

THE BUDGET (GENERAL) 1962-63
—continued.

SHRI RAMGOPAL GUPTA (Uttar Pradesh): Mr. Chairman, I was saying yesterday that even though food production has gone up appreciably and it now stands at 80 million tons, people are not happy. Why? Because within a decade the prices of cereals have gone up by 53 per cent, and if we relate these prices to the prices of industrial production, they have gone up by 22.9 per cent.

I am afraid the figures about the rise in the national income as given by the Finance Minister in his Budget Speech in the Lok Sabha in March and again in April are also not correct and they do not present a true picture. The *per capita* income of our countrymen has not increased as much as we are told. In 1960-61 it was supposed to be Rs. 327-3, as against Rs. 249'6 in 1948-49. But if these figures are worked out on the price structure of 1948-49, the correct figure of national income will be only Rs. 292 5 for 1960-61. In the progressive and intensive planning period, this rise in the national income is indeed very low. The clamour for increased allowance and wages even by the well-to-do class of the Government employees is ample evidence of the sorry state of affairs and the difficult conditions of the people.

When the Finance Minister talks about the parity of income and social justice, I cannot fail to refer to section 23A of the Income-Tax Act, which is a patent example of gross injustice. The industrial concerns will contribute approximately Rs. 280 crores as income-tax and corporation tax in 1962-63, whereas many industrial concerns are on the verge of collapse. The corporate savings of the companies have come down to nearly Rs. 15 crores from Rs. 72 crores in 1955-56. This also proves that there is no capital formation in the hands of these companies to withstand the stress and strain that have become the order of the day.

[THE DEPUTY CHAIRMAN in the Chair.]

Madam, I would like further to state that without there being sufficient corporate savings in the hands of these companies, they will not be able to contribute their mite to the building up of increased production, nor can they contribute to the development of free enterprise satisfactorily. With this state of affairs, the private sector companies will be left to go with a begging bowl to different Government institutions to meet their obligations to the society and increase their industrial output to meet the rising needs of the population in the country. I can appreciate that the Government wants to have a hold on industries, but this hold should not be a stranglehold that would result in the suffocation of industries or in hamstringing them in such a way that they cannot move forward and keep pace with the modern methods of production, as in other countries. Ninety-five per cent, companies and corporations in our country have a paid-up capital of only Rs. 10 lakhs or less and only 5 per cent, companies exceed this capital, and as such when the two are put together for matters of taxation, it is nothing short of injustice. In all fairness to the small companies, a different tax structure must be evolved to help them save and develop, because with a small capital their output and profit would also be very small and they are not able to save and build up their resources after paying heavy taxations.

I am proud that the private sector has played its role well in the development of the country and that it has contributed Rs. 3,100 crores in the Second Plan period, as against Rs. 2,900 crores that was envisaged for it, and given reasonable freedom and encouragement the private sector will acquit itself creditably in the Third Plan period also. This indicates that the vitality and the vigour of the private sector cannot be challenged.

As against this, we are pained to see that the public sector undertakings

[Shri Ramgopal Gupta.]

actually have let down the country. In the First Plan period and the Second Plan period the public sector fell short of «the target by 15 per cent, and 40 per cent. The different Ministries of the Government of India have 72 projects in hand with an investment of Rs. 896 crores up to the end of March, 1962. Some of the projects are of non-commercial value, but at least 50 of them, excluding Railways, are commercial. The Finance Minister has budgeted a return of Rs. 3 crores only from all these undertakings. This works out to approximately 0.4 per cent, of the return on its investments. Even if the return has been to the tune of 4 per cent— not a very high . . .

SHRI KHANDUBHAI K. DESAI
(Gujarat): Are returns made in the
private undertakings in the first two
years?

SHRI RAMGOPAL GUPTA: You are getting Rs. 280 crores by way of taxation. As I said, even if the return had been to the tune of 4 per cent— not a very high percentage of profit— the Government would have easily benefited to the extent of Rs. 36 crores and the people would have paid so much less taxes.

A number of public sector enterprises are a great drain on the national economy. Hundreds of crores of taxpayers' money is recklessly spent and wasted, as is revealed by the audit reports. It is indeed imperative to look into their affairs. Last year the Government hinted at constituting a Standing Committee of Members of both Houses to go into the affairs of these undertakings, but nothing has been done. The industries in the public sector enjoy all the monopoly and are not responsible to the people inasmuch as they can fix any prices. I refer to the case of fertilisers. The prices of fertilisers in our country are scandalously high. Agriculture is the backbone of our economy and fertilisers form the base of agricultural production, but our cultivators are

made to suffer and pay much higher prices because of the inefficient working of our factories and the defective method of distribution thereof. The hard earned money of the people is frittered away without any consideration. For example, a British firm has been paid royalty of Rs. 87 lakhs for technical advice without even a project report. I refer in this connection to the Estimates Committee's Report on the Indian Telephone Industries.

The Railways with a total capital outlay of Rs. 1,904 crores have never shown a return of "more than 5 per cent. Every year the freights are increased and the people are left to the tender mercies of the Railways for their travel necessities. The amenities provided to the people by the Railways are far from satisfactory, and if I may say so, the standard in the railway travel has fallen below the accepted norms but the return remains the same. There are continuous withdrawals and depletion in depreciation reserves and development funds.

Coming to the new tax proposals, Madam, I have some remarks to make. It has been said by the spokesmen of the ruling party that the increase in taxes shall not affect the people. This, unfortunately, is not the truth. It is ultramaljily the people who pay these taxes. This year the total increase in taxes is proposed at Rs. 71 crores, in addition to the fresh burden of Rs. 22 crores imposed on the public by the Railways. It would be correct to say, Madam, that with the increasing taxes, the pattern of consumption by the people is changing. I have a few instances to elucidate my point.

The production of cloth amounting to 12,159 million yards in 1946—48 included 20.8 per cent, for coarse, 25.4 per cent for medium, 14.5 per cent for fine and 7.3 per cent for superfine, that is, fine and superfine making a total of approximately 22 per cent. In 1958—60 though the production

of cloth has gone up to 14,900 million yards, the ratio of production has been 17.2 per cent for coarse, 71.9 per cent for medium, 5.2 per cent, for fine and 5.7 per cent for superfine. The per capita availability of cloth was 15.9 yards in 1956 and it has come down to 15.2 yards in 1960. Now, under the present Budget a uniform levy of surcharge of excise on processing of cotton fabrics has been introduced not taking into account the original cost of cloth on which such excise will be levied. It is a case of spurring the horse and the mule with the same whip.

Then again I will give another example of imposition of very heavy excise duty. It is the case of jute manufactures. I had last year suggested the diversification of excise duty and had given the specific illustration of jute, but I never expected that the imposition will be so heavy. I hope our Finance Minister will look into this case with compassion. Gunny bags are a necessary commodity used in packing foodgrains and disproportionate rise in gunny prices will hit the cultivators. Heavy levies have been imposed on lubricating oil which help drive the wheels of industry. Coal-tar is also now going to be heavily taxed. India is already insufficiently developed in its road transport and an increase in duty on coal-tar will hamper very much the road building programmes of the State and Central Governments.

Madam, the additional levies proposed in this year's Budget amount to Rs. 71 crores, and taking into account Rs. 22 crores imposed by the Railways, the total comes to Rs. 93 crores. Even then the State Governments are threatening the people with additional taxation. Factually, 60 per cent of the income is being paid, by the town-dwellers and 15 per cent by the rural population as taxes. The Budget further displays that the Government expected a net increase of Rs. 518 crores in its financial assets but this is not the correct fact in-as-

much as Rs. 511.7 crores will be «e-cured for this purpose by the Government from loans, and the Government will contribute only Rs. 6.3 crores from its own resources. This further proves that the (amounts, realised from taxes, are all going to be spent on meeting the revenue expenses of the Government. Indeed, it cannot be gainsaid that the Government is spending money of the people extravagantly.

Coming to the national debt, the picture is none too rosy, if I might say so. The total debt of the Government of India today stands approximately at Rs. 7,973.41 crores, and interest outgo is expected to be approximately Rs. 182.6 crores and Rs. 44.8 crores on rupee and foreign exchange accounts, making a total of Rs. 227.4 crores. This is certainly a colossal figure and the interest alone will keep on making big inroads in our national income. We can overcome this situation by reducing or completely eliminating our foreign exchange deficit which was as high as Rs. 171.7 crores between April and September 1961, and it will be over Rs. 300 crores at the close of the year. If we cannot reduce this gap, I am afraid, our Finance Minister will have to go out year after year with a begging bowl to meet our foreign exchange needs, and* I am confident that neither the Government nor the people in this country like this unhappy state of affairs.

The Planning Commission wants the Government to raise taxes to the tune of Rs. 220 crores every year for the next five years over and above the provision for deficit financing. Out of this the Government of India has raised this year Rs. 93 crores and the balance of Rs. 127 crores is still to be raised. This means that the Finance Ministers of different States will come forward to raise further taxes in future, and I am sure, there will be no end to increased taxation so long as the economic policies are based on the present pattern of think-

("Shri Ramgopal Gupta.)

Madam, the additional taxation comes to 11.2 per cent as against the rise of 8.6 per cent in national income. This should go to prove to the authorities that the hope of increasing national savings are not going to materialise and that the people on the whole are being bled white.

Madam, before I close, on a point of warning I must say that our Government has failed to safeguard our border in the north and north eastern regions. This is a matter of the gravest concern both to our nation and the people, and they look forward to stronger action on the part of our Government so that no more inroads are made in our country by the aggressors. This can be done only if the offices of our Defence organisation are arranged in a more efficient and effective manner and the morale of our fighting forces is not shattered by wrong promotions. Thank you.

SHRI BHUPESH GUPTA (West Bengal) : Madam, yesterday he promised to give me the names of the mills which are supposed to have come to an agreement . . .

SHRI RAMGOPAL GUPTA: I said "I would give outside.

SHRI BHUPESH GUPTA: I want to know in this House. In the course of "his speech he referred to certain agreements being arrives at by some ■ mills with a foreign concern. What is the harm in giving the names of the mills?

SHRI RAMGOPAL GUPTA: It is foreign Government.

SHRI BHUPESH GUPTA: I want the names here. It is very important. He has the names here.

THE DEPUTY CHAIRMAN: If you want one thing and if he has said another, it can be settled outside.

SHRI BHUPESH GUPTA: I suggest the mills are his mills, and therefore he is hesitant to give the names here. Let him get up and say that he wants more concessions for his mills.

THE DEPUTY CHAIRMAN: I am calling the next speaker. Mr. B. K. P. Sinha.

SHRI B. K. P. SINHA (Bihar): Madam, in this debate that has proceeded on the Budget the Finance* Minister has been under cross fire— fire from the right and fire from the left. On, the one hand the grievance is that the proposals are of such a nature that they contribute to the drying up of savings and that they kill initiative and enterprise, and on the other hand it is argued and it is asserted that the proposals are not socialistic enough, that they do not conform to the socialistic approach or socialist pattern of society which we have set as our goal. It seems that these criticisms are an earnest of the fact that the Finance Minister has been pursuing or treading the path of golden mean, that is, steering clear of two extremes as he ought to.

Madam, I would not like to waste the time of the House by addressing myself to the criticisms levelled by the vested interests. For that is a class that is partially dead, by and large dead, and that is a class whose words do not find an echo in the hearts of the vast masses of this country. I would, however, like to address briefly about certain misconceptions from which the friends from¹ the left are suffering. I do not understand what they mean by lack of a socialist approach in this Budget. They have not made it clear what they precisely mean by that. Evidently, the implications are that this Budget has not taxed the rich and the prosperous out of existence and therefore it is not socialist. But socialism as I have understood it has little to do with distribution. Socialism is a particular system, a particular organisation of the productive mechanism and the productive machinery of the Society. Socialism, as defined by the great prophets of Socialism in whom I include Marx and Lenin, means an organisation of society in which the instruments of production are owned

by society and by the State as representing that society. Equality is a mere incident of this State or public ownership of the instruments of production. Madam, in the past there has been . . .

SHRI RAJENDRA PRATAP SINHA: (Bihar): Is it your own definition?

SHRI B. K. P. SINHA: I have already made it clear that I am referring to the interpretation given by Marx and Lenin, not the interpretation . . .

SHRI RAJENDRA PRATAP SINGH: Do you accept the interpretation of socialism given by your own Prime Minister or not?

SHRI B. K. P. SINHA: Well, I am not concerned with it.

SHRI RAJENDRA PRATAP SINHA: You are not accepting it. You say that socialism has nothing to do with distribution. The Prime Minister said that socialism has got to do everything with distribution, equitable distribution. That is a very important aspect of socialism, equitable distribution and fair distribution.

SHRI B. K. P. SINHA: I have made it clear that in socialistic theory, equality is a mere corollary, is a mere incident of a particular organisation of the productive mechanism. That has been the conception of the great apostles of socialism. Equality is a mere incident. Equality there has been in the past, as I said earlier—egalitarian society. The primitive society in the past or the primitive society even now in Africa and in some areas of India as well is an egalitarian society. That does not, however, make it a socialist society. Even in an advanced country, take the case of France, after the Great War, except for the two hundred families which were immensely rich, by and large French society was a society of peasant proprietors, of small industrialists and business men. It was egalitarian in a certain sense. That did not at all make it a socialist society.

Judged from that standard, we find that we are progressing towards the achievement of a socialist society. The steel mills, the iron mills that have come up during the last ten years, the nationalised coal-mines, multipurpose river projects; fertiliser factories and drug factories, they are all an indication and exhibition and affirmation of the fact that we are speedily moving towards the attainment of a socialist society. However, these things cannot be directly achieved by fiscal measures. No fiscal measure has been so far conceived which can 'directly achieve these ends, these results. Fiscal measures merely supply the wherewithals with which these ends can be achieved.

Apart from this and in the context of our socio-economic order, emphasis is laid on framing taxation-measures in such a way that very 'heavy burdens are imposed on certain classes and 'very light burdens are imposed on others. Whenever a new indirect tax is imposed, some people are inclined to throw up their hands in despair and say, "Help, murder. The poor are being fleeced." Whenever some concession is made in direct taxation in the interests of saving and investment, they say that concession is given to the capitalists and that the proposals lean, have a bias, towards capitalism.

Now, Madam, the Budget proposals or the fiscal proposals operate in a particular socio-economic order by which they are conditioned and controlled; they are limited by, confined' by the society. The Finance Minister has some measure of manoeuvrability within the limits set by that order. But he cannot ignore the existence of the socio-economic order in which Budget proposals or fiscal proposals are framed. Now, what is the socioeconomic order that has been there from the past? It was a very underdeveloped socio-economic order where there was little of national enterprise or public enterprise and the whole field'

[Shri B. K. P. Sinha.]

"was covered by private enterprise. 'Gradually we have been making an effort to go out of that and we have been gradually moving towards the attainment of a socialist society by establishing more and more national undertakings. But even now, we have accepted as our ideal a mixed economy in which there is scope both for private enterprise and public enterprise. There is a certain logic of this socio-economic order. The logic is that the taxation proposals should not be of such a nature that they completely dry up the sources from which the private sector draws sustenance. It naturally leads to a corollary; its corollary is that the taxation on monied people or the prosperous people should not be too much because, by and large, the investments and savings for the private sector come from them. Moreover, it is one of the paradoxes of a poor and undeveloped society like India that the major portion of the savings and investments come from very prosperous people and to tax them very heavily is to take a step towards drying up these sources from where these investments come. In the context of this, I do not think that the Finance Minister has acted imprudently in framing the fiscal proposals in the way he has done.

Madam, we framed a socialist Third Plan. We discussed that Plan and Parliament accepted and approved that Plan. I will read out a short extract from that Plan in relation to taxation. That will make it clear that the Finance Minister in his latest proposals is following the pattern laid down in the Plan which was approved by this House.

"The Third Plan will involve a substantial increase in indirect taxation. The number of assesseees paying direct taxes in India is very small. Although collection of direct taxes is expected to improve in the course of the Third Plan, the total of resources required cannot be

raised without taxing consumption through indirect taxation over a wide range. Indirect taxes along these lines tend to raise the price to be paid by the domestic consumer. This is a sacrifice that has to be accepted as a part of the Plan.

Some of these indirect taxes affect the poorer classes but a great many fall on those who have comparatively high incomes. There is, in other words, an element of progression even in indirect taxes. There is, however, no escape from the fact that in a country like India where the bulk of the people are poor, resources on an adequate scale cannot be raised without calling for a measure of sacrifice from all classes of people"

That is what the Third Plan says. That is what Parliament in its wisdom has accepted and the Finance Minister has merely framed these proposals in consonance with this directive of the Third Plan which was accepted by this House.

In the bright sun-shine provided by these Budget proposals, there is a cloud; the cloud, in my opinion, is the abolition of the expenditure tax. When the expenditure tax was imposed, it was not imposed merely as a fiscal measure, as a tax-gathering measure. The greater objective was to discourage consumption, to discourage expenditure so that greater savings were made. The Finance Minister has said in his speech that since the expenditure tax was bringing in diminishing revenue year by year there was no point in continuing this tax. But the diminution involved in this tax year after year was, in my opinion, a success achieved by this tax. This tax was imposed precisely because consumption had to be discouraged, expenditure had to be discouraged, and the poor returns which went on dwindling from year to year made it clear that this tax was achieving its objec-

tive. In the circumstances, the abolition of it on the plea that it was bringing in little revenue is, in my opinion, not very proper.

Madam, we have framed a big Plan. We are trying to harness all our resources. We are trying to gather all our savings, but then there is a feeling in this House that our undertakings—the national undertakings—are not being managed efficiently. The returns that we are getting from them are not adequate. They compare very unfavourably with the returns that people get from private enterprises, from private initiative. There must be something wrong somewhere in the management of these undertakings. In Soviet Russia and other socialist countries the larger part of their resources comes from the profits of national enterprises and national undertakings. I do not know why in India our national enterprises and undertakings are languishing. I feel that an earnest attempt should be made to improve the management of these companies. Some of these undertakings operate on a small margin of profit. I do not see why the people of India should be deprived of adequate dividends from these undertakings. There is no reason, no logic, for operating some of these undertakings on a no-profit-no-loss basis, or on a very small margin of profit. I feel that earnest efforts should be made to improve the working of these and we should try to get as much profit out of these undertakings as possible.

Then there should be a strict watch kept on no-developmental expenditure. It is rather disquieting to find that civil expenditure of a non-productive kind has been growing at a very rapid pace. In 1955-56 it was Rs. 94 crores; in 1959-60 it was Rs. 233 crores and in 1960-61 it was Rs. 260 crores. When activities grow, expenditure is bound to grow, but then the expenditure is growing out of all proportion to the growth of activity.

Therefore, an attempt should be made to limit civil expenditure or expenditure of a non-developmental nature, and even in the case of developmental expenditure there is a case for keeping a strict watch. It was pointed out by one of the Member[^] opposite that when a project is framed it starts with a certain sum. Then it goes on increasing all the time and by the time it is implemented the estimates have increased fourfold or fivefold. There must be something wrong in this. I, therefore, feel that even on developmental expenditure a strict watch should be kept.

Lastly, Madam, whatever we do, whatever efforts we make, the abnormal rise in population nullifies much of the efforts that we put forth. We know that almost all countries in Europe, in the thirties, gave an artificial stimulus to population rise by providing fiscal incentives. We have to do something opposite. Is it not possible, cannot the Finance Ministry work out fiscal proposals, frame fiscal proposals in such a way that the growth of large families is discouraged, I feel some effort must be made in this direction, and in my opinion, unless this abnormal rise in population is checked, all our developmental activities will not produce the results that we expect them to produce Thank you.

THE DEPUTY CHAIRMAN: The House will sit through the lunch hour.

SHRI JAIRAMDAS DAULATRAM (Nominated): Madam, in dealing with the Budget one has unavoidably to recognise the fact that it is geared to our Five Year Plan. This is the position with regard to our last Budget and will be the position with regard to some of our coming Budgets, and because the Budget is geared to the Five Year Plan certain inevitable consequences follow. One of the consequences is that efforts have to be made to tap resources for the completion of such targets as are fixed for a particular year; therefore*,

[Shri Jairamdas Daulatram.] fresh taxation up to certain limits and of certain types is inescapable. If the Parliament has sanctioned the Plan and the people in general approve the plan, then one has to accept the position that there has to be some fresh taxation. This taxation, on the whole, is out of the fruit of the preceding year. This taxation is very much like ploughing back into the field a part of what we have received from the field. Therefore, the outcry in some quarters that there has been fresh taxation is a symptom of a way of political thinking which may not possibly appeal to everybody. Therefore, I feel that the attitude which we have to adopt generally of the present Budget is to accept the position that there is to be fresh taxation. I have taken some pains to study the criticism which has been levelled against the Budget and I feel, by and large, that the proposals contained in the Budget are governed by considerations of balancing the burden and of reasonableness and practicability. There is room for adjustment, modification and accommodation, and I hope that it will be possible for the Finance Minister to take into consideration all the criticism which has been levelled against the Budget and, as a result of such discussions as have taken place, to arrive at decisions which, to some extent, might lead to the modification of specific proposals.

I do not, therefore, propose to discuss the details of the Budget. But there are one or two important aspects of the Budget and the Finance Minister's speech to which I would like to refer. The Finance Minister has said in paragraph 4:

"Our Third Plan, which was launched a year ago, aims at raising our national income in real terms by some 30 per cent, over the five years. It also has to take us appreciably closer to the objective of a self-generating economy ■which can continue to develop at a

satisfactory rate without external aid".

This is an important statement, and I feel that it is in the vital interests of the nation that our economy should reach the self-generating condition as early as possible.

I feel that it is in the interests of the country, both economic and political, that it should become entirely self-dependent and rely upon its own resources for its future economy and its Plans, for the sake of the country's peace, progress and happiness. To the extent that we depend upon, aid from outside, to that extent we are not in the completely happy position of a really independent nation that we would like to be. After all, a certain amount of goodwill has to be maintained between any two parties which are in economic relationship of a continuing character. I do not know to what extent this factor unconsciously affects us. But I think that it is desirable that we should reach the self-generating condition of our economy as early as possible. I do not wish to elaborate this point further. But it leads to one other consequence. If we are to reach this self-generating condition early, there must be the maximum amount of understanding and goodwill and a spirit of co-operation between those of us who plan and those of us who have largely to implement the Plan. It is only when everybody who is at this common task feels that he has to function in an atmosphere of understanding and mutual help and co-operation that we can achieve our results. It is in this context that I would repeat the suggestion that I made on an earlier occasion, namely, that we should have periodic discussions in considerable detail in small committees representing the Planning Commission, the Ministries concerned and the implementers representing agriculture, industry, commerce, finance and other sectors of our economy, meeting not in an atmosphere

of attack and defence, criticism and defence, but meeting in an atmosphere of workers working for a common objective, and it is assumed that all citizens, whatever their official or unofficial position, feel inspired with the objective of making our country rich and happy. If this is the atmosphere which we can generate in our discussions in small committees of a widely representative character and review every year the position which has been reached, and deal with the difficulties which have been experienced, and the hurdles which have to be overcome, I have no doubt that we will probably be making greater progress than we have made so far and the rate of that progress also is likely to increase further.

There is another important statement in the Finance Minister's speech to which I would now refer. It is stated in paragraph 11;

"■...It seems to me desirable that industry in the private sector should exercise a greater measure of restraint in relying on bank finance. I say this not because I want to slow down the development of the private sector which is as much a part of our Plan as the public sector, but because private industry has available to it another source of finance which has, in the recent past, become exceedingly important. I refer to finance in the shape of equity capital. There was a time when it was difficult to get a new issue subscribed and only big commercial houses could afford to set up major enterprises. This situation is fast changing. The public at large, even people with modest incomes, are now investing in shares. This is a healthy sign which we must encourage."

I think there can be no doubt that there is this change visible in the composition of sections of the public which are investing in public com-

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panies. But I believe that the encouragement which is indicated by Government is not adequate for making a man of small means and a man of fairly modest means to participate in the industrial undertakings of the country. I do not claim that a step which encourages the vast mass of people to participate in private new companies is necessarily a *move* towards socialism. It may be, but whether or not it is a step towards socialism, it is in the interests of the vast mass of our people that they must become conscious of the fact that they are participating even as small shareholders in the industrial activity of the country. Even that is a definite gain. It is, in my opinion, even a political gain. Therefore, the Government should take every possible measure to encourage this. I have not got the figures—I wish the Government had made them available—of the number of persons who hold shares in various categories in the new companies, how many hold one single share, how many hold five shares, how many hold ten shares and so on. It is these statistics which will enable us to understand to what increasing extent the man of small means is participating in the new industrial activity of the country. The encouragements indicated in the Finance Minister's speech are these:

1 P.M.

"Government have been encouraging existing companies which wish to branch into new lines of production to start new companies."

But this, by itself, does not bring the small investor in. It may only bring in the larger investor. Then it is said further:

"In the floatation of new companies, there should be the maximum opportunity for public participation."

[Shri Jairamdas Daulatram.]

By saying that there is that opportunity, there is no definite encouragement for the small man to invest in the companies. It is then said:

"It seems also desirable that new companies should aim at raising a large proportion of the capital they need through equity shares rather than by loans as they did in the past. The pursuit of these policies could mean that the ownership of private industry will become more wide-based and the concentration of economic power will be reduced."

I am afraid this by itself will not achieve the result which is desired. Unless there is a specific, positive, concrete inducement to the small investor to invest in the companies, we will not achieve what we are aiming at, that is, the participation of the men of small means in the industrial activity of the country and I would suggest for the consideration of Government that they must understand correctly the significance of the failure of the Small Savings Scheme to come up to their expectations. I will not take up the time of the House but will merely state that Rs. 600 crores were expected but the Government apprehends that there is the possibility of the actuals being lower. The previous year's experience also has not been encouraging. I suggest that, just as was done in the case of new companies, we should, in the case of the small shareholder, exempt him from income tax on the dividends which he may earn on the small number of shares which he may have purchased. The principle of this has been conceded in the scheme which has been referred as the Cumulative Deposit Scheme run by the post offices. I lay great emphasis on this aspect of the proposals. I feel that unless the average citizen is brought more and more into the industrial activity of the country, we will not have the requisite atmosphere, will not have the requisite enthusiasm for some of

our schemes. Economic interest is a vital factor in affecting a person's emotion. This is the law of human nature. Therefore, I feel that some definite, concrete, specific inducement ought to be given to the small man to participate in industrial activity. I will go further than that. It may be a matter for consideration whether the small holder may not also have some kind of assured direct representation on the directorate of the companies. This, I believe, will be an important factor in enthusing the small man.

I will conclude with the suggestion—and I reiterate my suggestion—that the committees I propose of the Planning Commission, the Ministries and of the representatives of agriculture, industry, commerce, finance and other sectors of our economy, if held in an atmosphere of mutual cooperation will generate the necessary enthusiasm, create the desired conditions of mutual understanding and also enable each side to know how the co-operation of the other party can be ensured. This is in the interest of the progress and happiness of our country.

श्री नवाब सिंह चौहान : (उत्तर प्रदेश) :

उपसभापति महोदया, समयाभाव के कारण बजट के आंकड़ों में फंसना खतरे से खाली नहीं है इसलिये मैं एक-आध विषय पर ही अपने विचार सदन के सामन रखूंगा। माननीय वित्त मंत्री जी और उनके सहयोगी इस बात के लिये धन्यवाद के पात्र हैं कि वे इधर-उधर से धन एकत्र करके सरकार को और देश के तान-बाने को चलाने का प्रयत्न करते हैं और चलाते हैं। जो रुपया सरकार खर्च करती है उससे देश में बड़े-बड़े बांध बनाये जा रहे हैं, बड़े बड़े कारखाने बनाये जा रहे हैं और इस तरह से देश ने पर्याप्त प्रगति कर ली है। मुझे तो केवल इतना ही निवेदन करना है कि इतनी प्रगति होते हुये भी हमें कोने-कोने से, इधर-उधर से असंतोष की बात नज़र आती है। इस

लिये आवश्यकता इस बात की है कि जो खर्च हम कर रहे हैं उससे पर्याप्त अच्छे नतीजे हासिल हों और इस तरह की कोई चीज न हो जिससे असंतोष की बात सुनने को मिले। इसलिये हम सब लोगों का यह कर्तव्य हो जाता है कि इस तरह की जहां भी बातें होती हैं उनका कारण खोज निकाले।

अगर सरकार इस बात का प्रयत्न करेगी तो उसे यह मालूम होगा कि सरकार शिक्षा के ऊपर जितना खर्च कर रही है उसके अनुसार उतना अच्छा नतीजा नहीं निकल रहा है। आज उचित शिक्षा के अभाव के कारण हमारे चरित्र में एक संकट उत्पन्न हो गया है। अगर हम इस चीज को इस समय यहां पर ठीक करते हैं तो आप यह समझ लीजिये कि चाहे कितना ही रुपया बाहर से मंगाया जाये या इधर उधर से लिया जाये उसके अच्छे नतीजे नहीं निकलेंगे। आज हम देश में जहां-तहां कुछ न कुछ शिकायतें सुनते ही रहते हैं। सर्विस वाले कुछ शिकायत करते हैं, नेता लोग कुछ शिकायत करते हैं, किसान और मजदूर अपनी शिकायत अलग करते हैं, इस प्रकार से जनता में चारों तरफ एक विचित्र तरह से असंतोष की भावना फैली हुई है। इस शिकायत का कारण यही मालूम पड़ता है कि हमने अपनी शिक्षा-प्रणाली को ठीक करने की कोशिश नहीं की है। आज हम यह देखते हैं कि राष्ट्रपति से लेकर नीचे तक का आदमी यह कहता है कि हमारी शिक्षा-प्रणाली ठीक नहीं है। जिस तरह से देश की शिक्षा-प्रणाली होनी चाहिये उस तरह से वह नहीं है। नीचे के लोगों को साक्षर बनाया जा रहा है और ऊपर की जो शिक्षा है उसे नौकरी पाने का एक साधन बनाया जा रहा है। इसका नतीजा यह हो रहा है कि हमारे देश में बेकार आदमियों का एक दल खड़ा हो गया है। आजकल हमारे देश में जो शिक्षा प्रणाली जारी है उससे जनता के दिलों में न देश प्रेम की

भावना भरी जाती है और न ही उनके दिल में त्याग के जज्बात आते हैं। इसलिए जब तक यह चीज नहीं होती तब तक आप जिनता रुपया खर्च कर रहे हैं वह सब बेकार चला जायेगा और उससे कोई अच्छा नतीजा नहीं निकलेगा। इसलिए बेसिक चीज यह है कि हमारी दूषित शिक्षा-प्रणाली के कारण "क्राइसेस आफ चरिक्टर" चरित्र में संकट पैदा हो गया है। इसलिए जहां हम इतने कल-कारखाने बनाने जा रहे हैं, बांध बनाने जा रहे हैं, उसके साथ ही साथ हमें इन बुनियादी चीजों की ओर भी ध्यान देना चाहिये जिसके द्वारा हम अपनी जनता में त्याग की भावना भर सकते हैं। आज हम यह देखते हैं कि जिन देशों की जनता में त्याग की भावना भरी है वे ही आगे बढ़ते हैं और ऊपर उठते हैं। इसलिए हमें इस बात की कोशिश करनी चाहिये कि हम अपने देशवासियों का ठीक तरह से चरित्र-निर्माण कर सकें ताकि सब चीजें ठीक हों।

हम यह देखते हैं कि जब किसी तरह का कोई टैक्स लगाया जाता है तो आवाज उठने लगती है कि हम मर गये, हमें मार डाला गया। इससे क्या बात मालूम होती है? इससे हमें यह मालूम होता है कि हमारी शिक्षा की हो कमी है जिसने हमें त्याग की भावना नहीं सिखलाई। जब हमारी जेब से थोड़ा-सा पैसा जाने लगा तो हमें वह बुरा मालूम पड़ने लगा। हमें अपने पुराने इतिहास को देखना चाहिये जब राणा प्रताप ने घास की रोटियां खा करके दुश्मन से लोहा लिया था, मुकरात ने जहर का प्याला खुशी से पी लिया था, भगतसिंह देश की आजादी के लिए खुशी से फांसी के तख्ते पर लटक गये थे और महात्मा गांधी जी ने देश की आजादी के लिए अपना बलिदान दिया था। इन लोगों ने किस वजह से इस तरह का त्याग किया? इसका कारण यह

[श्री नवाबसिंह चौहान]

था कि इन लोगों के दिलों में देश प्रेम व त्याग की एक भावना थी जिसने उन्हें त्याग करना सिखाया। वे लोग समझते थे कि लोकोपकार के लिए और देश के लिए त्याग करना हर देशवासी का कर्त्तव्य है। जब तक इस तरह की भावना हर देशवासी के दिल में नहीं आती तब तक चाहे हम कितनी ही प्रगति क्यों न कर लें फिर भी हम असंतोष की आह भरते ही रहेंगे। इसलिए यह आवश्यक है कि शिक्षा-प्रणाली में आमूल-चूल परिवर्तन होना चाहिये। मैं इसे अपने शिक्षा विशेषज्ञों का दिवालियापन ही समझता हूँ जिन्होंने आज्ञादी के इतने वर्ष बाद भी शिक्षा-प्रणाली का कोई नया व ठीक तरीका ईजाद नहीं किया। वे अब भी अंधकार ही में चल रहे हैं और इस ओर कोई ध्यान नहीं दे रहे हैं। क्या वे लोग यह नहीं चाहते हैं कि हमारे देश में निर्माण कार्य हो और देश सही रास्ते पर चले? अगर वे इस तरह की बात सोचते तो अवश्य शिक्षा-प्रणाली में परिवर्तन करते जिसकी मांग ऊपर से लेकर नीचे तक का आदमी कर रहा है।

इसी के साथ-साथ भाषा का प्रश्न भी जुड़ा हुआ है। दुनिया का हर एक स्वाभिमानी देश अपनी भाषा से प्रेम करता है। लेकिन दुर्भाग्य से हमारा देश ही एक अपवाद है जहाँ विदेशी भाषा अंग्रेजी का प्रयोग किया जा रहा है। किसी विशेष सुविधा अथवा आवश्यकता के कारण नहीं वरन् अपनी भारतीय भाषाओं के प्रति प्रतिशोधात्मक भावना से प्रेरित हो कर। जैसे बट वृक्ष के नीचे कोई अन्य पौधा नहीं पनप पाता, उसी प्रकार आज इस अंग्रेजी भाषा के नीचे भी कोई भी भारतीय भाषा नहीं पनप पा रही है। उसका नतीजा भयावह होता है, खतरनाक होता है। हर एक क्षेत्र में आप जितना साहित्य निकालते हैं, वह अंग्रेजी में निकल रहा है। यहाँ तक

कि ऐंग्रीकल्चर का साहित्य भी अंग्रेजी में निकल रहा है। गांवों में रहने वाले लोग ८३ फीसदी हैं। उनमें कौन अंग्रेजी पढ़ा है? अंग्रेजी पढ़े-लिखों की माइनागिटी है। वे एक पर-सेंट भी नहीं हैं। एक पर-सेंट से भी कम हैं। क्या आप उनके लिए तमाम साहित्य बना रहे हैं? जिसको पापुलर साइंस कहते हैं, उसको किसानों को बतलाने के लिए आप अंग्रेजी में पेम्पलेट निकालते हैं। इसी लिए प्रोडक्शन पर उसका असर पड़ता है। जो ज्ञान आप किसानों को देना चाहते हैं, वह नहीं दे रहे हैं।

जिस तरीके से अंग्रेजों के जमाने में था कि हमारे बहुत से कर्मचारी एक ही काम करते थे, एक सार्जेंट होता था, एक सिपाही होता था, एक को ज्यादा तन्स्वाह मिलती थी और एक को कम तन्स्वाह मिलती थी और उनमें बहुत भेदभाव होता था। उसी तरीके से हमारी भाषाओं के साथ भी भेदभाव होता है। उदाहरण के तौर पर मैं आपसे इस सम्बन्ध में कुछ बतलाऊंगा। वैसे हर जगह ऐसा होता है, लेकिन एक मिनिस्ट्री मैं लेता हूँ। उदाहरण के तौर पर इन्फॉर्मेशन एंड ब्राडकास्टिंग मिनिस्ट्री आप ले लीजिये। यह वह मिनिस्ट्री है जिस से गवर्नमेंट का प्रचार होता है। इसमें विभिन्न शाखाएं हैं—ए० आई० आर० है, पी० आई० बी० है, पब्लिकेशन डिविज़न है, डायरेक्टोरेट आफ एडवर्टाइजिंग एण्ड विज़ुअल पब्लिसिटी है, फील्ड पब्लिसिटी आर्गनाइजेशन है, रिसर्च एण्ड रेफ़रेन्स डिविज़न है और फिल्मस डिविज़न है। उनमें भी दो पक्ष हैं, एक अंग्रेजी का और दूसरा देशी भाषाओं का। देशी भाषाओं के पक्ष में आप बड़े-बड़े लेखक, कवि, पत्रकार और नाटककार पायेंगे और अंग्रेजी पक्ष में आप कोई भी ऐसा आदमी नहीं पायेंगे, जो कम से कम किसी अच्छे पत्र में सब-एडिटर से ऊँचे पद पर रहा हो। फिर भी भाषा के लोगों का जो दर्जा है, वह बहुत

नीचा है। भाषाओं की तरफ जो कर्मचारी भर्ती किये जाते हैं, वे असिस्टेंट जर्नलिस्ट की हैसियत से भर्ती किये जाते हैं, या सब-एडिटर की हैसियत से भर्ती किये जाते हैं, और जितने भर्ती किये जाते हैं, उनमें से ५० फीसदी कोई तरक्की नहीं कर पाते हैं और उसी पद पर रिटायर होते हैं। कुछ थोड़े से लोग ही तरक्की कर पाते हैं। किन्तु अंग्रेजी साइड के लोग असिस्टेंट जर्नलिस्ट के पद पर भर्ती होते हैं और डा० पी० आई० ओ० होकर, जिसकी तन्खाह १,२०० रुपया मासवार है, रिटायर होते हैं। साथ ही साथ जो असिस्टेंट एडिटर अथवा ए० आई० ओ० के पद पर भर्ती होते हैं, वे जल्दी तरक्की करके एडिटर अथवा इंफॉर्मेशन आफिसर हो जाते हैं। उनको तरक्की करने में पांच साल से ज्यादा नहीं लगते हैं। जो बेचारे लैंग्वेज साइड के लोग हैं वे वैसे ही तड़पते रहते हैं और उनकी कोई भी तरक्की नहीं हो सकती है।

बड़े ताज्जुब की बात है कि जहां भाषाओं का साहित्य निकाला जाता है, वहां जो डिप्टी प्रिंसिपल इंफॉर्मेशन आफिसर और डिप्टी डाइरेक्टर, पब्लिकेशंस डिवाजन हैं, उनको भारतीय भाषाओं का ज्ञान होना लाजिमी नहीं है, आवश्यक नहीं है। कैसी ताज्जुब की बात है, कैसी आश्चर्य की बात है कि जो शक्स इंचार्ज है तमाम ऐसे प्रकाशनों का, तमाम ऐसी पुस्तकों को निकालने का जो देशी भाषाओं में निकाली जाते हैं, उसके लिए यह शर्त नहीं लगाई गई है कि उसे भाषा का जानना बहुत जरूरी है। इसी तरह से पी० आई० बी० में जितने डिप्टी पी० आई० ओ० हैं, जो ११ सौ से १२ सौ तक तन्खाह पाते हैं वे सब अंग्रेजीवादी हैं, यानी जहां भाषाओं का काम होता है वहां भी यह आवश्यक बना दिया गया है कि हर एक शक्स के लिए अंग्रेजी का ज्ञान होना बहुत ज्यादा जरूरी है।

इसी तरीके से हम देखते हैं कि पी० आई० बी० के जो रीजनल आफिसेज हैं, जो क्षेत्रीय

दफ्तर हैं वहां की क्या हालत है। लखनऊ का दफ्तर पहले डिप्टी पी० आई० ओ० के चार्ज में था जिसकी तन्खाह १२ सौ से १६ सौ तक होती है। जब तक कोई अंग्रेजी का दफ्तर रहता है, तब तक यही व्यवस्था रहती है, लेकिन अगर वह हिन्दी, मलयालम, तमिल इत्यादि भाषाओं का दफ्तर हो जाये तो वह फौरन ए० आई० ओ० के नीचे हो जाता है जिसकी तन्खाह ३५० से ८०० रुपये तक होती है। तो ऐसा हुआ कि लखनऊ में जब तक अंग्रेजी का दफ्तर रहा तब तक वह डिप्टी पी० आई० ओ० के नीचे रहा और जब वह हिन्दी का दफ्तर हो गया, तब वह ए० आई० ओ० के नीचे हो गया। इस प्रकार राजस्थान, पटना और लखनऊ में जहां हिन्दी के दफ्तर हैं, वहां वह ए० आई० ओ० के नीचे हैं। इसके अतिरिक्त इन हिन्दी के दफ्तरों में भी अंग्रेजी के जर्नलिस्ट हैं जिनकी लोक सेवा आयोग से खास तौर से भर्ती होती है। यह ताज्जुब की बात है कि जिस क्षेत्र में काम करने वाला कोई अधिकारी होता है, वह उस क्षेत्र की भाषा नहीं जानता है। नमूने के तौर पर मैं बताऊं कि केरल का जो पब्लिसिटी आफिसर है वह मलयालम नहीं जानता है। यह हमारा सलूक अपनी भारतीय भाषाओं के प्रति है। देखने की बात यह है कि अंग्रेजी के मुकाबिले में हम किस तरफ से अपनी भाषाओं को नीचे ले जा रहे हैं।

मैं एक बात और यह कहना चाहता हूं कि अंग्रेजी में जो प्रथम श्रेणी के आदमी हैं, जो फर्स्ट ग्रेड के आफिसर हैं, उनकी संख्या काफी है। लेकिन जो १४ इंडियन लैंग्वेज हैं उनके लिए सिर्फ छः ऐसे आफिसर हैं। मैं यह जानना चाहता हूं कि जितना काम पब्लिसिटी, प्रचार का है वह भारतीयों के लिए होता है या अंग्रेजी के लिए होता है? क्या वजह है कि अंग्रेजी के प्रथम श्रेणी के

[श्री नवाबसिंह चौहान]

अनेक पद हैं जबकि १४ भारतीय भाषाओं के लिए केवल छः पद ही हैं।

मैं आपको बतलाना चाहता हूँ कि जितने भाषा के कर्मचारी हैं उनमें से ६० प्रतिशत चतुर्थ श्रेणी के हैं, क्लास फोर के हैं। तो भारतीय भाषाओं के जो कर्मचारी हैं उनमें बहुत बड़ी तादाद क्लास फोर कर्मचारियों की है और जो अंग्रेजी वाले हैं उनमें सबसे ज्यादा तादाद गजेटेड आफिसरों की है। इसलिए मैं थोड़े से समय में कहाँ कितने गजेटेड आफिसर हैं, उनके आंकड़े बतलाना चाहता हूँ। ए० आई० आर० में अंग्रेजी में सब गजेटेड आफिसर हैं भाषाओं की शाखा में कोई गजेटेड आफिसर नहीं है। पी० आई० बी० में प्रायः जर्नलिस्ट गजेटेड हैं जो पेपर मार्क करता था, वह भी गजेटेड था। लेकिन भाषा शाखा में प्रायः सभी स्टाफ असिस्टेंट जर्नलिस्ट लेवल पर नानगजेटेड हैं। पब्लिकेशन्स डिविजन में अंग्रेजी शाखा में केवल एक ही नानगजेटेड सब-एडिटर की पोस्ट है और वह भी भरी नहीं गई है। जहाँ तक भाषा शाखा का सम्बन्ध है, हिन्दी, उर्दू को छोड़ कर किसी भाषा का एडिटर गजेटेड नहीं है और अनेक नानगजेटेड सब-एडिटर्स हैं। इसी तरीके से फील्ड पब्लिसिटी में अंग्रेजी शाखा में कोई अंग्रेजी जानने वाला नानगजेटेड नहीं है। हर एक जो अंग्रेजी जानता है, वह गजेटेड है। जहाँ तक भाषाओं का सवाल है, तमाम रीजनल पब्लिसिटी आफिसर्स अंग्रेजी साइड के हैं और क्षेत्रीय भाषाओं से अनभिज्ञ हैं। इसी तरीके से रिसर्च और रेफरेंस में अंग्रेजी साइड में अगर देखा जाये तो प्रायः सभी गजेटेड हैं और भाषाओं के लिये कोई इस तरह का पद नहीं है। डाइरेक्टर आफ एडवर्टाइजिंग एंड विजुअल पब्लिसिटी में अंग्रेजी साइड में कोई भी नानगजेटेड आफिसर नहीं है और जहाँ तक भाषाओं का सवाल है उनमें कोई गजेटेड आफिसर नहीं है इसके साथ साथ जो काम अंग्रेजी के दो क्लास १ आफिसर, जिनको ७०० से १०००

रुपये तक तन्स्वाह मिलती है, और दो क्लास २ के आफिसर जिनको ३५० से ८०० रुपये तक तन्स्वाह मिलती है, मिल कर करते हैं, उतना काम भाषा के एक सब-एडिटर को करना पड़ता है।

इसके अतिरिक्त यू० पी० एस० सी० में अंग्रेजी के पदों पर विज्ञापित संख्या से अधिक लोग लिये जाते हैं। जो अंग्रेजी पदों के लिए छांट होती है, उसमें एक आदमी के लिए अगर कहा जाता है तो दस रख लिए जाते हैं और जहाँ लैंग्वेज के लिए छांट होती है वहाँ जितने के लिए कहा जाता है, उतने भी नहीं रखे जाते हैं। आपकी जानकारी के लिए कुछ आंकड़े मैं यहाँ दे रहा हूँ। इंग्लिश इंफार्मेशन आफिसर्स की तीन या चार जगहों के लिए एडवर्टाइज किया गया और दस आदमी लिये गये। असिस्टेंट इंफार्मेशन आफिसर्स की छः जगहों के लिये एडवर्टाइज किया गया और बीस आदमी लिये गये। इसी तरह से असिस्टेंट न्यूज एडिटर्स की छः जगहों के लिए एडवर्टाइज किया गया और ३० आदमी लिये गये। और लैंग्वेज इन्फार्मेशन असिस्टेंट्स की पोस्ट्स के लिये एडवर्टाइजमेंट किया और तीन का टेस्ट्स भी लिया गया लेकिन कोई एप्वाइंटमेंट अब तक नहीं हुआ है। यह तो बराबर इसलिये करते रहते हैं कि लोग यह समझें कि मिनिस्ट्री भी लैंग्वेज के बारे में कुछ ध्यान दे रही है। इसलिये मैं आपसे यह कह देना चाहता हूँ कि इसी तरीके से सेंट्रल इंफार्मेशन सर्विस में कोई भी आदमी ऐसा नहीं है। द्वितीय श्रेणी के २६ आदमियों की पिछले वर्ष छांट हुई थी सी० आइ० एस० के लिए, उसमें २०० नम्बर एक रखे गये थे और १०० नम्बर रखे गये थे इंडियन लैंग्वेज के ज्ञान के लिए लेकिन बाद में यह कर दिया गया कि यह जो १,०० नम्बर लैंग्वेज के हैं ये पास होने वाले अंकों में जोड़े नहीं जायेंगे। तो यह भेदभाव था जहाँ यू० पी० एस० सी० से छांट होती है वहाँ भी हो रहा है। ऐसे यहाँ भी लैंग्वेज की बहुत दुर्गति है। इसी तरीके की

चीज दूसरे स्थानों पर और दूसरी मिनिस्ट्रीज में भी है। लेकिन अगर यह चीज इन्फार्मेशन एंड ब्राडकास्टिंग मिनिस्ट्री में, सूचना तथा प्रसारण मंत्रालय में होती रहेगी, जिसके नीचे पब्लिसिटी व प्रचार विभाग और आल इंडिया रेडियो व उसकी शाखाएँ हैं, तो बड़ा खतरा है। परिणामस्वरूप भारतीय भाषाओं की तथा उनके कर्मचारियों की इतनी ही दुर्गति होती रहेगी ?

यह बार-बार कहा गया था कि देश आज़ाद हो जायेगा तो जिस तरह से देश की जनता आज़ाद हो जायेगी उसी तरह से हमारे देश की भाषायें भी आज़ाद हो जायेंगी लेकिन हम देखते हैं कि उनकी आज भी वही पराधीनता है और आज भी अंग्रेज़ी के नीचे दबी हुई भारतीय भाषायें कराह रही हैं। जब तक शिक्षा का तरीका नहीं बदलता है और भारतीय भाषाओं का उत्थान नहीं होता है तब तक सब बेकार है। हमारे अंग्रेज़ी विशेषज्ञ कहते हैं कि हमारा स्टैंडर्ड गिर जायेगा, हम विज्ञान और टेक्नालोजी की शिक्षा कैसे पायेंगे अंग्रेज़ी तो एक साइंस की भाषा है ? मैं समझ नहीं सकता हूँ कि उनको किस तरीके से सिर्फ अंग्रेज़ी में ही ज्ञान का भंडार दीखता है।

(Time bell rings)

मैं अभी खत्म करता हूँ अगर ऐसा होता तो बहुत से दूसरे देश, रूस, जापान आदि, कैसे विज्ञान की शिक्षा लेते। इसलिए मैं प्रार्थना करूँगा कि शिक्षा-पद्धति को बदलते हुए अपनी देशीय भाषाओं को उचित स्थान दिया जाये और सभी मिनिस्ट्रियों में और खास तौर से जो सूचना तथा प्रसारण का मंत्रालय है उसमें देशीय भाषा वालों को न्याय दिलाया जाये और इसके लिये एक कमेटी मुकर्रर करें जो कि इस बात की जांच करे और इस ज्यादाती को मालूम करे जो कि इस मंत्रालय में और दूसरे मंत्रालयों में देशीय भाषा के लोगों के साथ हो रही है।

PROP. A. R. WADIA (Nominated): Madam Deputy Chairman, we have got two enemies, one in the north and one in the west. Our resources are very limited but our ambition is sky-high. Taking into consideration all these factors it will be extremely difficult to produce a budget which would please all sections of this House or all sections of the public in India at large. In spite of all these difficulties I am very happy to say that the hon. Finance Minister has succeeded in producing a Budget which is on the whole very satisfactory. It contains a good mixture of sugar and pepper.

I should particularly like to congratulate him on the courage that he has displayed in abolishing the expenditure tax which has been aptly described by the hon. Finance Minister himself as ineffective as a source of economic restraint and unattractive as a source of revenue. As a matter of fact, when this tax was introduced some five years ago many of us opposed it but unfortunately the Finance Minister of the day carried the day. Now, it seems to me that this tax was particularly ill-advised. In fact, it was almost a sign of our political and economic immaturity that this tax came to be imposed at all because it had not been imposed in any other country. Of course, the communist countries could not possibly have an expenditure tax. Even the wealthy countries like America and Britain which could have had this expenditure tax fought shy of it for very sensible reasons. In spite of that we went in for this dangerous experiment and I am very very happy that the Finance Minister has had the moral courage to own up a mistake and abolish this tax none too soon.

Well, we are all conscious of our dwindling sterling balances and the difficulties created in the matter of foreign exchange. In this connection I shall briefly refer to two or

[Prof. A. R. Wadia.]

three items. Tourism is a very fertile source of earning foreign exchange. I find that the Government is making some attempts at popularising tourism but enough is not done. Take, for example, a place like Agra which draws visitors from all over the world and many of them go to Agra by plane. Now, the condition of the Agra airport is absolutely disgraceful. The office there and the building which houses that office is an eyesore. I am glad that a new building has been put up but I have been seeing that building for the last six months but no use is made of it. Still that old structure continues. Now, if I were a foreigner and if I were to go to Agra and land at such an airport I would carry away a very poor impression of the country, I wonder what great difficulty is there in doing away with that ugly structure and making use of the new building.

Then, there is another difficulty standing in the way of the tourists and that is the customs or rather the manners of our customs officers. My friend, Mr. Govinda Reddy, was an eye-witness to the way in which some French tourists were treated by the customs officers in Bombay. It has been my personal experience that the Bombay customs is about the worst in the world to deal with and I have been practically all over the world. A little more of courtesy and a little more of understanding would go very far to attract visitors. In fact, these French visitors were dealt with so very badly that they said that if they had known it they would not have cared to come to India and if they said this to their countrymen too I am perfectly certain that instead of attracting tourists we would be driving them away.

SHRI BHUPESH GUPTA: I was in France and when I landed at the Orly airport I did not see they were behaving any better. They were also behaving similarly and therefore the

Franchmen should be the last people to get upset by whatever treatment they get. I agree our customs officers should behave properly but I do not think you should make out that the French are very very good as far as customs is concerned. I have had personal experience of how they treat foreign travellers and I was subjected to the same kind of treatment. There was no courtesy.

PROF. A. R. WADIA: I am sorry but that does not mean that we should follow the French in this respect. We can certainly set better standards of courtesy and manners and our country is well known for it.

Then there is a difficulty connected with prohibition. I think the prohibition rules as far as the foreigners are concerned ought to be considerably relaxed. There ought not to be a sense of humiliation that by coming to India they were exposing themselves as sinners by having to ask for permits or permission to drink.

There are a number of places in India which could only be reached by railways and if you want to attract foreign tourists there should be conveniences for them by providing air-conditioned coaches which is not unfortunately done. There are many ways in which tourists can be attract- -ed to India.

Another matter is about the granting of foreign exchange. Now, I believe it is the declared policy of the Government to discourage sending delegations because that would imply spending of foreign exchange. But in spite of that delegations are going. Very recently I myself had a very unhappy experience. The Indian Conference of Social Work was allowed to send an Indian delegation to Pakistan. Permission was given and in fact travel grants were paid by the Government of India. And it was intelligible because that was paid in rupees but unfortunately when Indians go to Pakistan they

cannot live on air. Something has to be spent. When we asked for foreign exchange we did not get it. Now, I do not mind not getting it. We applied for it but there was not even the courtesy of a reply to it as to whether we were going to get it or not. If we had been plainly told that we would not get this foreign exchange some of us might have changed our mind and might not have cared to go at all. Instead of that they simply sat quiet. We were told we would get it tomorrow, then the next day and then the day after tomorrow and that after we left the foreign exchange permit would follow us to Karachi. Nothing of that sort happened. Personally, I had my relations and so I was spared the humiliation of begging but we can imagine the difficulties of Indians who go to foreign countries with Rs. 75 in their pockets.

SHRI BHUPESH GUPTA: I want to know one thing because it is important. Did the Government sanction that you should go?

PROF. A. R. WADIA: Yes.

SHRI BHUPESH GUPTA: Then it is a serious matter, Madam.

PROF. A. R. WADIA: Well, then it follows that a certain amount of foreign exchange will have to be given, or do not give permission at all. Do not give any travel grant.

The third thing in this connection that I should like to refer to is a very important matter and that is the import of drugs. Now, this is a matter of life and death. In order to save foreign exchange, to tighten up the import of even most important drugs, I would say, may be financially sound, but from the human standpoint, it is most cruel. I would appeal to the Government to be a little more generous, a little more imaginative in this respect. It

is no use leaving it merely to the Finance Ministry to say what drugs shall be imported and what drugs shall not be imported. In an important matter like this they might as well consult the medical profession itself, as to what are the drugs that they would like to be imported into India. Of course, there are many drugs which are manufactured in India now. By all means give them protection. By all means do not allow the import of these drugs, but we are not producing all the drugs and, therefore, a little use of common-sense in this matter would be particularly welcome.

Lastly, I find that the tax on cars . . .

SHRI M. M. S. SIDDHU (Uttar Pradesh): Regarding shortage of drugs, as far as I understand, India has got an abundance of drugs which are being misused.

PROF. A. R. WADIA: Well, Sir, I have myself made enquiries about one or two drugs. They are not available because they are not allowed to be imported.

Madam, then there is the tax on cars, which has been raised from 100 to 150 per cent. This is what I would call 'pepper', but I am glad that the Finance Minister has also added a little sugar by relaxing the fixed tax of Rs. 6,000 so as to encourage the import of small cars or used cars. We are thankful to him for this little mercy.

Now, I think there is a good deal of need for co-ordination in our Government. Take, for example, education. I feel extremely sorry that the Ministry of Education, which should be one, has been bifurcated. I feel it is almost as bad and even in a sense worse than the vivisection of our country, which has subjected us to so many disadvantages. It is a tragedy for all of us that in regard to education the main responsibility rests with the States and not with the Centre. Now, I can understand

[Prof. A. R. Wadia.]

it being followed by the British, because they were not interested in the unification of India. Education is the one means of developing the integration of India and, therefore, it should have been left to the Centre, at least the universities. Now, what I find is that there is an unhealthy competition going on. Take, for example, this. There are a number of scholarships which have been awarded by the UGC. For the same subjects the Ministry of Scientific Research and Cultural Affairs has also instituted scholarships, a little higher in amount. What happens is the UGC awards a scholarship to a particular person. That person has also applied to the Ministry of Scientific Research. He gets this scholarship. Therefore, he immediately gives up the scholarship of the UGC, because of its lower amount. Now, this sort of competition is most unhealthy. Surely the money after all comes from the same source, the Government of India, and there should be definite co-ordination. There should not be overlapping of this type. The same thing is happening in the field of social welfare. We have got the Central Social Welfare Board. We have got the Indian Council of Child Welfare. For the tribals we have got the Tribal Welfare Board. Now, there is a good deal of overlapping in these different Boards and I do not see any reason why there should not be a definite co-ordination between these different Boards. In fact, it would be much better if there was a certain amount of co-ordination.

I am very happy that there is an increase in the dearness allowance of those getting less than Rs. 400 per month. We know the rising prices. We appreciate the difficulties of the people and we are grateful to the Government for this concession. But I wonder why the Government has been persistently overlooking the claims of poor pensioners. I am not talking of pensioners who get a very

high pension, but pensioners who get less than Rs. 100 or even less than Rs. 200. They are in a very miserable plight and I do appeal to the Government to take their case into consideration. After all, they have rendered loyal service to the Government, they have served the country to the best of their capacity and when the time for superannuation came, they retired. They have a right to expect that they should live in decent comfort. So, I do appeal that a certain generous attitude might be taken in connection with the pensioners.

The Finance Minister is very despondent about the small returns in small savings. I am not surprised at it. With high prices and high taxation, I do not know what people can save, especially poor people and the small savings are expected to come from the poor people. I very heartily support the suggestions made by Shri Jairamdas Daulatram just now about encouraging small investors. I am very happy to note that the Finance Minister does not adopt a stepfatherly attitude to the private sector, because both the public sector and the private sector are absolutely necessary. The public sector has a great advantage in that it practically commands a certain amount of monopoly in the various items that it takes up and yet we know that the results of the public concerns are most discouraging. The National Projects Construction Corporation has been, unfortunately, marked by very inefficient management, by high quotations, which preclude its competition with others. There are delays in the execution of the work and it is small wonder that the dividend it has declared is only round about one per cent, which compares very unfavourably with the dividends declared by the private sector. Now, even last year I pleaded that if the public sector was to run its business in an efficient manner, it must have the proper type of men. Revenue officers may be extremely efficient officers, but they are not quite the

right persons to deal with big business problems and it is very necessary to build up a cadre of business people, so that they could be utilised to fill the high managerial offices in the various Government concerns. Planning, again, is very unrealistic in several ways, as for example in the case of coal.

I am very sorry to note that the encouragement which was given to new industries has now been taken away. New industries for five years were exempted from wealth tax and that exemption has been taken away. I think it is a move in the wrong direction, because new industries do require a little bit of tender care. It has to overcome many difficulties which every new industry has to face. And if you want to encourage new companies, it is but fair that full encouragement should be given to them.

I congratulate, on the whole, the Finance Minister on his treating the private sector not as a step-child, nor as a Cinderella. His advice to private companies not to depend on loans is good, but that advice applies equally well to the Government and the public sector. They should not depend too much on foreign loans which will, at one time or other, prove a handicap to our country.

So far as the indirect taxes are concerned, I do not blame the Finance Minister for raising the tax here or lowering it there, but I do not share his optimism that the consumers will not suffer. The Consumers are bound to suffer. Years ago a friend of mine in business told me that if the Government raised the tax by one anna, they would raise their price by two annas; and I am afraid that that mentality still persists, so that howsoever the taxes be raised they will be passed on ultimately to the consumer, and that means the common man, the average man.

- Some reference was made to doing away with the privy purses of the

Princes, but I am stoutly opposed to it.

SHRI BHUPESH GUPTA: Why?

PROF. A. R. WADIA: It is not fair. It may be the ethics of the Communist Party to take away things like that by a stroke of the pen, but it will not do for the Congress Party, which has its own high ethics, to follow that example. After all it was a matter of an agreement between the Princes on the one hand and the Government on the other. After all we should realise that these are diminishing payments, and as years go a time will come when nothing will have to be paid.

SHRI BHUPESH GUPTA: Rupees-fifty lakhs are paid . . .

PROF. A. R. WADIA: Mr. Bhupesh Gupta has had his say, and I think it is my time to say something about it now.

THE DEPUTY CHAIRMAN: Your time is almost over.

PROF. A. R. WADIA: There is just one more question to which I should like to refer.

SHRI BHUPESH GUPTA; Marahani Gayatri Devi would plead for her privy purse. Why should a Professor speak for that?

THE DEPUTY CHAIRMAN: Let him have his opinion.

PROF. A. R. WADIA: I have my own ethics. I cannot forget that we cannot sacrifice morality for politics even if it means a little more income.

Madam, we had the misfortune to listen to the speech of Mr. Annadurai the other day. I am very happy that all sections of the House have opposed it including Mr. Bhupesh Gupta, and I congratulate him on it. But if there is one good that his speech has done, it is to give a warning to the Indian patriots who talk too much about

[Prof. A. R. Wadia.] Hindi as was done only a few minutes before by my friend, Mr. Nawab Singh Chauhan. It is a warning to them not to overemphasize the importance of Hindi. After all English has played a very great historic role, and it is no use grudging the eminence of the English language which it enjoys at the present moment or the eminence that the English-knowing people enjoy at the present moment. I do wish that if the lovers of Hindi or other Indian languages really want to do good to these Indian languages, they should refrain from attacking English. There are one hundred and one ways of encouraging our own languages. By all means do it, it is our sacred duty, it is our sacred mission, but do not try to run down any other language because that creates a sense of frustration.

Madam, I do not wish to say anything more except this. I am glad that the Budget on the whole is a good one. It holds a balance between agriculture, the importance of which is recognised by the Finance Minister, and industry. It holds a balance between the public sector and the private sector, and finally between the different classes of the taxpayers.

SHRI BHUPESH GUPTA: Madam, one question I would like to ask him with your permission. The hon. Member said, and I brought it to your notice, that he went to Pakistan on a delegation approved by the Government of India but was not given any foreign exchange. I ask him whether he had brought 'this matter to the notice of the Chairman of this House, because he is a Member of this House, and he is also a member of the University Grants Commission; but I am concerned with the subject because he is a Member of the House who went on an approved delegation to Pakistan, and he was not given any foreign exchange whatsoever. I consider it a serious matter, and the Finance Minister should furnish a proper explanation to the serious statement

he has made, and you, Madam, should also take notice of it. If Members of Parliament are treated in this manner by the Government, you can only imagine how others are being treated.

PROF. A. R. WADIA: I should like just to offer a word of explanation. I did not go to Pakistan as a Member of the Rajya Sabha or as a member of the University Grants Commission. I was deputed by the Indian Confer, enee of Social Work. So, the two things should be properly distinguished.

SHRI BHUPESH GUPTA: Still you are a Member of Parliament and you went on a delegation approved by the Government of India.

THE DEPUTY CHAIRMAN: Mr. N. K. Das.

SHRI N. K. DAS (Orissa): Madam Deputy Chairman, the discussion on the Budget comes immediately after the discussion on the President's Address given to a joint session of both the Houses of Parliament. The scope of the two discussions is almost the same, a review of Government's policy underlying its programmes of activity. The budget is not merely a statement of Government's receipts from revenue and other sources and its disbursements. It represents, broadly speaking, a true picture of the Government's social and economic objectives and the policy governing all its activities. An indication of this policy we get from the President's Address and also from the Budget. Hence I consider that the two discussions have the same scope and cover the same ground. It will not be wrong, therefore, to treat the discussion on the Budget as a continuation of the discussion on the President's Address.

The budget is an annual affair. Every year prior to the introduction of the budget various sections of the public indulge in a lot of guess work and forecasts as to the taxation proposals that the new year is likely to

bring. The business community makes it a point not to miss the opportunity of reaping a rich harvest out of it. Without waiting for the budget proposals and for the Finance Bill to be passed by Parliament, they go on stepping up the prices of some essential commodities before the commencement of the year to the great harassment of the public. They take no notice whatsoever of a little bit of relief which may accrue to the consuming public as a result of the new proposals but concentrate on fleecing the public in respect of other commodities for which an increase may have been proposed. This is an unfortunate state of things which our people have to undergo year after year. One fails to understand if it is beyond the power of the authorities to put a stop to this mischievous evil and save the people from the clutches of the business community. I would respectfully ask the Finance Minister to seriously apply his mind to this aspect of the question.

Now, I come to the Budget. I have made a close study of the Budget and I have also read carefully the speeches which the Finance Minister was pleased to deliver while presenting the interim Budget and also while presenting the full year's Budget. As usual, the Budget contains many taxation proposals, some of which are direct and some of which are indirect.

The Finance Minister has taken considerable pains to explain the significance of the taxation measures in the light of the enormous development programmes that we have proposed to undertake to work out the Third Five Year Plan, keeping in view the limitations of the Government's borrowing power from the market. Opinions may differ and, as a matter of fact, do differ as to the desirability of, and our country's capacity for, bearing the additional burden. But a Finance Minister has no other go but to devise more and more taxation measures to keep up

the tempo of the development programmes launched in the country. In this connection, I beg to draw the attention of the House to the following pertinent observations of the Finance Minister towards the close of his speech: /

"Higher levels of taxation no-doubt impose a burden of sacrifice on our people. The point to remember is that there are only two alternatives to such taxation— inflation or stagnation. Without the requisite tax effort we would have to face either an upsurge of prices which would impose a much bigger and much less equitable burden on the community, or a prolongation of our poverty due to a slowing down of our development. It is against this background that I would ask the House to consider and support my budget proposals."

Therefore, it has to be borne in mind that taxation and more and more taxation is a necessary concomitant of our expanding and developing economy, and there can be no escape from it so long as we are pledged to appreciably ameliorate the living conditions of our people so as to catch up with the rich and prosperous countries of the world. The only thing to be guarded against in this connection is that the additional wealth created in the country is equitably distributed among all sections of the people and the whole or bulk of it does not find its way into the pockets of the privileged few. Once the paying capacity of the people is increased, they will not grudge the additional taxation.

The following are some of the outstanding features of the Budget and I hope that they will secure the general approval of the House:

1. The Finance Minister's heroic efforts to almost completely wipe out the revenue deficit.
2. The abolition of the expenditure tax altogether and the

[Shri N. K. Das.]

devising of other ways and means to secure the basic objectives of the tax.

3. The proposed increase of the wealth tax and the discontinuance of the exemption on shares held in new companies as provided in the Wealth Tax Act.
4. The reduction of excise duty on grey unbleached cotton fabrics.
5. The reduction of the surcharge on income-tax on salaries and pensions and raising of the exemption limit for provident fund contributions and insurance premia to Rs. 10,000.

I need not refer to the other features of the Budget which are more or less of a routine or common-place nature, some changes here and some changes there. I, therefore, consider the Budget of Shri Morarjibhai to be almost on the lines of the Budgets of Sir Shanmukham Chetty, Dr. John Mathai, Dr. Deshmukh and Shri T. T. Krishnamachari—no better, no worse. Personally speaking, I hold on to the view that having regard to the conditions of mal-adjustment existing in our present society which constitute a potential source of discontent, a revolutionary budget to bring equilibrium where there is disequilibrium is the need of the hour. But a revolutionary budget cannot be had at mere will. A revolutionary budget presupposes a revolutionary mind to work out the same, and that is a thing which is unfortunately absent. In the context of the present state of things, therefore, a revolutionary budget will have no meaning other than purely theoretical and academic.

I have already said that increased scale of taxation is a necessary concomitant of the planned economy we have been pursuing in the country. It has also been stated by me that

people will cheerfully bear the burden of additional taxation once they feel that they are much better off than before materially speaking and that there is an all-round even distribution of the additional wealth created in the country as a result of the implementation of the successive Five Year Plans. But what is the position today? Has the additional wealth released from the Plans percolated to all sections of the people in a fairly equitable measure? There cannot but be a negative answer to this question. I should, however, make one thing clear. I do not believe in the assertion that the successive Plans have resulted in making the rich richer and the poor poorer. I can speak from experience, and anybody who has actually seen and moved among the poorer sections of the people can know it for himself that there has been improvement, even considerable improvement in the condition of living of the poor classes of people. But this improvement pales into insignificance when compared with the marked and spectacular improvement of the rich and the privileged classes of people. In the good old British days, we had our Rajahs, Maharajahs, Zamindars and Talukdars. They had all faded away or are on the process of fading away.

SHRI BHUPESH GUPTA: They are very much here.

SHRI N. K. DAS: But in their place a new class of people, rich and privileged class of people, has sprung into existence after independence, who do not allow the grass to grow under their feet but go on adding piles after piles to their acquisitions. It is not for me to categorically point out who the rich, privileged classes are. He who runs may see them. It is due to the extreme rapaciousness of these people, snatching away the lion's share and almost monopolising the gains of the present order of things, that there is a considerable volume of discontent surging in the hearts of the under-privileged people and people belonging to the lowest strata

of society. This discontent is gathering momentum day by day and what it will ultimately lead to is anybody's guess. Hence, the reaction to the taxation proposals envisaged in the Budget in the minds of those who constitute the bulk of our people can be better imagined than described.

2 P.M.

I have just had with me a report of the alarming rise of the price of almost all kinds of food articles including rice and also of other necessities of life in my part of the country—Orissa—and I shudder to think how I will face the situation on my return home. With this unfortunate background in my mind I am sorry I cannot congratulate the Finance Minister for the Budget he has presented, nor do I condemn him knowing, as I do, that he is absolutely helpless in the matter.

SHRI BHUPESH GUPTA: Madam, on a point of order. Is he helpless? He is a very powerful man; it is a reflection on the Finance Minister.

THE DEPUTY CHAIRMAN: The hon. Member has not finished yet. Please wind up.

SHRI BHUPESH GUPTA: The Finance Minister is very powerful.

SHRI N. K. DAS: He may be powerful but as a Member of the Government he alone cannot do anything.

SHRI BHUPESH GUPTA: I agree.

SHRI N. K. DAS: The situation prevailing in the country, therefore, calls for a calm and dispassionate consideration on the part of all of us, irrespective of our political affiliations. A socialistic pattern of society, which I would like to paraphrase as Sarvodaya Samaj, is our declared objective. Planned economy is the medium by which we hope to attain that objective.

THE DEPUTY CHAIRMAN: Please wind up.

SHRI N. K. DAS: The end and the means are both laudable. The Plans we have been working all these years are our national Plans and not any political party's plans. If the Plan fails and the socialist society of our conception does not come into being, there is no hope for the country and none for any of us, whether we are in the Congress or not in the Congress, whether we belong to this political party or that political party. Therefore, without wasting time and energy in mutual recriminations we should join in a supreme endeavour to reconstruct our society on socialist or Sarvodaya lines. Any impediments that come in our way should be boldly fought and eliminated. While criticising the working of the Five Year Plans we often talk a good deal about corruption and accuse the Government machinery for corruption. Do we sincerely believe that our Ministers sitting at the top of the machinery will, with their own effort only, be able to root out corruption? Corruption is a social evil; it exists in all strata of society, . . .

SHRI BHUPESH GUPTA: Including the Council of Ministers.

SHRI N. K. DAS: ... in the services, in the business community and even amongst the politicians and where not. Are not those responsible for and guilty of corruption . . .

THE DEPUTY CHAIRMAN: You have overstepped your time limit by nearly four minutes.

SHRI N. K. DAS: I am finishing in a minute.

Are not those responsible for and guilty of corruption, our brothers, relations, neighbours and our own kith and kin? How can we wash our hands clean if our own men are found indulging in corruption? Hence the position boils down to a programme of education of our people on social, moral and ethical principles. Obviously, it is a programme to be worked out not only by Government but by all of us jointly.

[Shri N. K. Das.] One word more; I have one thing more to say before I sit down. During the debate on the President's Address almost all the Members who participated in that discussion paid their tribute of respect and admiration for the-retiring President, Dr. Rajendra Prasad. While my respect for the President is nonetheless, I heartily welcome his retirement from that exalted position and his reported decision to take up Sarvodaya work. The country has more need of his services outside Rashtrapati Bhavan. I would also welcome if, at the appropriate time, our revered Prime Minister, following the suggestion of Shri Jayaprakash Narayan, goes the way our Rashtrapati is going.

SHRI LOKANATH MISRA (Orissa): Then who will be the Prime Minister?

SHRI N. K. DAS: That is a matter to be decided by the people then.

SHRI GOVINDAN NAIR (Kerala): Madam Deputy Chairman, it was very interesting to hear the speech of one of our friends of the Swatantra Party on the Budget proposals, and before I say something about the Budget proposals I wish to deal with some of the points raised by my hon. friend, Mr. Gupta. Now, he painted a picture, he said it in so many words that by the burden of taxation the industrialists are getting ruined, they are getting suffocated.

SHRI RAMGOPAL GUPTA: I said, the people.

SHRI GOVINDAN NAIR: He said that capital formation is being retarded. His heart was also bleeding for the common man. He spoke of the sufferings of the people on the streets. All that he said. Now, if what he said about industrialists is true, then it is a matter which we should seriously consider, but unfortunately, as far as my knowledge goes, things are the other way. By Birlas' own admission, their capital assets were Rs. 15 crores in 1947.

Today it is Rs. 150 crores. I think the short time at my disposal will not enable me to place before you the facts concerning other monopolists. The common pattern is shown from the way in which dividends were distributed during the last four years. I will just place a few figures of dividends to show how within a period of four years they have risen:

Lakshmi Mills—70 per cent, of the paid-up capital within; four years.

Britannia Biscuits—81 per cent.

Tata Oil—61 per cent.

Bengal Paper—98½ per cent.

Burn & Co.—105½ per cent.

Mettur Mills—155 per cent.

New India Assurance—167 per cent.

Ambica Mills—150 per cent.

This is the dividend which was distributed within the last four years, and you may also look at the fabulous profits these industrialists made during the last few years. Taking 100 as the base in the year 1950-51, for the mining industry the profit in 1950-51 was 121, and in 1958-59 it was 291. For those dealing in food articles, it was 150 in 1950-51, and in 1958-59 it was 508. For metal engineering it was 127 in 1950-51, and in 1958-59 it was 190. For cement and paper it was 154 in 1950-51, and in 1958-59 it was 250. Shipping 723. Now, it is 1,112. I shall not exhaust that list. These facts are enough to show that industries were making huge profits during these ten years of planning.

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

But there is another side of the picture also.

Everybody agrees that during the past ten years industrial production has gone up by 50 per cent. But what was the fate of the workers? Have their wages also increased in accordance with the growing rate of production? There, you will see, that the real wages during these years

have increased only by 27 per cent. Then, again, the value added per worker during these years rose from 1,578 in 1947-48 to 2,782 in 1956-57. That is to say, in 1957 for each rupee the worker earned, he gave back 3.39. This shows that while the worker is working hard, while production had gone up, the real wages did not increased to the extent of production, and the profit they got out of the work of each worker after deducting his wage, comes to nearly 2.39. Again, if you look at the rural sector, what is the position? Dr. K. N. Raj, writing in the "Economic Weekly", has calculated that 30 per cent, of the additional income of Rs. 1,700 crores earned in the agricultural sector during the last decade has been appropriated by 3 per cent, of the farmers. As in the industrial sector, even though wealth has been produced, it has been pocketed by a few industrialists. So also in the agrarian sector, even though wealth was produced it was pocketed by a small section of rich farmers.

Now, Sir, a study group headed by Shri Jayaprakash Narayan on community development also made the following remarks: "The promotion of the general prosperity of the village does not necessarily lead to the well-being and welfare of the weaker section". Families whose income is less than Rs. 1,000, according to him, are 80 per cent. Of these 80 per cent. 50 per cent, are having an income of less than Rs. 500, and innumerable families, according to him, are having an income of less than Rs. 20 a month. Now, Sir, the Central Statistical Organisation of the Government of India have also analysed developments and growth. They say that 60 million of our people live on an income of annas five a day and 40 million live on an income of four annas a day while 30 million live on an income of two annas a day. So, this is the picture that emerges after ten years of developmental activity. If this picture is not properly understood and if we do not take steps now to change this pattern of development whereby 219RS.—8

the poor people are becoming poorer and the rich are becoming richer, it will be very wrong.

That is not all. There is another aspect which is worth considering while dealing with the Budget proposals. If you examine the taxation policy pursued by the Government during the last ten years, you will realise that for the working of the Plan it was not those people, who pocketed the additional wealth that was produced, that were made to pay, on the other hand it was the common man who was asked to pay. In 1951 the percentage of indirect taxes was only 64 and direct taxes were only 36. What is the position in 1961? In 1961 the indirect taxes amount to 72 per cent, and direct taxes come to 31 per cent. During this period, of course, there was growth of wealth in the country both in the industrial as well as the agricultural sector, but the benefit of that growth was reaped by a few people at the top and the vast majority of people were suffering. But these very people who did not really benefit by the Plans, they were taxed through indirect taxes by the Government to pay for the Plans. This is a sad state of affairs, and I thought that after a proper assessment of the whole situation the Finance Minister would make a bold departure from the past and introduce some radical elements in the Budget proposals.

I completely agree with my hon. friend, Mr. Das, who said that Morarjibhai was following very loyally the footsteps of his predecessors from Mr. Shanmukham Chetty downwards. This is not what was expected of him because after ten years of planned development we are naturally concerned with certain manifestations both in the economic as well as in the political field. And the question before the Finance Minister and the Government is: Are you going to take adequate steps to check this particular trend of growth? That is the main question. If the Finance Minister had that approach, he would have come forward with entirely different proposals.

[Shri Govindan Nair.]

Sir, one of our hon. friends, while speaking about the Budget proposals, criticised the demand put forward from our side for stopping the privy purses. We were discussing the question of stopping doles to refugees and the stand taken by the hon. Minister of Rehabilitation was that after giving doles for fifteen years the Government felt that a time had come when these doles should stop and they should be rehabilitated otherwise. Now, I put the question straight to you. Now, it is fifteen years after independence and during all these fifteen years you have been helping the rulers to rehabilitate themselves with huge amounts of privy purses and now surely they can stand on their own feet. They are contesting elections. They are fighting for their rights and why should you now continue to give them privy purses? Our suggestion is that you could very easily save this Rs. 5 crores instead of taxing the ordinary man on cigarettes. I cannot understand the ethics which my hon. friend Prof. Wadia was trying to explain. What is the ethics about it? After independence, when the States were taken over or merged with the Republic of India, of course for a few years, some kind of help was necessary and it was given. But is it to continue?

SHRI N. M. ANWAR (Madras): On a point of information. Will not the hon. Member, when he gives a pledge, try to keep up to that pledge? Here is a Government which has committed itself to a pledge to the Princely Order for the tremendous amount of sacrifice they have rendered and the integration was purchased for a song . . . ,

(Interruptions)

SHRI BHUPESH GUPTA: The election manifestoes of the Congress— they are filled with broken pledges!

SHRI GOVINDAN NAIR: Do you mean to say that they were bought, as you said, by giving a song? Let

us not forget the historic conditions in which those States merged with India.

SHRI N. M. ANWAR: Some 560 States were brought together just for a song.

SHRI GOVINDAN NAIR: They were not brought together for a song. You should remember that the people in the native States were urging and fighting for independence and they would never have tolerated the Princes to have had their own way. It is known that the then Dewan of Travancore tried to have an independent Kerala and some other States also tried the same. What happened? But then the people were behind the Government of India and were for independence and any attempt on the part of the Princes to keep out would have been futile. They knew it and they intelligently agreed to the conditions imposed by the Government of India. Let us not forget these facts. Are you going to pay all the old Maharajas? If you are to go by that convention there are not only these 600 people but there may be 6,000 . . .

(Interruptions)

SHRI BHUPESH GUPTA: Then you would have taught the Maharanis to be nurses rather than Swatantra leaders.

SHRI GOVINDAN NAIR: Now the time has come when you have to stop the privy purse and that money has to be diverted for national development.

The Finance Minister spoke about foreign exchange difficulties. Many of our Indian nationals have accounts in foreign countries. They have assets in foreign countries. That can be mobilised. Their patriotic sentiments can be worked up and that money can be utilised to relieve us of our difficulties.

Again during the Second Plan we were told that from the current revenues, some Rs. 350 crores would

come for developmental works. That was what the planners said. That was what the Government also thought, but what was the reality? Not only that not a single pie came from the current revenues but Rs. 50 crores had to be found from additional taxation to meet the expenses on non-developmental works. Non-developmental works do not mean works like educations, health, etc. but they are for general administration and other things. So, if some attempt was made on the part of the Government to curtail the unnecessary expenditure instead of taxing the poor man, on his tea, etc., that money could have been found. You have found that nationalisation of insurance is a profitable business. You know with what difficulty the Finance Ministry had tried to create some confidence in the banking industry. You know what happened. I do not want to . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : How long do you want to speak?

SHRI BHUPESH GUPTA: Let him go on.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Then your time will be curtailed.

SHRI BHUPESH GUPTA: All right.

SHRI GOVINDAN NAIR: I need not mention about the great instability the private banks faced at one time, especially immediately after the crash of the Palai Bank and it was with great difficulty that some confidence in banking was restored. I now put the question straight to the Finance Minister: Why should you create a situation wherein you again, after 5 or 10 years, come with the story of another Palai Bank crash and say that you did not know it would happen? Why do you not nationalise the banks? Why not that wealth also be used for the development of our country?

There is another point which, while we discuss about planning and development, we have to bear in mind. I

spoke about the disparity of incomes in our country. So also, there is an other disparity which you cannot ignore, that is the regional disparities existing today. You know how our hon. friend Mr. Annadurai was making out a case for a separate State of Dravidistan. How could he arrogate to himself that position of speaking for the entire South. I cannot understand. We people in Kerala never agreed to that kind of Dravidistan nor anybody in Mysore is holding that view nor the people in Andhra are in favour of Dravidistan. So, how could he arrogate to himself that position and say: "I am speaking for the entire South". I cannot understand it but all the same you have to take note as to what is the soil on which such trends and tendencies are growing? Unless that is understood and corrected, I feel that you will also be unknowingly or unconsciously helping the hands of people like Mr. Annadurai. There is a common saying in our State of Kerala. I remember, while I went for some public meeting to discuss about the promotion of planning activities, somebody rose up and asked: "If you want to get proper allocation, there is only one way and that is, you also should start an organisation like the D.M.K. If you start that and then if Government's representatives go to Delhi, they will get something." So, this kind of feeling is growing among people in regions where the developmental activities are not helping them to get out of their backwardness.

I do not say that it is pertaining only to the South. That is wrong. Take Orissa in the North. Take the case of Uttar Pradesh. What is their position? It is not a question of South or North. It is a question of uneven development; and speaking about Kerala, some friends were feeling that these Communists, who are in the Opposition, are always making out a case for unreal things. But today when I speak before you, I have an authority whom all of you,

[Shri Govindan Nair.]

I am sure, will accept. He is Dr. P. S. Lokanathan, who, you know, is the Director General of the National Council of Applied Economic Research. He recently conducted a techno-economic survey of our State and has now come forward with his recommendations. While we had been pleading with our hon. Ministers here for some special attention to be paid to our State, with sweet words they used to brush it aside. This cannot continue for long. Now, what are the facts that this survey has revealed? We have only a small area, 1 • 2 per cent, of the whole of India and our contribution to the national income—the wealth we produce even within our small area—is 3:4 per cent., but because of overpopulation our per capita income is only Rs. 232 while the all-India average is Rs. 261 thus leaving a difference of almost Rs. 30. Unemployment, everybody knows, is the highest in our State. Density, I need not mention, is also the highest and I shall not go into all those details. But suffice it to say that after conducting a study of the entire position Dr. Lokanathan I has now come to the conclusion that to cover up the gap that exists between the development in Kerala and that of other parts of India in order that the *per capita* income of a man in Kerala may be on a level with that obtaining in other parts of India, by 1971 an investment of nearly a thousand crores of rupees, both in the agricultural and industrial sectors, must be made. This will help to raise the per capita income in Kerala to Rs. 410 by 1971.

SHRI N. M. ANWAR: All for Kerala?

SHRI GOVINDAN NAIR: Not in one Plan. And, now, Dr. Lokanathan says that the investment during the Third Plan should be of the order of Rs. 400 crores and that in the Fourth Plan it should be of the order of Rs. 600 crores.

SHRI LOKANATH MISRA: But you must control your population.

SHRI N. M. ANWAR: Why don't you control it?

SHRI NIREN GHOSH (West Bengal) : Lakhs of people died in West Bengal due to starvation but what came out of it? Was the problem solved?

SHRI GOVINDAN NAIR: We are going in for family planning and all that but still we are a vigorous people and not only the rate of birth is high but the rate of death is also low.

Dr. Lokanathan has suggested this not in order to raise the per capita income above that of people in other parts of India but in order to reach their level. For ten years at least you have to make this investment—of Rs. 400 crores in the Third Plan and Rs. 600 crores in the Fourth Plan. He has also suggested that migration from our State should be encouraged. This morning, while we were discussing about the rehabilitation of refugees from West Bengal in Dandakaranya, I thought that Dandakaranya was a vast area and there would be no harm if some of our people are settled there. Nobody can beat the people from Kerala in the matter of cultivation. They are the best cultivators and much propaganda is not needed to tell them that modern methods and innovations should be adopted in agriculture. They are very good at that. But what they lack is land. Whether it is in Dandakaranya or in any other place, give us land and we will see that it is improved and much national wealth is produced to feed you all. I think these two proposals put forward not by a Communist or any politician for getting votes but by one of the most eminent economists of our country who have made a special study of the subject, namely the proposal for an investment of a thousand crores of rupees within ten years on the industrial side and the proposal for encouragement of migration of

people from Kerala to sparsely populated regions like Dandakaranya or any other *aranya* should be taken seriously.

SHRI GOPIKRISHNA VIJAIVAR-GIYA (Madhya Pradesh): Some from Kerala are already in Madhya Pradesh.

SHRI GOVINDAN NAIR: That relates to only a few families. I am not talking of a few families being taken. That you will find in any part of India but the main question is, are you prepared to tackle this problem in a big way? Give Us some 15,000 square miles of land somewhere and we will establish a new Kerala there.

SHRI N. M. ANWAR: *Lebensraum?*

SHRI GOPIKRISHNA VIJAIVAR-GIYA: Not at one place.

SHRI GOVINDAN NAIR: One or two places. We can have further discussion about those details and we can take decisions later on but the main point is, and for which I want a reply from our Ministry here is, whether they are prepared to accept this proposal put forward by no less a person than Dr. Lokanathan?

Now, I should be excused when I say that in every matter we are rather ignored or slighted. The other day one of our friends was complaining about the discriminatory attitude taken up in the formation of the Ministry as far as this House is concerned. He said that proper representation was not given and all that. It is a legitimate matter and I do not deny that but then look at Kerala. We have only one Deputy Minister. Even in this we are ignored.

SHRI M. S. GURUPADA SWAMY (Mysore): Is not that enough?

(Interruption)

SHRI GOVINDAN NAIR: That is another matter. You may also raise it. If it is the case that the Con-

gress Party does not have competent persons, then as they have done in Kerala, where they have taken somebody on lease to be the Chief Minister, they can follow that principle here.

SHRI N. M. ANWAR: And you are prepared for that?

SHRI GOVINDAN NAIR: Not that we are prepared.

SHRI BHUPESH GUPTA: We will not allow Mr. Govindan Nair to be taken on lease.

SHRI GOVINDAN NAIR: Not Govindan Nair but they can find another Pattom Thanu Pillai here. The point is that from every aspect people in Kerala feel, even the Congressmen, as to why they are being ignored like this. They have their own grievances and complaints. Then they come into the Congress Party and they say that they are a small group. So, the difficulty is that we are in the southern-most corner and we are small State but full of problems. How to bring those problems to the notice of the people here at the Centre is the biggest problem for us and I hope Government will pay due attention to these two recommendations.

SHRI SHEEL BHADRA YAJEE (Bihar): Madhya Pradesh is ...

SHRI BHUPESH GUPTA: What are you saying? Please get up and say.

SHRI SHEEL BHADRA YAJEE: They are complaining that Madhya Pradesh has been completely ignored. What are you saying about Kerala?

SHRI GOVINDAN NAIR: I do not say that every State should be adequately represented. When it came to a long list of fifty, then I say that this was also neglected. There was also reference to some other State-

SHRI M. S. GURUPADA SWAMY: You want more Ministers or more land.

SHRI GOVINDAN NAIR: We want more land, not more Ministers.

(Interruption by Shri Sheel Bhadra Yajee)

SHRI BHUPESH GUPTA; You could not get a Deputy Minister's post even now. Even in the fifty you could not get in Why are you interrupting?

SHRI GOVINDAN NAIR: In conclusion, I would like to request you to pay due attention to the recommendation made by Dr. Lokanathan regarding the further investment in the Third and in the Fourth Plan and encouragement of migration to other parts of India where we can go and which are sparsely populated.

About the Budget proposals I have only one point more to add. The Finance Minister seems to be in a very complacent mood. He has said that the price level has been stabilised, production has gone up and that the fiscal policy of the Government is responsible for this stabilisation. That is the claim he has made. I could not understand it. It is true the price level is stabilised. But at what level? Now, the Government, in another part of the Budget, have made provision for increasing the D.A. of the Government servants. Why? According to the Pay Commission it is only when the prices rise above IS points and they get stabilised at that point for a year that the question of increasing the D.A. is taken up. So. the prices have gone up and have been remaining at that level for a pretty long time and that has been admitted by the Finance Minister when he says that special allocation has to be made for paying more D.A. to Government employees. Is this the kind of stabilisation of which he is feeling proud? Now, the prices have stabilised at a very high level and during all these years they were not able to do anything to check the prices. That is the fact of the matter. And a new vocabulary is brought in

and they say voluntary system of fixation or something like that. So, it was not the fiscal policy of the Government, that worked. It was the ordinary law of capitalism that has worked and the ordinary man is paying through the nose for the ordinary things of life, That is a serious matter which the Government should take note of and something has to be done at least to check further rise in prices and to bring them down as far as possible. Even after the Budget proposals have come out the prices of things are going up in Delhi, Calcutta and all other important cities. Everywhere the prices have gone up and I think the Government should take adequate steps to see that there is some control over these prices.

SHRI T. SRINIVASAN (Madras): Mr. Vice-Chairman, Sir, the very fact that the Budget has been under heavy fire from the right as well as from the left shows that it has struck the happy mean and has kept the balance between the various sections of the population in our country. After all, the main problem is to raise production, to make our people more economically-minded and to add to the national income of the country. Unless we put into the pot we cannot get in the spoon. At the same time this Budget has taken care to hold the scales even between the agricultural sector and the industrial sector, the people with fixed incomes, the rich, the labourers and the salaried classes. In fact it will be very difficult to think of more even-handed justice as regards the various sections of our people. Being the second Budget in the Third Five Year Plan the taxes had to be raised to a level such that it hurts. We all like to take but not to give and this Budget has made everybody to give the maximum consistent with social justice and with the Plan. Unless we give, until it hurts, the problem of poverty in our country will not disappear.

In these past ten years, whatever might have been the criticism that has been levelled against the Government,

the fact is that even agricultural production in this old country has gone up by 42 per cent. Industrial production has gone up by 75 per cent. and national income has gone up by 42 per cent, in the course of ten years and during these ten years the population has increased by 21 per cent. I say unless we are determined to be carping in our criticism, it will be impossible to find any hole in this Budget. We have been borrowing ideas from all the leading countries of the world without at the same time giving the go-by to our democratic way of life. We have been borrowing from abroad, we have used the method of deficit finance, we have been raising fresh taxes and we have been building up such an economy that it will not discourage incentive but rather encourage it. So much for the method by which and according to which this Budget has been drawn up.

I think if we are determined to see our country through this vale of poverty, in which we are very nearly at the bottom among the countries of the world, we must co-operate with the Government and must be ready to pay the taxes. There is here a balance between direct taxation and indirect taxation. People with income have got to give; people who consume have got to give and people with wealth have got to give. After all, the super tax in our country is about the highest in the world and so we have hardly any right to criticise those people who are called capitalists according to the ideology of some people. On the other hand, we must remember, when we talk about heavy taxes on consumption, that the taxes on income have got a very limited scope. Agricultural income belong to the States. Taking all this into consideration, balancing one factor against another, it will be impossible to conceive of a budget more proportionate, more considerate to the interests of all sections of the people and more in the spirit of social justice. On the other hand we must

think that this is perhaps the largest amount of taxation that ever any Indian Government has raised. It is also the Budget in which the greatest proportion of the national expenditure goes to developmental services. We have yet got to go a very long way for we have got to raise the standard of life of our people.

Having said all this, I do not mean to say that there are no points on which we have a grouse against the Finance Minister. For example, the non-developmental expenditure is still on the high side. Practically, the non-developmental expenditure has taken up the additional taxation which has been imposed during the Second Five Year Plan. I am sure the Government will bend their mind to see that this is kept within control. The proportion remains constant but the absolute amount has gone up. This is a matter that deserves to be looked into.

There is another thing of which we have heard much in the past week. Federation is a difficult form of Government, and we are trying to hold the balance even between the unitary forces and the federal forces. The difficulty in a federation is that the States begin to look upon the Central Government as a kind of providence and do not pull their full weight in the matter of raising taxes and in the matter of enforcing economy in expenditure. I think the Central Government ought to look into this and see that the States pull their full weight in the federation. Year after year the amount which the Central Government gives to the States is going up, and this is rather inconsistent with the spirit of devolution, which we must keep in view all the while when we are strengthening the forces of national integration.

The third thing which I would emphasise, though with a certain amount of hesitation, is this. Under the British we used to complain that the Defence expenditure was on the very

[Shri T. Srinivasan.] high side. But independence has got its perils as well as its privileges. If you look at the absolute amount spent on Defence, the amount has been increasing, but the amount has not increased adequately. And today, considering the world situation, considering the position on the north-west, north-east and the north, you cannot say that India can afford to go to sleep over the Defence Budget. On the other hand, as Cromwell said: "Trust in God and keep your powder dry", I am afraid our Defence expenditure also deserves to be looked into.

So, all things considered, we should rather be glad that this Budget marks a new high, firstly, in regard to the amount of taxes raised and secondly, in regard to the manner in which it is spent. On this note I would like to conclude my remarks on the Budget

SHRI NAFISUL HASAN (Uttar Pradesh): Mr. Vice-Chairman, we are in the midst of the second year of our Third Five Year Plan. This plan was approved last year by Parliament and like the other Plans, it has already got the approval of the whole country during the last General Election. I feel that when considering the Budget we should have in view the Plan. We cannot consider the Budget except in the context of the Plan. We should take stock of our achievements during the past year and see whether or not the Plan has been worked out in a satisfactory manner during that period.

I have a copy of the "Economic Survey" supplied to us for the year 1961-62. Remembering that production has got the first priority in our Plan, let us see what our achievements have been during the past year. On page 3 we have got figures about agricultural production. On page 4 we have got figures about production in agriculture-based industries and on page 5 about 'output in basic industries'. All these figures clearly

show that appreciable progress has been made in all directions. Of course, there have been shortfalls in certain items and the present Budget proposals, after giving an explanation for them, do propose to make up for them. The fact that the Plan has been satisfactorily worked out during last year is in itself sufficient to justify the present Budget proposals. The Budget proposals do propose to take us a long way on the path of completing our targets fixed for the five years of the Plan.

This Budget, as has been said by some hon. Members, has been attacked both from the Right and from the Left. As far as criticism from the Right is concerned, nobody need be surprised. These people do not believe in socialism, in the particular ideals on which this budget and planning are based. They are opposed to planning. They are opposed to ever, nationalisation of basic industries. I do not think it is necessary for me to take the time the House in giving answers to the criticisms levelled by them.

As regards criticism which comes mostly from the Communist Party, there are mainly two points. Number one is that this Budget is not taking us far enough to our goal of socialism, that our steps are slow. The other criticism which is levelled is that there has been no attempt to bridge the gulf between the high and low incomes of the country. No doubt it must be admitted that our progress is slow towards the goal. But having regard to the methods open to us, having regard to the sanctity which we attach to our Constitution—in which due respect has to be paid to property and other fundamental Rights possessed by individuals—the steps have got to be necessarily slow. We cannot expropriate people overnight. When we proceed in a democratic way, the change has to come about after some time. It may be that the gulf between the high and low incomes

remains as wide as it was, but we have to consider the emphasis on different priorities.

Our first priority is to step up our production both in agriculture and industry. We are taking all the steps

needed to do that. For our re-3 P.M. sources we are getting aid from

foreign countries. We are going even to the length of borrowing money from foreign countries. What are we to do? Should we keep the capital of our private people idle? It must be Used to step up production. That is the first priority, and unless we step up production and increase our production to the extent that our consumer goods or whatever we produce match the money in circulation, unless we reach that goal, there will be many difficulties in our way. The money in circulation being more and the consumer goods being less, naturally there is bound to be inflation. We are taking steps to lessen the effects of inflation by encouraging saving, by our policy of taxation, and so on, but actually the real relief will come only when our goods are in a quantity enough to match the money which is in circulation. For that purpose, as I have said, our first priority is to go on producing. There also production alone will not help us, but it should be production at a price so that we may compete with others in the prices of goods. That alone will enable us to export our goods outside. Otherwise, if other countries are producing at a lower price, naturally our goods will not be acceptable to other countries. Unless we increase our exports in comparison with our imports, of course the balance of trade will be against us and we will always be short of foreign exchange.

Looking at the Budget from the point of view of the Third Five Year Plan, I think the Budget is a balanced one and well conceived, and I congratulate the Finance Minister on it. I will just in passing touch two or three

points. First of all, in order to achieve our objective of production we must have sufficient electric power, because it is only with electric power that we can step up our production, both agricultural and industrial. Unfortunately, during the last period we have not been able to make progress as expected. Some schemes could not be fully given effect to. I hope proper attention will be paid to this matter. Then there should be regional distribution of power. Every region should have the opportunity to develop its industrial and agricultural production in equal measure. It was said about the heavy industries that it was not possible to locate them in every region. I accept that position, but as far as the opportunity for developing the small-scale and cottage industries and agriculture is concerned, I think every region should have as far as possible equal distribution of electric power.

One word about this electric power. I understand that hydro-electric power is the cheapest, and we have got sufficient scope for its development in the country. Only it requires more time to give effect to a particular scheme. When once the scheme is given effect to, we can make sufficient headway. This method of generation of electricity involves the least amount of foreign exchange. Therefore, my suggestion is that it should be encouraged.

In the Budget we have both direct and indirect taxation. An attempt has been made to see that the effect of indirect taxation is the least on the poor but I feel that at least there are two items, tobacco and matches, in respect of which the effect of the increase of taxation is bound to fall on the poor classes. It was said by the hon. Finance Minister in his speech that one match box at present costs 6 naye paise and that this little addition to the tax will not in any way lead to any increase in the price. **But** probably he knows already **that** the price has gone up by one naya

[Shri Nafisul Hasan.] paisa. It is now available at 7 naye paise. The businessman knows how he can transfer the burden of taxation to the consumer.

I have just to add my own view to the unfortunate condition in which our public sector undertakings are working. The profit shown is practically negligible. There is something definitely wrong somewhere, and I think the matter requires to be seriously looked into.

One word about the conditions on our frontier. I will not dilate much on that point. As far as Pakistan is concerned I will just read a line:

نبہ کیونکر ہمارا اس پری پیکر سے یارانہ
وہ سلگندل میں سودائی وہ بے پروا میں
دیوانہ

†[निभे क्योंकर हमारा उस प्री पैकर से याराना,
वह संगदिल में सोदाई वह बेपरवा में दीवाना]

That has been our attitude, and I hope we will continue this attitude, and this alone will bring happy results.

One line about China. They have been trying our patience to the utmost and I am in full accord with the policy that is being followed. We are trying to isolate them. All the world's opinion is against them. But ; we should not forget—I am quoting another line:—

ہم کو جن سے وفا کی ہے امید
وہ نہیں جانتے وفا کیا ہے -

†[हम को जिनसे वफा की है उम्मीद,
वह नहीं जानते वफा क्या है ।]

Thank you very much, Sir.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Ruthnaswamy. Twelve minutes please.

SHRI M. RUTHNASWAMY (Madras): Mr. Vice-Chairman, the Budget

f[] Hindi transliteration

introduced by the Finance Minister this year as in previous years is a mixed dish. It is both an ordinary Budget, as we are used to in modern civilised countries, and it is also a planners' Budget. One part of the Budget relates to revenue which might be used for financing increase of schools, of hospitals, of roads, and the other amenities of civilised li'<?-The other part of the Budget relates to Plans, mainly for the development of industries by State, that is by the Government. It seems to me that the two parts of the Budget might be usefully separated, the normal governmental Budget from the special planners' Budget, money for the business enterprises of the Government being raised by loans and money for the normal work of a modern government being got from taxation. These public enterprises would be put in the charge of public corporations, the loans and other finances required being raised in the open market, the Government also contributing to these loans. In that case taxation would not be so high as it is in the present Budget. Loans for business enterprises and the financing of these enterprises being put into the hands of special corporations would also incidentally prove how popular these public enterprises are because when loans are raised in the open market for public enterprises financed and managed by the Government, the extent to which these loans are subscribed by the people would show the extent of the popularity of these public enterprises. Revenue raised by taxation and not used for financing public enterprises would be used for, as I said, the development of schools, roads and public health, all of which the Finance Minister regretted in his speech he could not afford money for. Otherwise, high taxation such as is provided for in the Budget is unavoidable.

The Budget Speech, as we look at it is one long appropriation clause, appropriation of money from the rich, appropriation from the poor,

appropriation from the low income group, appropriation from the merchants, appropriation from the traders, appropriation from the consumers, appropriation from all kinds of people. The tax on companies has been raised from 45 per cent, to 50 per cent. No more exemption is to be granted for new companies and there is a whole corps of direct taxes. In Mrs. Barbara Ward's opinion, direct taxation in India is among the highest in the world. And also her opinion may be quoted that the small sums collected through these increased taxes on companies and corporations would only serve as disincentives and affect adversely the development of industry. Is this the Finance Minister's way of encouraging private enterprise? Promise we have in plenty but performance is rather poor. On more than one occasion, the Prime Minister and the Finance Minister especially, when facing associations of private enterprise, have been very fond of saying that they are not against private enterprise, that they are all for private enterprise. But is this piling of taxes upon companies and corporations the way of encouraging private enterprise? In the words of the poet, these representatives of private enterprise may say,

"It is true, you want to dissemble your love.

But why did you kick me downstairs?"

And as for indirect taxation, there are increases of taxation in excise duties on a number of articles in addition to the old excise duties on kerosene, sugar and cotton fabrics. We have now increased the excise duties on the finer species of cloth and other necessities of life. The danger about indirect taxes is that it is so easy to hide; they are practically invisible. That is the danger from the citizen's stand point. From the Government's stand point the danger is that they are encourage[^] to impose new taxes, new duties, in the

form of indirect taxation and increase the burden of taxation. It is this in visibility of indirect taxation that constitutes at once the weakness of and the danger to the Government. As a result of the increase taxation, as a result of all the monies spent upon public enterprises, as a -result of the deficit financing, as a result of foreign loans, large sums of money have been thrown upon the people and prices keep soaring. Spokesmen of the Government speak of holding the price-line. The way in which the Government holds the price-line is like the rider of a runaway horse holding the hor=t. The horse runs away with the rider. No doubt the rider holds on to the reins. Who is riding whom is the question. And may I ask; why the Finance Minister has not exploited that other source of revenue, namely, reduced expenditure? There is not a word in the whole of the Finance Minister's speech about the ways and means of reducing expenditure. The expenditure on civil administration has been mounting since the year of independence. In 1950, the ""ost of civil administration—I am speaking only of the cost of the administrative services—apart from the cost of the services rendered by the administrative departments, was about Rs. 25 crores. In 1960-61, it ha<j become Rs. 58 crores. In 1961-62, it is Rs. 60 crores and in 1962-63, we are ->romis-ed the leap forward—the only leap forward in our economy—to Rs. 70 crores. Thus it is about a 100 per cent, increase in the cost of administration. When this is pointed out, we are told by the Finance Minster that the in-creased cost of administration is due to the expanded economy. But, whereas the economy in he past fifteen years has expanded by about 20 to 25 per cent., the cost of civil administration has risen by about 100 per cent.

[THE DEPUTY CHAIRMAN in the Chair]

Parkinson's Law is in full swing in the Secretariat. Some 2 or 3 year*

[Shri M. Ruthnaswamy.] ago, Madam, an interesting and authoritative book was published on the organization of the Government of India. There you find how secretariats are formed, how secretariats increase. You have a Secretary and he must have two Joint Secretaries and each of these Joint Secretaries two Deputy Secretaries and each of these Deputy Secretaries must have two Under Secretaries. And as it is, in one department—I do not remember which department it is—there are 45 members in the officer grade of the Secretariat. It was the ambition of the old statesman that he should grow two blades of grass where one grew before, but the ambition of the Congress statesman seems to be to grow two secretariats where one had been grown before.

SHRI BHUPESH GUPTA: You are not quite correct, to grow even more Ministers.

SHRI M. RUTHNASWAMY: You cannot have secretariats without Ministers and you cannot have Ministers without secretariats.

SHRI BHUPESH GUPTA: The secretariat grows in arithmetical proportion but the Ministers grow in geometrical progression.

SHRI M. RUTHNASWAMY: I turn now to deal with certain criticisms against the Swatantra Party. One Member of the Congress Party in the valour of his ignorance said that the Party stood for a Police State. If only he had read the manifesto of the Swatantra Party he would have seen that it is not a Police State party but is a social welfare party. We are also having plans but our plans look to the strengthening of the foundations of the economy, to build more village roads, to build more village wells, to reconstruct rural houses, to ensure that land holdings are economic, so that the foundations, as I said the other day, the infra-structure of our economy may be strengthened. With-

out doing all these things how can you speak of a take-off as the Prime Minister so often does? It is only by developing and strengthening these foundations, these essentials of economic progress—village industries village welfare, rural reconstruction—it is only in this way that you can step up agricultural production, and agricultural production is the foundation, is the basis of all other production.

Also I might plead for a fair deal for the States. It is true that the last Finance Commission has been fair, and the Government has accepted most of the recommendations of the Finance Commission, but with regard to all the grants and subsidies made by the Central Government to the State Governments may I ask that the Central Government should not insist on the principle and practice of matching grants? It is only when the States are prepared to find 50 per cent, of the cost of any venture that the Central Government is willing to advance the other 50 per cent. But then most of our State Governments produce deficit budgets year after year. They are deficit Governments and how can you expect them to follow this principle and practice of matching grants? You have almost hamstrung them by insisting on their adoption of the policy of prohibition. My State, as it was undivided, lost Rs. 20 crores of annual revenue when prohibition was introduced in it, and even now, after its division, after its partition, after the severance of Andhra Pradesh and Kerala from the old Madras State, even now the annual loss of revenue from prohibition would be about Rs. 20 crores there. When you have handicapped your State Governments in this way, how can you expect them to follow this practice of matching grants?

SHRI ARJUN ARORA (Uttar Pradesh): The hon. Member should remember that it was the leader of the Swatantra Party, Shri Rajagopala-

chari, who introduced prohibition in that State, and he is denouncing his own **leader**.

SHRI M. RUTHNASWAMY: That was when he belonged to the wrong party, the Congress Party.

SHRI BHUPESH GUPTA: Now he belongs to the party of the Maharani of Jaipur; you must understand that.

SHRI M. RUTHNASWAMY: He might have done worse than that,

Now, Sir, I conclude that this is not a people's Budget but a planners' Budget. "Perish people's prosperity rather than our precious Plans" seems to be the theory underlying the framing and the passing of this Budget.

Lastly, Madam, when taking leave of the Finance Minister and his Budget for the time being I would offer him not my congratulations but my sympathies. He is an able man, a competent man, a man of principles; some of them may be wrong but at least he is conscientious in following those principles. With all that he is the prisoner of an ideology, and being the prisoner of the socialistic ideology he cannot but produce the kind of Budget that he has produced. My sympathies, not my congratulations, go out to him.

SHRI BHUPESH GUPTA: He said something about the D. M. K. demand. What have you to say?

SHRI M. RUTHNASWAMY: It is absolutely irrelevant to a discussion on the Budget.

SHRI BHUPESH GUPTA: It is absolutely irrelevant since you have got the support of the D.M.K.

SHRI AKBAR ALI KHAN (Andhra Pradesh): But he is with us in starting privilege proceedings against that paper. There I think the professor is with us, because it is a matter of the privilege of the House.

SHRI V. V. SARWATE (Madhya Pradesh): Madam Deputy Chairman, it is claimed and justifiably claimed that the Budget is framed with a view to achieving our avowed object of the establishment of a Welfare State on the socialistic pattern of a classless society. But how far we have succeeded in achieving that object will depend on the results we see, and the rapid and marked progress made in the field of production, of new industries, of developmental activities and Plan projects speak for themselves. But these monumental works and efforts entail Herculean efforts and colossal expenditure, and because of the deficit financing which has been indulged in, the attendant evils crept, into the administration. For example, the glaring disparity between the high and the low-paid Government officials still remains. Not only that. In spite of the raising of the salaries the harassment and the difficulty experienced by the low-paid Government employees still persists. The ever-rising prices and the rising cost of living index more than counterbalance whatever the increase in salary they received. While talking about the salaries, Madam, I have to say that my attention was drawn to the fact that though the rise in salaries has been granted to the Government employees generally, there is a certain slab of Government officials whose pay range I think, is below Rs. 400 per month or thereabout and who, somehow or other, or because of some technical flaw or difficulty have not received any benefit of the rise in salaries. Then again unemployment in the country is also on the increase. In spite of our projects, and new industries, the figures for unemployment that we receive from time to time are very discouraging. I shall not dwell upon the Budget figures, etc. because the time is rather limited but I shall make a few observations regarding some specific points.

Madam, the British left us a legacy of the Indian Civil Service. The Indian Civil Service as then constitu-

[Shri V. V. Sarwate.]

ted was aptly and rather satirically-described as saying that the members of that Service were rarely Indian, never civil, and about "Service" it was said that they considered themselves masters.

SHRI BHUPESH GUPTA: I can refresh your memory. Shri Jawahar-lal Nehru in his autobiography has described it as 'kept' Services.

SHRI V. V. SARWATE: The Indian Administrative Service, I.A.S., are their successors. Except for the first description, because they are all now Indians, I see no change in the pattern of the rest of the description. Madam by having a class of highly paid officers in the Services as constituted today and as they are today, we are creating, in our efforts to establish a classless society, a new class by itself.

The rules for the conduct of enquiry against Government servants are so framed that even if the Government or the competent authority are morally convinced about the guilt of an official, it is almost well-nigh impossible to get a conviction and they are very rarely punished. There have been instances voiced in both Houses of Parliament in the past that a certain high Government official was found to have been engaged in certain transactions which were considered rather improper. The reply of the Government in the House was that the disapproval of the Government, was conveyed to the officer concerned. And, then, the result was that the officer resigned from the Government service and got a higher-paid job in the very firm whose transaction was under discussion in the House. The punishment, as I understand the law, should be salutary if not deterrent, but this sort of punishment is neither salutary nor deterrent but 'encouragement punishment'. The rules regarding the conduct of enquiry of the Government servants have been framed by these officers themselves and, therefore, they have taken pre-

cautions for their safety. These rules should be suitably amended so that after the Government is morally convinced about the guilt, they should be able to take proper action and mete out punishment.

As regards local-self government. Madam, although the subject is a State subject, still we have a Ministry which deals with that subject, and, therefore, our Government is also responsible for it. It is an unquestionable fact that the finances of the local-self government bodies are far from desirable and attempts are being made from time to time by all concerned to augment their finances. A Local Finance Enquiry Committee was appointed by the Government of India of which the late Shri R. K. Sidhwa was a member. The Committee has long back submitted its report to the Government but very few of its recommendations have been acted upon. One of the main recommendations of the Committee was that since the Government of India, in its effort to increase its revenue tries to pounce upon some of the resources of the States existing in the Concurrent List, the States in their turn pounce upon the resources of the local bodies who have not got the strength to fight back. The result is that the local-self government bodies have always to be at the mercy of their State Governments. Therefore, one of the main recommendations of that Committee was that a separate list of taxes, which could be exclusively leviable and recoverable by the respective local bodies, in their respective areas, should be included in the Constitution itself. Certain items which are considered all the world over to be the legitimate resources of the local bodies should be taken out of the existing lists and a separate list comprising those items should be added to the Constitution. Actually as long back as 1950 or 1951 there was a proposal by the Government of India that an amendment to the Constitution should be moved by which the terminal taxes could be transferred to the

local bodies and a draft was actually prepared in the Government of India office. I was then the Secretary of the All-India Local Bodies Federation and I received a reply to that effect from the then Health Minister. It was said that the Government of India was considering finalising the draft, but there was no proposal of dropping the idea altogether. But somehow or other the idea has been dropped altogether.

I will give you another example. The motor vehicles tax income which was a legitimate source of income of the local bodies has been taken away from the local bodies by the States concerned.

The third and glaring instance which happened in this House during the last Session was that prior to that there was a Railway Passenger Fares Act of 1957. When the Bill for enacting that law was before the House, it was declared that the additional taxation proposed on passenger fares was with a view to earmarking that additional income so that it could be distributed to the respective States in a proportion to be fixed by the Finance Commission, and that income, in turn, would be distributed to the respective local bodies of the States concerned, because it was meant for the local bodies. Perhaps, there was not a strong opposition then. In the last Session or so there was a Bill for repealing that Act. At the time of the consideration of that Bill I expressed the doubt that if we repealed that Act the money so earmarked under the statute would be merged in the railway fare itself and therefore there would be no separate entity of that money. And, therefore, I had asked the question as to what the guarantee was that the local bodies would get that money. The reply of the then hon. Deputy Finance Minister was that the Finance Commission would look into the matter and it was not for them to say. Madam, the Finance Commission, as recommended by the Government in the Notification, has stated

that the same fixed amount or percentage would be distributed to the States for the next five years. Now, five years are over and nothing has happened. That means that the local bodies would continue to get whatever was guaranteed to them under the statute for five years only and no more after the lapse of five years, and the passenger fares which were not to be increased permanently then, because of this merger of excess fare into the passenger fares, have increased permanently. That is the position. Therefore, we do not understand how the local bodies are now to depend on the assurance of the Government given on the previous occasion regarding the confidence of the local bodies in the State Governments and the Central Government. In this connection I would like to relate a story.

THE DEPUTY CHAIRMAN: You have two minutes to relate that story.

SHRI V. V. SARWATE: There was a certain couple which was being married. The father who was marrying them, after performing the necessary rites, as was the usual custom, gave them a piece of advice. He said, "My son and daughter, you should have faith in God. If you have faith in God, your married life would be happy". The son was like myself, an atheist and he expressed his doubt. He said, "Father, is there any God? Please show me. I must know whether there is God or not." The father said, "No, my dear son, you must have faith. Knowledge is not necessary". The son would not agree. Then the son expressed his doubt. "How can we have faith without knowledge?" he asked. The father said, "I will reply by an illustration. You are married today. After a year or so, you will have a bonnie son. Some friends will visit you and they will ask your wife: 'Whose bonnie child is this?' Your wife will proudly say: 'He is my son', because she knows it, that is knowledge; but if the same question were

[Shri V. V. Sarwate.] to be put to you and you reply that he is your son, that my dear son, is a matter of mere faith." So, I express my doubt about having faith in the Government's declaration that the local bodies could be guaranteed to get the money realised through the Railway Passenger Fares Act.

In the end, I would quote a Sanskrit *sloka*. In spite of all this I do agree that in the present circumstances and the deficit financing, the Finance Minister has done best of a bad job. He could not have done better. Therefore, we must all cooperate and join hands in the development and planning of our country and I conclude by quoting the Sanskrit *sloka*—

शशिना च निशा निशया च शशी ।
शशिना निशया च विभाति नभः ॥
पयसा कमलम् कमलेन पयः ।
पयसा कमलेन विभाति सरः ॥

The people, we, the Administrators and the Government as well as the governed, if all join hands, I am sure—

गंगा मधुरा माला मधुरा यमुना मधुरा
वीचि मधुरा ।
वेणुमधुरम् नादम् मधुरम् मधुराधिपते
अखिलम् मधुरम् ॥

THE DEPUTY CHAIRMAN: The Deputy Minister of Finance. How long will you take?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI TARKESHWARI SINHA): Half an hour.

Madam Deputy Chairman, the debate has been going on for a few days now. Though the reply to the points raised by hon. Members here will be made by our Finance Minister tomorrow, I am here to reply to some of the points which probably he may not be able to reply to because of the time being short. Many

points have been raised but I would try to cover a few. The difficulty of the Finance Minister is, as it has been pointed out by many hon. Members, that he has to walk on the most crowded and complex of the economic roads which is called the middle road because the first and fundamental thing that the Finance Minister has to do is to bring a sense of stability with progress. When we have wedded ourselves to the system of mixed economy, certainly the Finance Minister has to see that within the concept of the socialist pattern, we have to realise a balanced economy.

•In many ways, the problems facing our economy today are without a parallel. More than in many other countries, we have extended the scope of the public sector to include production and distribution of a wide range of goods and materials and services as well. At the same time we have to operate within the framework of parliamentary democracy. This is exactly the position which has given this unique privilege to this country to have a balanced and progressive growth of economy and to do social justice within the parliamentary framework of democracy. You know that in countries like the U.S.A., Japan, the U. K. and others, in Western Europe, administration of productive activity is removed from the immediate orbit of public control. In the Soviet type of economy, the administration of productive enterprise does not get mixed up with the process of parliamentary discussions and parliamentary consent. Therefore, what we have to evolve in the coming years is a system which would see that a balanced economy is maintained with social justice. And that can only come by going progressively through a way whereby all sections of the society feel that social justice is being done to them.

Many speakers, mostly those who claim to be of the extreme left but

.also claim to have a lot of reasonable understanding of our economy, have ■ ventured to say that the wealth of this country of mostly the productive wealth of this country is owned by a few families or few firms. Nothing could be as misleading as that. Probably the Members were taking their ^quotations—they did not quote but I understood that the quotations were— from Dr. Hazari's book wherein he has maintained that the ownership of wealth or the assets of the companies are more or less in a few hands. I would like to mention that the figures which he has mentioned, probably relate not to the ownership of wealth by seven families but to the total value of assets of the companies in which 7 of 8 groups might have a substantial interest, but I must inform the House that even this controlling interest is not denned in any precise manner. It has no reference to the majority of the shareholding by a few families or by certain families or even management by the members of those so-called •controlling interest families. I would like to mention here that hon. Members should recognise that apart from the arbitrary definitions of this control, it is not quite correct, not quite proper I should say, to identify the value of the assets of the companies with the personal wealth owned by the families which are supposed to have substantial control. On these companies. That is simple travesty of facts and 'logic, both. For, it is a well-known fact that in the modern corporate system, the ownership of the assets of the companies is generally widely distributed. I would like to mention for the information of hon. Members that it is the same Dr. Hazari who has made this contention that in the Tata Iron & Steel Company the Tatas appear to hold only about 5 per cent. of the total equity—only 5 per cent— and the L.I.C. alone holds more equity than the Tatas and the bulk of remainder is owned by a large number of individuals and trusts. I would not take the time of the House in narrating the details of other companies but this is one specific instance.

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SHRI NIREN GHOSH: Is it not a fact that through manipulation of shares one or two interests control a company? It is known to the business world for a long time.

SHRIMATI TARKESHWARI SINHA: The secrets are known to both sides of the House. In fairness to the fact and argument, it is necessary that we should confine to the facts which are known to us publicly. When he found his argument was falling down very rapidly, he could not hold himself. I would request him to bear with me with a little more patience and that is the reason why I want to bring these facts to the notice of the House. It is not a fact always to say that those so-called controlling interests are the real controlling interests of the greater part of total wealth in this country.

Then, Madam, I come to another point which Mr. Dave made. He said that the rise in agricultural production was due to increase in acreage rather than increase in activity. It is true, Madam, that in respect of certain crops like cotton, jute and sugarcane there has been a substantial increase in acreage over the last decade but it would not be correct to say that it is increased acreage which is primarily responsible for the growth of agricultural production. I would like to quote some figures in this connection. For instance, for the total area under foodgrains which accounts for about three-fourths of the total acreage under cultivation the increase was from 240 million acres in 1951 to 280 million acres in 1960-61 which makes an* increase of about 16 per cent, but the increase in output, after allowing for improvements and statistical coverage, was as much as 50 per cent, and, therefore, the contention, the argument, put forward by Shri Dave is not quite objective. I think nobody can doubt, and everybody perhaps agrees, that the yield per acre in the case of all the crops is still very low in India and efforts have to be made and are being made

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to enhance or increase the yield, to improve agricultural methods by giving better seeds, better agricultural implements, insecticides, better irrigation facilities and, I think, as a result of the programmes implemented in the last few years, there has been some increase in this field. I would take one specific example, that of wheat. The average yield of wheat was 656 lbs. per acre during the First Plan period and the average for the last three years of the Second Plan works out to 716 lbs., which means an increase of about 9 per cent. The increase in the case of rice works out to 18 per cent.

I then come to another point which he and some other hon. Members raised and that relates to the dividend declared by some companies. He made the point that in view of the high dividends declared by some companies there was a case for imposing a certain graduated scale of taxation on companies on the lines of graduated taxation on personal income. There are, I think, one or two points which deserve consideration at this stage. Madam, in the case of older companies, it is often misleading to take the percentage of dividend distributed as a criterion of profitability. Mr. Dave knows with his experience, he is well versed in the subject, that in a large number of cases these companies have ploughed back profits over a period of years. Although I am not talking of all the companies like this, but mostly the companies which have existed for a number of years, which have been in existence for a long time and have done well have ploughed back a percentage of their profits over a period of years and the result has been that although their paid-up capital may remain relatively small, the total capital employed in that particular business is quite large. A better test of profitability, therefore, would be to relate gross profit, that is profits including managing agency remuneration, interest charges, tax provision but excluding depreciation, as a proportion of the total capital employed.

On this basis, the return on capital in the cotton textile industry—I would like to give this specific example of the cotton textile industry—varied between 3 J per cent, and 6½ per cent, except in 1951 and 1955 which were exceptionally good years for the cotton textile industry when the dividend went as high as 12 per cent. Those were the exceptional years. Similarly, in the case of tea plantations the return also fluctuated very widely. It was only 1½ per cent, in 1952 but the average for the period 1955 to 1958 works out at 10 per cent.

Mr. Khandubhai Desai, Mr. Dave and a few others made the point that in a situation like ours, in our present economy, there were various circumstances which led to windfall profits and they said that these had got to be taken into account in determining the tax structure. Well, there is no doubt about it that there is a lot of force in this argument. Government are aware of the problem but the question really is, how to devise a system which mops up windfall profits without impairing in any way the incentive to produce and improve the efficiency and increase economic activity. I am sure, Madam, that the Government is very much concerned about this problem. We realise that this is a complex problem and there is also not a single solution for that problem. May I tell the House that in the future also we shall see, and in the present day-to-day activities also we try and bring forth measures, to bring in that excess amount, into the orbit of the public exchequer.

SHRI ROHIT M. DAVE: (Gujarat): May I know as to how they are doing it?

SHRIMATI TARKESHWARI SINHA: There are various ways that we have got. This time also, we have levied Capital Gains Tax because of this consciousness. We would like to encourage new units to come into production so that the excess profits, windfall profits, may not go into monopolistic hands. A Committee is also working to find out how much of the

national wealth has gone into how many hands. This is being primarily-done to see how we can distribute the economic activities among various channels so that the excess profits may not go to those companies which by their certain situation may have a monopolistic tendency or set-up.

SHRI AKBAR ALI KHAN: Has any time-limit been fixed for this Committee to submit its report?

SHRIMATI TARKESHWARI SINHA: I think hon. Memberj have expressed their concern from time to time about the report of this Committee and the Committee has taken very seriously all this advice given by the hon. Members. The Committee is looking into this but it is a complex problem. That report has got to be acceptable and hence hon. Members will understand the difficult nature of the problem. We do not have many statistics .

SHRI AKBAR ALI KHAN: Will it be ready before the next Budget?

SHRIMATI TARKESHWARI SINHA: I cannot really give an assurance about the date but I can only give this assurance that the Committee is very anxious that the Report should be given to this Parliament and to the Government in as short a time as possible and I shall again refer this to the Committee and say that Members have expressed their concern.

Madam, Mr. Dave asked as to how we are going to do that. That is exactly why we want that economic production should be distributed by State-controlled bodies like the State Trading Corporation so that we can take the productive goods and distribute them equitably. That is one of the ways by which we want to reduce the scope for windfall profit.

4 P.M.

He referred to the Economic Classification of the Central Government and drew this conclusion that there was a general tendency for the percentage of gross capital formation to

the final outlay to fall. There is a little mistake in his conclusion. In fact, in 1959-60 there has been a steady increase in the proportion of gross capital formation to final outlay. The proportion was 36.5 per cent in 1959-60, 40.5 per cent in 1960-61, 42.6 per cent in 1961-62 and 42.7 per cent in 1962-63. It may also be mentioned here that the gross capital formation pertains to direct capital formation by Government and departmental undertakings only. It does not take into account the loan and the advances made to public enterprises or public undertakings or to the State Governments for productive purposes. In order to find out the impact of the Central Government's budgetary operations on capital formation we must add the financial assistance given by the Central Government for capital formation to the State Governments and also to non-departmental undertakings like public undertakings and various other activities which are productive. If one looks at all into the figures given in para 21, page 29 of the Economic Classification and also in table 2-1 in the Economic Survey, 1961-62, it will be seen that the capital formation out of the budgetary resources of the Central Government has been stepped up very considerably. From Rs. 99 crores in 1950-51 it has gone to Rs. 449 crores in 1955-56 and further to Rs. 767 crores in 1960-61. The Budget for 1962-63 provides for Rs. 1,095 crores towards net capital formation. Altogether, therefore, while expenditures of a current nature have increased considerably, they have not done so at a faster rate than expenditure on productive investment. That is the point I wanted to make here.

Then I would like to refer to the point raised by many Members in the House in regard to the low return on money invested in public enterprises. Mr. Govinda Reddy when he spoke gave a figure of 0.36 per cent as the return on investment by the

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Central Government in industrial and other undertakings. This is a little misleading because while calculating them. Members have probably included even the investments in undertakings which have only just started production; for instance, the Hindustan Steel has taken up a huge amount but it is still overcoming the initial difficulties normal in large industrial undertakings. But if one takes the operating results of some of the established Government undertakings like the Hindustan Machine Tools, Travancore Minerals Limited, Hindustan Cables, Hindustan Antibiotics, Hindustan Insecticides, etc. it will be seen that the total profits after providing for depreciation and taxation as a proportion of paid-up capital and reserves range between 10 to 15 per cent which does not compare unfavourably with the Reserve Bank's estimate of 10-5 per cent for public limited companies during 1959-60. But I accept that there should not be any sense of complacency but we have to bear in mind the peculiar situation in which the public sector undertakings have to work, the glare of publicity in which they have to work, while the successes and failures of private enterprise are not given so much publicity.

SHRI AKBAR ALI KHAN: For instance?

SHRIMATI TARKESHWARI SINHA: For instance, in many of the private enterprises we do not know what is happening to them in the initial years while the public enterprises because public money is involved always have to function under the glare of publicity. From the time they are born their performance and their prospects are assessed in public debates, public discussions and public controversies.

SHRI ROHIT M. DAVE: What about the sum of Rs. 450 crores which these public sector undertakings are going to contribute?

SHRIMATI TARKESHWARI SINHA: I think hon. Members must not be very very pessimistic. We shall certainly see that it comes. I may tell the House that there were public sector enterprises even before like the Posts and Telegraphs, Telephones, Defence Production, Railways, etc. They were publicly owned and managed from before and because they were being managed for a long time they have gained the necessary and valuable experience and have been able to build up the necessary trained personnel. I would like to mention here that the Indian Railways, though we have been facing transport difficulties and other things—but that does not detract from the fact—are one of the very very few railways in the world which operate continuously on profit.

SHRI DAHYABHAI V. PATEL (Gujarat): And there has been continuous rise in passenger fares also.

SHRIMATI TARKESHWARI SINHA: That is bound to happen. If we increase the economic activities the whole freight system has also got to be correlated with the price structure, with investments, with economic productivity and so on and so forth. Madam, we also started the management of public undertakings with a system of distribution because we considered them to be public utility services from the very beginning. If we had started with our public sector programmes on a profit and loss basis, certainly our performance would have been much better. Because there were acute scarcities in the country or because of circumstances we had to make these public sector projects public utility projects. For instance, take the case of the irrigation and power projects. The House knows and, Madam, you know also that the irrigation projects—I would like to mention the figure here—have probably taken up more than four-fifths of the total provision.

SHRI AKBAR ALI KHAN: That is understandable. But the criticism levelled against such commercial enterprises is that they are called commercial but at the same time they are not run as efficiently as private companies.

SHRIMATI TARKESHWARI SINHA: If you go on eliminating these public utility enterprises like irrigation and power projects—because there was a demand that power must be supplied cheap—and if you also eliminate those industries like the steel etc. to which I have referred, then we have made profits. I did mention this—hon. Members did not probably hear me—I was quite clear in my contention that their average profits have been more than 10 per cent which compare very favourably with the estimate made by the Reserve Bank that the profits of the public limited companies should be 10-5 per cent.

We must realise the complexities of the problem. We have to take the whole thing in an objective manner. There are certain industries which have made profits while there are certain other industries like steel—as I myself have said—which have taken up a big proportion of the public funds but they are getting over the normal teething troubles. And here I should say that I do not see any other industry that has passed through a shorter road to prosperity than what our steel plants are doing.

SHRI N. SRI RAMA REDDY (Mysore): It is said that apart from these irrigation projects, power projects, etc., purely in industrial projects the Government is supposed to have invested about Rs. 900 crores or perhaps Rs. 850 crores out of which they are not earning even Rs. 2 or Rs. 3 crores. May I know if this is a fact?

SHRIMATI TARKESHWARI SINHA: Well, that is exactly what I am telling the House, that on the invest-

ments that have been made on the projects the proportionate return has not been there. But some of these projects were conceived to protect people from floods, protect them from famines and to protect them from natural calamities. Only after the Second Five Year Plan came into existence, only in the last term of the Second Five Year Plan, our thoughts went in this direction that the public enterprises should also be considered on a profit and loss basis. Since the profit-making idea dawned only recently, the performance of public enterprises has to be judged having regard to certain situations that were created and to certain phenomena that were created. I do not deny that continuous efforts must be made to ensure that an adequate return is secured by the community on the vast amount of capital that is being invested on our Railways, power plants, fertiliser plants, steel plants and the like. As was pointed out by the Finance Minister himself in the Budget Speech, it is only by making past investments pay for future investments that the rate of economic growth can be accelerated. This means not only efficient and economical operation of the public sector undertakings, but it also involves a policy of charging a proper price for the products and services supplied by the public sector. I would request hon. Members—Shri Bhupesh Gupta and his Party—who were so vociferous in regard to this point that if he thinks that the public undertakings must be paying, also to make similar appeals to the workers' unions. If they speak with one voice here and another voice outside, that will not help us. Outside they say: "You take all the money that you can squeeze from the Government or from the public sector enterprises."** Here they say that the public enterprises must make profits and they must produce economically. Their voice of understanding must be the same, both in and out of the House. That is the only thing I have got to say.

SHRI AKBAR ALI KHAN : Mr. Bhupesh Gupta is not here.

SHRIMATI TARKESHWARI SINHA: Well, his Party Members are there.

SHRI AKBAR ALI KHAN: Our friends will take note of it.

SHRIMATI TARKESHWARI SINHA: There is another point that is very important, that is in regard to the prospects of Britain joining the European Common Market. Mr. Govinda Reddy raised this point and I would like to say a few words about that. The terms on which Britain would join the European Economic Community are still being negotiated and it will take some time before a clear picture would emerge of what the consequences of Britain's entry are for countries like India. There are, however, certain points on which our stand is clear.

I would like to tell the House that in all our discussions we have emphasised the need ' for suitable safeguards to ensure that trade, which is dependent on preferences, is not abruptly disrupted. It is our hope that transitional arrangements will be provided to facilitate a smooth change-over to the new situation created by Britain's joining the Common Market. But apart from the transitional arrangements, a country like India is entitled to expect that the kind of policy which the U.K. had so far pursued towards the rest of the Commonwealth could, with advantage, be adopted by the industrialised nations towards the developing countries as a whole. I think that in respect of certain items if duty-free entry or entry on preferential terms is kept up, it could give advantage also to the other countries which are members of the ECM. The range of products to which duty-free entry will be accorded should be as large as possible and not restricted only to primary commodities.

The problem of primary commodities has become an international phenomenon. All the primary producing countries are very anxious to maintain stability of the prices, but this cannot be done if the primary products are not joined with industrial products, and a well-balanced export market is evolved internationally as well. Therefore, I say that it is important that all quantitative restrictions affecting our exports—and there are many of these prevalent in the Common Market countries—should be abolished. Such restrictions are contrary to the spirit of the General Agreement on Trade and Tariffs and the Common Market countries are not justified in maintaining such restrictions on the ground of balance of payment difficulties. This, broadly, has been our stand.

We have also made it clear that rather than thinking in terms of associating some specified countries in a special way with European Common Market, the better course would be to select as large a list of commodities as possible, both primary products and processed goods, to which the European Economic Community will give duty-free access. In this duty-free approach to the products of the developing countries, other industrialised nations of the world should also join. It should be a basic form of economic activity, covering international trade. Every country is trying to help the other under-developed countries. It is a moral obligation of the United Nations Charter. It is a moral obligation of all the well-developed countries to support in the development programmes of the underdeveloped countries. This will be one way in which they could really give assistance to the under-developed countries to fulfil their ambitions, to cherish their hope of progress and betterment.

Well, Madam, it is not possible, at this stage, to predict what the ultf-

mate outcome of the present negotiations between Britain and the Common Market will be. But one thing is clear, i.e., the future of international trade and the world economic relations will depend greatly upon whether the choice is in the direction of more liberal trade policies or whether there is a continuation of restrictive practices. This has a deep significance for maintaining good international relationships. It is also very necessary that the countries which are at present members of the European Economic Community should realise that this is part of a general programme of assisting the under-developed countries, for maintaining mutual goodwill between the democratic countries of the world.

SHRI NIREN GHOSH: Which are the democratic countries of the world?

SHRIMATI TARKESHWARI SINHA: That you know better than I do.

SHRI NIREN GHOSH: You call the imperialist countries 'democracies'.

SHRIMATI TARKESHWARI SINHA: If all the countries are democratic, I have nothing to say. I would be most happy personally. But I do not know. I cannot really clarify and I cannot enlighten my hon. friend. The hon. Member knows better. Well, I may inform the hon. House . . .

SHRI M. GOVTNDA REDDY (Mysore): Before the hon. Minister proceeds to the next point, may I interrupt with your permission? After I made the point with regard to the European Common Market, I read in the newspapers that Britain has placed her nine points before the Common Market countries and that a certain sort of agreement! has been reached with regard to those nine points. May I know if the Government has any information in that regard?

SHRIMATI TARKESHWARI SINHA: I do not know whether we have received any official information. I would not be able to say this. It came out just now in the press and I shall have to find out whether officially we have any information in our Ministry about that. But I may inform the hon. Member that so far as our policies are concerned and our stand is concerned, we shall always look to the general commitments made by all the countries which are now members of the European Common Market under the General Agreements on Trade and Tariffs and we shall try to press our point of being considered on a just basis, on an equitable basis and on the basis of commitments that have been made previously under GATT

Then, many hon. Members have raised the question of prices and have expressed concern about the effect of rise in prices on the fixed income groups. Government are aware of the need to prevent price rises especially in respect of essential commodities. The Third Plan, for instance, recognised that the levels of wholesale prices and cost of living were already high at the commencement of the Plan and that it was essential to ensure that, there was no accentuation of inflationary pressures in the course of the Third Plan. The Plan has also realised with great sincerity that the levels of living of the more vulnerable classes in the society have to be safeguarded. .

Hon. Members know about the trend of prices in the last few years. It is true that at the commencement of the Third Plan the general index of wholesale prices was about 30 per cent, more or higher than in March 1956. But I would also like to inform this august House that in 196-1-62 there had been a distinct improvement in the price situation. For the year as a whole, the general index of wholesale prices averaged 125.1, which was only fractionally higher than the

[Shriimati Tarkeshwari Sinha.] average level of prices in 1960-61. In 1960-61 it was 124.9. Broadly, the upward trend in prices was reversed since July 1961 when the index was 128.6, and gradually it came down to 122.9 in December, 1961. Since then the level of wholesale prices has been more or less stable around this level. The latest index for April 21, 1962 was 123.9 and was about 1-2 per cent lower than a year ago. But I agree that though it is true that there has been a relative stability in the level of prices in recent months, prices of food articles have not declined. However, on present indications, there is no likelihood of any marked pressure on prices of foodgrains ; and other food articles in the course of the coming few months. But then the price structure depends so much on the vagaries of the climate that it becomes difficult to predict for the future months. When we had a price rise in the Second Plan, though the prices of food-grains were more or less stable, the prices of oilseeds, tea and industrial raw materials went up, and therefore the wholesale price index went very high. It did not come down though the prices of foodgrains were more or less stable in the latter part of the Second Plan.

SHRI ROHIT M. DAVE: Has the hon. Deputy Minister noted that after the Budget every month the index number of prices has gone up for the last two or three years?

SHRIMATI TARKESHWARI SINHA: Every Budget has its tremors, and the hon. Mr. Dave knows that very well. Being a mature student of economics he knows that these sudden pressures always come at the time. They immediately precede or follow the Budget. I think hon. Members stressed he point that the price of matches has risen. But we in our Ministry do some sample survey. We send our people to find out the exact price. It is now learnt that the price of matches has again come down to 6 naye paise.

AN HON. MEMBER: Speculation.

SHRIMATI TARKESHWARI SINHA: Naturally, as the hon. Member here says, this rupture and instability in the price structure is because of speculative psychology. But I agree that though the price line has been held at a stable level since the commencement of the Third Plan, the Government should not lose its grip over the situation. We have to devise various ways and means to prevent undue increase in prices in the coming months, and there is no denying the fact that a careful watch has to be kept and will be necessary over the trends in prices in the coming years. But, as Mr. Khandubhai Desai pointed out in his speech, we cannot think of our price structure going back to the pattern of 1945, because the whole economic activity has given a higher tempo to our economy. Therefore, we have to judge the price structure in the context of the total economy. If there is a decline in agricultural prices, what will happen to the farmers? As it is, we see that the farmers lack initiative. When the Ford-Foundation Team came here to study the prospects of agricultural production, it made a specific reference to this question.

SHRI NIREN GHOSH: For raw jute this year they have got only Rs. 22. or Rs. 23 per maund.

SHRIMATI TARKESHWARI SINHA: That is what I am saying. The hon. Member has the same view which we have. They say that prices must go down. But I cannot speak with two tongues. Either the prices have to be balanced (Interruption) If the prices go down, what will happen? During the last phase of the First Plan the prices of agricultural commodities went down and there was such a lot of uproar from the farmers and agriculturists. That is why I was mentioning to the hon. Members, if they would have a little patience, that the Ford Foundation Team which came here to study the prospects of agricultural production in India made the specific reference that the most important thing to do here was to»

make the agriculturist more agriculture-minded, more production-minded. The greatest setback for Indian agriculture is this lack of incentive on the part of the farmer, and that can only come if we can give him a good assurance.

SHRI NIREN GHOSH: A precious piece of advice from the American imperialists.

SHRIMATI TARKESHWARI SINHA: Sensible advice is always sound to us. Sensible advice is never sound to the hon. Members opposite. Therefore, Madam, we would certainly see that the prices do not fall to that level where the farmers and those people who produce the commodities would really lose all encouragement or would lose all incentive. We shall certainly see that in our planned economy we must develop our fiscal policy to have a balanced pricing system in our country. Prices, as the hon. Members know—probably the hon. Member who is interrupting me does not realise it but I think all the other hon. Members realise it—are a resultant of varied forces, internal and external, acting on the economy. Some of these relate to the level of aggregate demand, and some have a bearing on the supply and demand for individual commodities. Some have a bearing on the past, present and future prospects, and some have a bearing on the perspective aspect of economic activity. Therefore, the price policy cannot be viewed in isolation from the development in the different sectors of the economy. I, therefore, specifically mentioned that a reasonable degree of price stability should be achieved and it should be ultimately linked up with the price policy; it should not only be linked with the price policy but it should also be linked up with the fiscal, monetary and investment policies.

Then about the small savings, Madam—because that is where I function in my Ministry—many hon. Members have raised this point and ex-

pressed their deep concern over the fall in small savings. We have ourselves known that the decline was nearly Rs. 13 crores. We had achieved a target of Rs. 103 crores. That amount has declined to Rs. 90 crores, and ultimately the decline has been Rs. 13 crores. A part of this setback may be due to the revival of the confidence in the banking sector which had been somewhat disturbed in 1960-61. After the liquidation of the Palai Central Bank there was a sudden spurt in the small savings activity, because most of the people ran from the banks and made their deposits here. Now, it seems that there has been a revival of the confidence. So, that probably was one reason. But we do admit that a decline in collections is a matter of serious concern to all of us, and we shall strive our utmost to step up the collections and strengthen the small savings movement. But I would like to point out to the House that the small savings movement is more than a mere collecting agency of money for the public exchequer. It aims at spreading the habit of thrift and encouraging self-help while at the same time providing an opportunity for participation by the common man in the mighty task of the country's development.

Some hon. Members have given certain suggestions as to how they can help the savings movement. Our approach to it has been to build up the movement on a purely voluntary basis with the willing co-operation and consent of the people. May I add here that in other progressive and more advanced countries, the success of the savings movement has depended almost entirely on non-official support and it has been ploughed back in the country itself? In our country, while the officials will always do their best and they are expected to give every possible assistance and guidance in running the movement, the main momentum has to come from the non-officials. From personal experience I would say that in the State of Mysore—and Mr. Govinda Reddy knows it—a tremendous amount at'

[Shrimati Tarkeshwari Sinha.]

public enthusiasm was created and everybody forgot that it was the Government's business to collect savings for the country. They thought that it was their own business and it was their responsibility. Whatever party they belonged to, the Government's party or the Opposition parties, they thought that this was a non-partisan movement. And this should be made a movement like this.

Well, the hon. Mr. Bhupesh Gupta has now come. He always speaks for the common man. But what gesture has he given and shown to give this impression to the country that he has shared the problems of the common man? He says that if we give him our hand, he will also shake hands with us. This is one forum where his party has never co-operated. And I know that he is very chivalrous to me personally and to many other lady Members in the House. But I am not talking like a woman here. I would say that his party has never co-operated in any of the States so far as the small savings movement is concerned in spite of our appeal.

SHRI GOVINDAN NAIR: Your interpretation is absolutely wrong.

SHRIMATI TARKESHWARI SINHA: Probably, in this field I know more than most of the hon. Members opposite.

SHRI BHUPESH GUPTA: Frailty in thought, thy name is woman.

SHRIMATI TARKESHWARI SINHA: Madam, we have asked him to cooperate with us. We have co-opted them in our committees, Advisory Committees, for savings. I have toured a good lot in the country in regard to the saving movement. But I have yet to find a member of the Communist Party coming and accepting our invitation and attending our meeting held for the purpose of spreading this movement.

AN HON. MEMBER: Very bad.

SHRIMATI TARKESHWARI SINHA: I think it is better late than never. This is an appeal to him, to his party and to all the Members sitting in the House. Let him . . .

SHRI BHUPESH GUPTA: Which meeting? We must know it. Your Congress Parliamentary Party meeting or what?

SHRIMATI TARKESHWARI SINHA: Meetings (*Interruption*) for encourage-ing the small savings movement in the country. We have invited.... (*Interruption*). Would you please bear with me, listen and then reply? We have invited the trade unions which are affiliated to the Communist Party and we have invited some of the prominent members of the Communist Party. But I have yet to find a member of the Communist Party either attending or even replying to our appeal that they should join and make this movement a success. But as I have said, it is better late than never. I would appeal to all the Members of Parliament and the State Legislatures that in their home States and constituencies they must assist us . . .

SHRI BHUPESH GUPTA: People must have some savings.

SHRIMATI TARKESHWARI SINHA: Would you bear with me?

SHRI BHUPESH GUPTA: Well, I have been bearing with you all these ten "years in different capacities. Madam, will you kindly ask that madam to tell us—between the two madams I would like it to be settled— how people can put in small savings when they do not have savings at all? They cannot put Mrs. Tarkeshwari Sinha's savings into the savings fund of the Government. Will you share your savings with some of them?

SHRIMATI TARKESHWARI SINHA: I would have very much liked if the hon. Mr. Bhupesh Gupta would have come to me and asked me to give Rs. 5,000 for the movement. But he never cared even to do that.

SHRI BHUPESH GUPTA: I should have thought that as a Minister of the Government, you should know how to save.

SHRIMATI TARKESHWARI SINHA: Well, Madam, it is a point . . .

SHRI BHUPESH GUPTA: I do not want to embarrass her any more.

SHRIMATI TARKESHWARI SINHA: . . . for more detailed scrutiny and study—how much is the capacity of savings even for the middle classes. But if the small savings do not come in, then most of the things in the Plan for the poor people will not be there. The hospitals will not be built, schools will not be constructed, libraries will not come in and village roads will not be constructed. After all, it cannot happen. If our defence expenditure has to increase, we have to find our resources for protecting the integrity and character of our country and national prestige. If the programmes of social welfare suffer, they directly affect the poorer sections. It is all the more necessary—therefore for the hon. Members to realise that whatever saving *comes* in the field of small savings goes for the fulfilment of those ambitions of the Plan which help the poorer sections in the shape of hospitals, more roads, more social facilities and all these.

Well, I conclude by saying that all the Members of this House will convey this to their State Governments, to non-official bodies, to unofficial agencies, to people interested in this movement and ask them to take the responsibility of this movement into their own hands, to create a non-partisan attitude so far as the savings movement is concerned and to co-operate with us. They know that this is the one way whereby real savings can be achieved and it can be made into a great national movement. This is the one field . . . (*Interruption*) where all of us can meet and create a national bias for fulfilling the ambitions that we

have set in our Plan. We want that this movement should be completely non-official and that more and more official agencies should go, and we should give the responsibility to the non-official agencies in case they come forward and they are prepared. The one facility that we have given is in the Cumulative Time Deposit Scheme. Government will give a rebate in tax in case they deposit their moneys in the C.T.D. Scheme. I think that it will give greater fillip. And I appeal to this entire House to give a helping hand to me and to us for making this movement a great success.

Thank you.

SHRI BHUPESH GUPTA: One question. We have heard with great interest the appeal—and charming appeal we always like even if it is empty. May I know from the hon. Minister whether her attention has been drawn to a report given by the National Council of Applied Economic Research in which it is said that 85 per cent, of the urban population after 14 years of independence has no capacity to save? If that is so, how can the savings scheme be successful or can acquire a very great backing from the people? The hon. Minister should know it. One cannot be a mother unless one has the child. There is no saving. How can the savings scheme be a success in that case?

SHRIMATI TARKESHWARI SINHA: May I invite the hon. Member's attention that the Institute of Applied Economic Research made a sample survey of a few cities like Delhi, Calcutta and a few others? And they came to the conclusion . . .

SHRI BHUPESH GUPTA: Many.

SHRIMATI TARKESHWARI SINHA: Few cities, I said, not many. There is a lot of difference between 'few' and 'many', as any lawyer would know. They came to the conclusion that this particular sample survey showed this result that in a particular income group there is hardly any capacity **for** savings. Yes, I would like . . .

SHRI BHUPESH GUPTA: If you have not seen it, you take it from me. You are a studious person and I also sometimes turn over the pages of the report. It is clearly stated that 85 per cent, of the urban population is not in a position to save. And it is not a question of one income group or other. It is a general statement made. Can she deny it?

SHRIMATI TARKESHWARI SINHA: The hon. Member should remember that it was an interim survey, not a full survey. I will give him that book. He can read it and return it to me.

SHRI BHUPESH GUPTA: Will you hand it over to me tomorrow morning?

SHRIMATI TARKESHWARI SINHA: I will hand it over to you. That is why they said that there is ample scope for savings in the rural areas. The small saving is not a block saving. It is not the saving of a particular block of the community. It is a movement covering ' the entire community inhabiting this country. I do not confine myself only to the third division employees of the Central Secretariat or Class IV . . .

THE DEPUTY CHAIRMAN: Any way, you are passing the book on to him tomorrow. That would be all right.

SHRI BHUPESH GUPTA: Can you read and pass it on to me?

SHRI M. S. GURUPADA SWAMY: Madam Deputy Chairman, I carefully listened to the speech made by the hon. Deputy Minister. She tried to meet in her own way the points raised by some of the Members of the Opposition. With all her sweet reasonableness and persuasion may I say that she was not able to meet the points raised by some of the hon. Members this side, and I will deal with those very points in the course of my speech.

Before I do that I wish to say that when the hon. the Finance Minister presented his Budget proposals in the Lok Sabha, the immediate reaction among the business people and stock exchanges in the country was not very much adverse, but later on, when some business friends began to think of the various Budget proposals and, the taxation measures, they thought that they should not keep quiet lest their silence should be misunderstood. So, out of sheer habit they tried to offer their criticisms, most of them half-hearted, and perhaps some of them unintended. And may I say that many of the criticisms of these friends in the business world were tactful rather than real? This fact is borne out very clearly if we see the stock market. Stock markets in Bombay, Calcutta, Madras, or anywhere, have reacted very favourably to the taxation proposals. There is no change at all, from the day of Budget proposals up to now, the stock markets have been very steady, and the business people also are quite aware that the taxation proposals this time are not very harsh or stringent and are not of an order that they cannot bear. So, they heaved a sigh of relief perhaps. Now, some of their criticisms, as I said, have been made in a very half-hearted manner, and many Members of this House know that the best way to create sympathy is to appear that one is aggrieved. That is what the business community is trying to do now.

If we take the Budget proposals of the last year and the Budget proposals of this year, one thing stands uppermost—perhaps, the hon. House is aware of it. Last year most of the taxation proposals were related to indirect taxation. This year also much of the taxation proposals is related to indirect taxation, and taking these two years together the quantum of indirect taxation compared to direct taxation is very much large. An hon. Member— I think Mr. Sinha—quoted a passage from the Third Plan wherein it is stated that during the Third Plan

period it is imperative to lean heavily on indirect taxes rather than on direct taxes, and on the occasion, when this matter was under discussion in Parliament some time back, we challenged this assumption. We said it was a very wrong assumption and it was incorrect to say that the common man had greater capacity or sufficient power to bear the burden that was contemplated in the Plan. We insisted on saying that even during the Third Plan period, in the course of development, there were bound to be windfall profits—which have been shown amply during these years of development—and we also said that there should be a fair amount of increase in direct taxation but unfortunately, in these two years, we have seen that in the matter of new taxes or increases in the existing taxes more emphasis is being laid on indirect taxes rather than direct. And may I point out that now the very term and the concept of indirect taxation has lost its meaning because, once upon a time, when this matter was discussed all over the world, when the term was coined and debated, economists and even Ministers thought that indirect taxes would affect people very indirectly, that because the burden of indirect taxation was rather spread out it would not be keenly felt. That was the meaning and interpretation given to indirect taxation. That was the meaning given by Mr. Gladstone at that time, when he formed his Liberal Government. He said: "I do not distinguish between direct taxes and indirect taxes. To me as Chancellor of the Exchequer they are like twin sisters; both are charming; I love them both equally. So I would resort to both indirect and direct taxes." But that kind of interpretation or that kind of approach does not suit and does not apply to the present conditions. Today, as we see the Budget proposals, as we see the quantum of indirect taxes levied by Government, last time, this time and even previously, we find that they are being increasingly felt by the common man.

Just now the hon. the Deputy Minister spoke with all emotion that the Members on this side were not responsive to the appeal to co-operate in the small savings Scheme but unfortunately, as my hon. friend Mr. Bhupesh Gupta has said, she has not been able to realise that there is very little saving left among the people, and the savings schemes that have been sponsored by Government are bound to fail. Apart from this may I say that in these two Budgets the Finance Minister has made a very clever move to bring in more sources under indirect taxation?

THE DEPUTY CHAIRMAN: If I may intervene, the House will sit till 5.30 today.

SHRI M. S. GURUPADA SWAMY: The Finance Minister is doing a feat. He has said that indirect taxes **now** are levied on some luxury articles and I think here he has very much erred on the wrong side. If you take the taxes of the last year and this year together, you will appreciate one fact, that some of the articles which were levied taxation last time are not covered this time. Most of the articles of common consumption were subject to taxation whereas some articles of consumption of the middle income group, which may be termed as luxury articles, were left out. Now they are taxed. As a student of economic affairs, may I ask the Government why encouragement is given to the manufacture of luxury articles which are not necessary at all? **You** say that you tax luxury articles because they are luxury articles and yet foreign exchange resources are made available to import plants and machinery required in the manufacture of luxury articles. This is a contradiction that I am not able to understand.

Madam, the hon. Finance Minister has created a wonderful climate for the capitalist world. I am saying this for some reason. For the first time after five years he woke up to say

[Shri M. S. Gurupada Swamy.] that expenditure tax had not served any useful purpose. The argument in favour of abolition of this tax is that it has not yielded much income; the income is only Rs. 80 lakhs and hence not worth the trouble. That is the simple argument for the abolition of this tax. May I ask him why he did not think of its abolition earlier, if that was the experience of the hon. Minister? Secondly, may I also ask him whether the administration put its heart and soul into the collection of this tax? I am inclined to think that sufficient effort was not made on the part of the Government to collect the tax under this head. That is why the tax return has been very small.

May I in this connection bring to the notice of the hon. Minister something that happened in the past? When Estate Duty Bill was being passed by Parliament some time back, the estimate of the then hon. Finance Minister, Shri C. D. Deshmukh, was—vividly remember that—that to begin with it would yield rupees four or five crores, and later on it would increase. But, unfortunately, the collections were so small that it belied all expectations in the beginning for a few years. Now, I am glad to find that it has proved a fertile source of taxation.

SHRIMATI TARKESHWARI SINHA: The hon. Member should remember that the mortality rate has gone down and life-span has increased from 27 to 42.

SHRI BHUPESH UU/IA: Among the multi-millionaires?

SHRIMATI TARKESHWARI SINHA: Among everybody. People are growing older.

SHRI BHUPESH GUPTA: The multi-millionaires refuse to die.

SHRIMATI TARKESHWARI SINHA: They would not die so easily.

SHRI BHUPESH GUPTA: I shall be dead in a few years.

SHRI AKBAR ALI KHAN: No, no.

SHRI M. S. GURUPADA SWAMY: People tried to persuade the Finance Minister to remove the Estate Duty Act from the Statute Book but it continued and it still continues. I strongly feel that one of the reasons why the return is low in respect of expenditure tax is that we have not shown any interest in its collection. As many hon. Members know, if you want to make a measure useless, the best way is not to work it at all. That is what has been done in the Finance Ministry. You have not shown any interest in it, you have not shown any desire to implement the measure. I am sure if certain modifications had been made in this Act, if administrative action had been taken and the administrative apparatus had been geared up, this tax would have yielded sufficient revenue. Now, the Finance Minister wants to make a glorious gesture to the people in the business world saying that he would remove this tax and hereafter the business community would be free from this botheration. Here I am not raising the point of socialism to which I will come later, but may I point out that if one were to have a look at the statistics—even the hon. Deputy Minister agreed for a moment—one would realise that companies make huge profits in a developing economy? In a planned development it is inevitable and inescapable that a certain business section makes huge profits. When that is the case, I do not know why this tax, which was contemplated, which was introduced just for the purpose of putting a restraint on expenditure with a view to encouraging saving, with a view to developing productive investment, has been taken off. I do not know why this gesture has been shown at this hour.

Then, Madam, some hon. Members referred to the question of increase in income-tax. My colleague, Mr. Rohit Dave, dwelt on this point at some length. May I point out that here is a time when we should think of some sort of a measure by which we can mop up certain incomes that are flowing to certain families? In this con-

nection, may I suggest a measure that was introduced during the war time—I think Mr. Khandubhai Desai supported the view—that the Excess Profits Tax could be re-introduced? That would be an additional source of income. But I am afraid the Finance Minister is not very particular about introducing changes in direct taxation and I am sure hereafter there will be more and more concessions shown to the business community.

Now, the Deputy Minister tried to remove the idea from our mind that there has been any increase in disparity of incomes and that there is no concentration of economic wealth at all, but she has not been able to meet the point raised by some of the hon. Members. May I tell her how the gap between the lowest and the highest income groups has varied during the last few years? In 1947-48 the ratio was 1:11. Now what do you find? The ratio is not 1:11 or less, it is more. It is 1:32. Does she want us to believe that disparities are not growing? One of the consequences of this wonderful economic development by this Government has been that disparities in incomes have increased manifold and have been further increasing and no political or economic countervailing barricades have been erected to check this growing disparity in incomes. She has tried to point out that a few families are not having that much of wealth as we on this side try to make out but I am afraid she has failed miserably in her attempt. She tried to confuse the House. Perhaps, there was some misunderstanding on her part. She tried to make a distinction between assets of the families and the assets of the companies which are controlled by these families. She tried to make out that the assets that the families are controlling in the companies are not so much.

5 P.M.

SHRIMATI TARKESHWARI SINHA: What I was clarifying was the misunderstanding which was created in the minds of hon. Members by the

Member who raised this point that the personal wealth of those persons who may have significant interests in those companies was the same. What I pointed out was that it was not a fact. The controlling persons may not have the majority of the equity shares in those companies.

SHRI M. S. GURUPADA SWAMY: That is contemplated in the company Law. The Company Law was amended.

SHRIMATI TARKESHWARI SINHA: How does it become the personal wealth of those families?

SHRI M. S. GURUPADA SWAMY: Control is different from ownership. I wish to impress that even after passing the Company Law (Amendment) Act, the control of the companies, the new companies and the old companies still vests with the few families and the licensing policy pursued by the Government just helps them and it would be very interesting indeed if statistics are given to us as to how many old families are getting licences, what is the percentage and what is the number of new entrepreneurs in the field who are coming forward to start business. That will be interesting, statistics and I wish to have it if it is possible to have it, but I content myself by saying that the control of companies still vests with a few families and control nowadays is more important than actual ownership.

SHRIMATI TARKESHWARI SINHA: The hon. Member is completely mistaken. Hon. Members in this House pointed out that Rs. 700 crores is the value of the assets which belong to seven prominent families but that is not the value of their assets—It is the value of the assets of those companies in which the individuals may have some shares.

SHRI BHUPESH GUPTA: Do **not** get annoyed.

SHRI M. S. GURUPADA SWAMY: She is very much trying to clarify

[Shri M. S. Gurupada Swamy.] Tmt unfortunately the clarification is not convincing. May I point out that these seven families control Rs. 750 crores? That is a big control. They do not own it, I know. I am aware of it but these families control these companies worth Rs. 750 crores.

DIWAN CHAM AN LALL (Punjab): Is it correct that they are seven families?

SHRIMATI TARKESHWARI SINHA: He was quoting one Dr. Hazari's report that seven families are controlling Rs. 700 crores of assets. That was stated as personal assets. I said that they might be one of the directors of those companies and the value of the assets of those companies may be Rs. 700 crores. I specially quoted the Tata Steel Company. Tatas may be the name of Tatas but their equity share is only 5 per cent. The L.I.C. is having more equity shares than the Tatas and more assets in the Tata Company than the Tatas themselves.

(Interruptions)

SHRI BHUPESH GUPTA: May I know whether Tata concerns are controlled by the Deputy Minister? I would like to know who controls them, whether the Deputy Minister or Mr. J. R. D. Tata?

SHRIMATI TARKESHWARI SINHA: Not the Member sitting opposite. I would never like them to be controlled by the hon. Member sitting opposite.

SHRI BHUPESH GUPTA: I have not got any share. I cannot control them at all.

SHRI M. S. GURUPADA SWAMY: May I pass on to another point which is very much related . . .

SHRIMATI TARKESHWARI SINHA: Do not get their point, otherwise you will get into trouble.

SHRI M. S. GURUPADA SWAMY: Let me be permitted to proceed. Mr.

Gupta should reserve all his sweet exchanges with the Deputy Minister for a later occasion . . . (Interruptions). This takes me to another interesting point. Since the last one decade, as a result of disparity in incomes and as a result of extreme gaps created between classes, class conflicts and class contradictions have increased. I do believe that the Congress Party professes socialism and I am a votary of socialism. To me one of the important elements or aspects of socialism is to resolve existing conflicts in society and to prevent the emergence of new conflicts or tensions in society. It is historically agreed that conflicts arise mainly because there has been disparity in the distribution of wealth and income and it may become acute when the people at the lowest rung of the ladder are subject not only to heavier burden in the name, of progress but also subject to increasing strain in the shape of higher cost of living.

Today what has happened? Large sections of the people in India have been either stagnating at the present, level of income or even if they have raised their incomes, those incomes or the increases in their income, are not commensurate with the proportional development either in productivity or in the national income. So, what has happened? Class antagonism, conflicts and contradictions have crept in and they are sharpening. Figures have already been quoted. The working class, whether in the field or factory, is getting less real wages than before. It cannot be denied. Secondly, the lower middle-class and the upper middle-class, which were the bulwarks of stability in the society, are slowly being eroded by the high prices and high cost of living. They have become reduced to a lower position. Now only one class, the supreme class, the class of economic oligarchs, is sitting high, constructing their own pyramids and occupying and living in their own ivory towers and saying that they have been taxed heavily. The figure was given by my friend on thi*

side that the percentage of indirect taxes today is much higher than direct. I do not quarrel with the increase in the stresses and strains resulting from the stresses and strains resulting from the indirect taxes are much more than what can be borne, then it cannot be tolerated. It has to be criticised. Again the stresses and strains of economic development should be equally shared by all sections of the community based on the principle of the capacity to bear. May I ask whether the burden of development, the stresses and strains and the hardships caused as a result of the economic growth have been equally and proportionately shared by all sections according to their capacity or their ability? It is not. That is why the Plan has not been able to get popular support.

One more thing and that is this. Some people may say that with all these indirect taxes what we are collecting is not considerable. It is perhaps Rs. 300 crores on the basis of present taxes in the next four year; and including the last taxation proposals, perhaps it will be Rs. 700 crores. Out of this about Rs. 450 to Rs. 500 crores are raised by indirect taxes. In a country of 430 million people this is not at all a big increase, it is a flea bite; it may be argued that way. But may I point out that these taxes, when they are worked out, should be worked out keeping in view our goals and social objectives?

Now, unfortunately, one lacuna in the Plan is that no authentic information is available in regard to the exact proportion of direct and indirect taxation that will be levied during this five-year period. In the first two-year period itself we have levied more of indirect taxation than direct taxation and thus showing liberal gestures to the business community. Let us know whether they deserve these gestures, whether they are really in need of these gestures and whether these gestures will mean anything at all, and let us also know what these 219 RS.—10

gestures will cost in social values which we have accepted.

Now, the hon. the Deputy Minister talked of incentives. We favour incentives and we do not believe that the private sector should be abolished. We want our business friends to start more and more industries but incentives should not be confined to one class; there should be incentives for the people as a whole. We would very much like incentives to be given to every section of the community in the country, to the labourer, to the peasant, to the land-owner, to the factory-owner, in fact to everybody but there should be equitable treatment of all sections of the community in this respect. Unfortunately the emphasis on incentives is confined only to one particular section of the community and that is the business community. That is why I say that the Budget is not socialistic in nature, it is not socialistic in content, it is not non-conformist but it is conformist, it is orthodox and it is pro-capitalistic.

Then there are certain things that have already been done by the Finance Minister, for instance, the private sector has been asked to start fertiliser factories which were once the monopoly of the Government. Again we find that the Government is allowing the private sector to operate air services. All these things were deliberated upon before and the Government, after taking the consensus of opinion of Parliament, drafted the Industrial Policy Resolution in which we included all these schemes and programmes in the public sector but now there is a dilution, progressive dilution and there is a considerable set-back to the socialistic programme. Now, I charge that the hon. Finance Minister is responsible for putting socialism on the defensive. Everybody is asking what is socialism, where is socialism and what has happened to socialism? Somehow, socialism is not working at all.

[Shri M. S. Gurupada Swamy] My hon. friends on this side legitimately pointed out the low return, meagre return of public undertakings. The Minister using her skill and manoeuvring ingenuity, tried to show that these public sector undertakings are partly public utility undertakings and that is why, she said, returns could not be more. It sounds very plausible but may I point out that Government enjoys certain advantages which are denied to the private sector in the matter of taxation, in the matter of monopoly, in the matter of price fixation, in the matter of marketing.

SHRIMATI TARKESHWARI SINHA: May I point out that the profits of these enterprises, which have given profits between ten and fifteen per cent., have been reckoned after allowing for payment of taxes? I did not exclude taxes which were provided for.

SHRI M. S. GURUPADA SWAMY: May I say that at present an investment in a limited company, after allowing sufficient time for growth would normally and should normally yield between 25 per cent, and 30 per cent. You study the figures of the private sector and then you will realise.

SHRIMATI TARKESHWARI SINHA: How do you want the public sector to function? You say that the private sector should not be allowed to function in those fields and then you say that the private sector give- 25 per cent profit.

SHRI M. S. GURUPADA SWAMY: I think she must listen to me with a little more patience. After hearing me, let her put questions and I will then clarify the position.

What I state is clear. The public sector undertakings have not been efficient. By saying that I do not mean to oppose public sector. It should not be taken to mean also that

anything happening in the public sector should be justified. Not at all; and Government has betrayed the entire policy of socialism by wrong, inefficient handling of the public sector industries. Some of the industries are very good indeed. Bharat Electronics Ltd. I tell you, is doing wonderfully well. I want the same thing to be done in every industry started in the public sector but during these two years, nothing has been done and no new venture has been started in the public sector. So, I say, your socialism is on the defensive today and there is anti-socialist offensive that is growing in the shape of movements conducted by the business community and I feel that this is not a happy picture. I would have felt happy if the Finance Minister had come forward and said that "Hereafter these would be the measures that we would be taking; these would be the changes that we would be introducing and we hope to do much better" but there is no hope of such a change because nothing has been said by the Finance Minister in his speech.

Now, my colleague Mr. Rohit Dave, interrupted the hon. Deputy Minister and asked as to how Government would be able to raise this sum of Rs. 450 crore from the public sector undertakings. That is an important question. How will you be able to raise this amount? This is a very small amount but how would it be possible? Looking at the figures that are available for the last year and this year one does not find it encouraging. What will happen is that either you will resort to borrowings or more taxation or more inflation and you know already the consequences of these steps taken by the Government.

Madam, there has been a good deal of criticism about the growing corruption in the various public sector undertakings, in the departments and the like. I do not want to say anything because it is a complex matter. It is there and it is increasing but

wish to point out that many of these criticisms levelled on this point have been lost sight of by the Treasury Benches. It may be that these criticisms have been there for some time past and they have been repeated *ad nauseam* but if you look at the figure, the colossal expenditure involved and the colossal wastage and the corruption prevalent in the country, one would shudder to think as to what may happen on this score. You may develop anything, you may have more industries and more business but if corruption also develops along with it then I do not know what will happen to the country and to the economy. I do not want anything to happen on the score of corruption and inefficiency. May I tell you that corruption and inefficiency of the administration have reached the zenith, the saturation point? I do not think it can go further. So, may I say that the Minister should be vigilant and take all effective steps not only to control corruption, eliminate it as far as possible but also to improve efficiency? One of the banes of industrial management on behalf of the Government is that most of the officials who are connected with such undertakings are incompetent, are not men well versed in business. They may be good people and they may be honest souls but constitutionally they are incompetent to manage such undertakings and that is one of the reasons why your undertakings have failed to yield much return. Apart from inefficiency there is growing corruption. So, these two evils have got to be kept in view and the Government should take adequate and effective steps to see that such things do not develop hereafter.

Now, before I close may I say that the Budget presented to Parliament is not the Budget that we expected it to be? The Budget proposals this year smack of a bygone age. You know that when Budgets were introduced during the Victorian period, very earnest attempts were made by the Treasury Benches to flirt and woo

those people who always tried to exploit the others. This is what is happening. I do not want this Government to betray socialism and the socialistic programme and reduce it to a hypocrisy of words. If these words should have meaning, they should be converted into actual facts of life. I am afraid it would be very difficult to appear before the public and say that we are socialists when we have brought ridicule and mockery to the very concept of socialism. I do **not** find socialism in the villages. I do not find socialism in the working of co-operative societies. The co-operative societies which are to be an important adjunct of the socialist movement are corrupt and inefficient and they have become the instruments of the party in power. I do not find socialism in the Block Development areas. These Block Development areas have been so much bureaucratised that the people do not take any interest and they do not have any participation. But you want to put more and more levies and more and more burdens on the people. You think that indirect taxation is only a little here, but people will get another dose of indirect taxation at State level, they will get another dose, under the local authorities and there will be another great burden to be borne by them by way of contribution to local Block Development areas. There is no end to this. People have been frustrated really very very frustrated. People wonder, perhaps my Congress friends too wonder why, when we have done so much for the people, the people are not enthused. There is *no* enthusiasm because the cost of development is so much that only a few people are reaping the harvest. A large number of people who are in the street, in the villages, in the factories and fields are suffering and you are reducing the people to helplessness or you are making the people suffer deliberately so that you may rule. I do not want any party to rule where the people are reduced to helplessness. The down-trodden should be lifted up and one must see during this period of five

[Shri M. S. Gurupada Swamy.] years which is so crucial and vital from every point of view that socialism works effectively. This is not the way to function and there is no socialism at all in the Budget. I do not see it. It is pro-capitalist completely, completely orthodox. It is a Budget presented in a Victorian Age.

SHRI BHUPESH GUPTA: Madam Deputy Chairman, with your permission, I want to make a little correction about what I said. In reply to or commenting on a certain statement of Mrs. Tarkeshwari Sinha, I said, "Frailty in thought thy name is woman." Lest I should be misunderstood, of making a reflection, I want it to read, "Frailty in thought, thy name is woman in the Treasury Bench". That is how it should be put.

THE DEPUTY CHAIRMAN: In any case, it seems to be out of date, Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: Yes, Madam. With you in the Chair, it is all the more necessary. Therefore, I say I had one woman only in mind.

SHRI J. C. CHATTERJI (Uttar Pradesh) : Madam Deputy Chairman, now that the Rehabilitation Ministry is going to be wound up even before lakhs of displaced persons from East Pakistan have been rehabilitated, I would like to place certain facts before the House and show how they have been grossly neglected?

The recent reports of the Estimates Committee and of the Rehabilitation Ministry itself have revealed the differential treatment made by the Union Ministry between the displaced persons from West Pakistan and those from East Pakistan. The official figure of displaced persons from West Pakistan is 47 lakhs and those from East Pakistan is 41 lakhs. It is a well known fact that a few more lakhs have come from East Pakistan, who

have not registered themselves. If they are also included in the list the real number will be about the same from both the regions.

Displaced persons from West Pakistan have been recognised as such from the very beginning and they have been rehabilitated. But this was not the case with the displaced persons from East Pakistan. They were not recognised as displaced persons for many years and a big number were kept in camps under dole for many many years at a huge expenditure of many many crores per year. It was only waste of money for no good purpose. The inmates of camps were thoroughly demoralised due to dole-life under inhuman conditions. The Nehru-Liaquat Ali Pact has not helped the displaced persons from East Pakistan. As it was practically a transfer of population the displaced persons from West Pakistan got from evacuated Muslims 60 lakh acres of land and in town; they got three lakhs houses and shops and seven lakhs houses in rural areas. But the 41 lakhs and even more displaced persons from East Pakistan did not get any land or house. The Union Government have given land only to 3,90,000 displaced persons on a loan of Rs. 29 crores and 52 lakhs. The displaced persons from West Pakistan not only got 10,000 houses but also they got at Government cost, 1,66,000 houses. Over and above that they were advanced loan for 27,000 houses. But the displaced persons from East Pakistan got at Government cost only 11,000 houses and loans were advanced for 4,32,000 houses. The displaced persons from West Pakistan got housing grants of Rs. 85 crores and 18 lakhs, whereas the displaced persons from East Pakistan got housing grants only of Rs. 77 crores and 59 lakhs. The Union Government have set their hands to proper rehabilitation of displaced persons from East Pakistan since 1955, by which time the rehabilitation of displaced persons from West Pakistan was almost complete.

The displaced persons from West Pakistan got compensation for properties left in Pakistan. The Union Government accepted the claims without any verification and loans were waived ^{on} these claims. On these unverified claims they got Rs. 300 crores. Most of this money was not even shown in the Budget. But the displaced persons from East Pakistan got no compensation yet. The budgeted sum up to 1960-61 for the displaced persons from West Pakistan was Rs 189 crores and 29

lakhs, whereas for the displaced persons from East Pakistan it **was** only Rs. 178 crores and 10 lakhs.

THE DEPUTY CHAIRMAN: **You** can continue tomorrow. The House stands adjourned till **11.00** . A.M tomorrow.

The House then adjourned at half past five of the clock till eleven of the clock on Wednesday, the 9th May **1962**.