will not be possible for the citizens to bear this burden of taxes.

I have worked on! < the figures regarding the . au in India and I find that the total tax burden in the States is of the order of Rs. 655 crores, and taking Customs and other Central taxes into account, the total taxation comes to Rs. 1,527.46 crores. Taking the population as 43 crores for the country the tax burden works out at Rs. 35 per annum per head. The *per capita* income for the whole of India compiled from the indices of national income, comes to about Rs. 25 per month and on that the burden is going to be Rs. 35. If you take the cost of living in 1935 and compare the income in 1935 with the income today, you will find that the *per capita* income now is only Rs. 8. These are the figures.

Sir, I would like to make a very humble appeal to the hon. Finance Minister not to think in terms of heavy indirect taxation. It is possible to prove that the richer sections of the community have been affected by the direct taxation. The increased levies on the richer sections is a sign of socialism on the part of the Government. But the sign of socialism is in the price level and in the Soviet Union where I had occasion to go round and examine the price level, I found that the price level was rigorously being maintained.

SHRI MORARJI R. DESAI: It was 25 per cent, up five months ago.

SHRI A. D. MANI: But it is also high in this country. There too they are under the strain of a war economy and they are also faced with a nuclear war. Still it is not as much as it is here.

[Shri A. D. Mani.]

My submission to the Finance Minister is that his proposals to raise the tax on a large variety of commodities in excise as well as import duties, should be given up. My fear is that the total burden of taxation which the Finance Minister has placed before the House and for which he is trying to seek its approval, will also stamp out the export initiative in the country. The Government is going to raise the tax on raw materials of industry like cotton, asbestos etc. These are necessary for industrial regeneration. If the costs of the materials are going up, then our export costs also would go up and even as it is, Indian prices are so high that there is no interest in the export market. There is no point in the hon. Minister allocating only Rs. 3 crores for research in the export trade and his raising the taxation under import duties and excise duties, for it will be very difficult for the Indian industry to provide articles which are capable of export promotion.

In this connection it is very curious that the Finance Minister should have tried to have a kind of increase in the excise duty or a surcharge on excise duty on tea. The burden which

was there when we had the 5 P.M. duty and the burden which

is going to result by the concession that he has given will be of the order of 1-7. With this heavy impost of surcharge on tea, it may not be possible for Indian tea to get any markets abroad. I would like to make a very humble appeal to him. As tea is our main foreign exchange earner, we should try to see that there are no excise duties on tea in order to promote the sale of tea abroad because without.

SHRI MORARJI R. DESAI: That is why I have taken off the export duty.

SHRI A. D. MANI: But the way you have done this is this: Export duty is gone but you have a surcharge. I have all the figures.

SHRI MORARJI R. DESAI: Even then they have an advantage of nearly 15 per cent.

SHRI A. D. MANI: The export duty is off. The excise duty was 25 per cent and for the new arrangement it is going to be 10 per cent. The difference is not much as to lead to rapid export promotion.

Sir, I would like to make a submission about direct taxation. I quite agree that some kind of surcharge for Union purposes which is now of the order of twenty per cent, was inevitable. I quite agree that this money cannot be handed over to the States but the manner in which Government has tied to tax the company profits at over 6 per cent, raises certain questions concerning the economic growth in our country. Sir, a Russian expert recently had been to India and he said that unless the Indian economic growth was stepped up, it might not be possible for it to meet the demands of our wartime economy. It is necessary that more industry should be started. I do not like very big dividends and I do not like accumulation of capital but let us face facts. When the Finance Minister wanted Gold Bonds he was prepared to pay 6½ per cent, not 6 per cent. When the banks lend money, it is 8 per cent. The Tariff Commission accepted that 12 per cent, was necessary for capital formation in the country. Preferential capital is available only at ten per cent. How is it possible for the country to have any effective capital formation if corporate companies are going to be subjected to increased levy, unduly super-tax. Sir, I do not want all this money to go into the hands of the rich men. I would like to make one constructive suggestion and that is, if corporate profits are going to be ploughed back into a list of announced industries which are necessary for the country's development and for strengthening the defence of the country, those profits should be exempt from taxation. It is trying to meet the Finance Minister half way. I am announcing a list of essential industries for the country; let him say that these industries are necessary for the defence and economic development of the country. If those people will, plough back the money, then you can."

think of giving a rebate on the supertax that has been proposed. Sir, in this connection. I might mention that Prof. Galbraith has submitted a report to the Government which is probably available to the Finance Minister. Prof. Galbraith is a very noted economist. He said that in an underdeveloped economy, the only way of capital formation was the ploughing back of profits in the corporate sector. There is no other way of raising money. It has been estimated that the available capacity for savings, per capita savings, is about Rs. 1100 crores out of which Rs. 400 crores has been taken away by taxation already. The money is not available for industries. The only source for investment now-left is the profits of the corporate sector. Let it not go into the construction of buildings and the purchase of motor cars. If they plough it back into essential industries what difficulty is there in the way of the Finance Minister giving them a rebate of the supertax?

Sir, I would like to make one observation regarding the Compulsory Deposit Scheme. As I am a newspaperman, I also tried at a little bit of reporting for the Finance Minister yesterday in trying to find out the reaction of the people.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Mani, you have taken twenty minutes. You must wind up now.

SHRI A. D. MANI: It is interesting and the House would not weary. Surprisingly, the reaction in the group between Rs. 200 and Rs. 500 was quite good to the Compulsory Deposit Scheme; that is to say, they say, "In any case, Government is going to reserve money for us. Otherwise, we will spend it." But, the people in the Rs. 100 category felt very much affected. They said, "We will not be able to live if we have got to make a compulsory deposit." Now, a limit has been fixed, of Rs. 1500. Now, this limit of Rs. 1,500 works out at Rs. 125

per month. A family living on Rs. 125 will not be in a position to make a compulsory deposit. The Finance Minister understands the difficulties of the very poor family in the country. "With the rise in the cost of living, it is not possible for the man at the Rs. 125 level to invest any money. My suggestion would be that the limit should be raised to Rs. 2,500 because the men that I met, the Rs. 200 category, they like this Compulsory Deposit Scheme, though I would suggest that in fairness to the depositor, 4 per cent, compound interest should be paid. This is done by the banks and Government should not try to take advantage of the emergency to deny that rate of interest to the people to which they are entitled in depositing money with Government.

Sir, I would not like to say much. The House has been indulgent towards me. I should like to say that these are matters which should engage the Finance Minister's attention and I do hope that whatever might be the concessions he might announce in the other House, he would at least do away with the duty on kerosene. Kerosene is on the same footing as salt and it should not be taxed in this country. Salt is not taxed. If we tax kerosene, we tax lights. If we tax diesel oil, we are going to impede the rapid development of roads in the country. I do hope that concessions in regard to import duties and excise duties would be announced by the Finance Minister in order to lighten the burden on the people.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : There are a large number of persons wishing to speak in this Debate. We will, therefore, have to sit through the lunch hour for the remaining days of the Budget debate.

The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at Eight minutes past five of the clock till eleven of the clock on Tuesday, the 5th March, 1963.