

ALLOTMENT OF TIME FOR CONSIDERATION OF THE APPROPRIATION (RAILWAYS) BILL, 1962

MR. CHAIRMAN: I have to inform Members that under rule 162(2) of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I have allotted 30 minutes for the completion of all stages involved in the consideration and return of the Appropriation (Railways) Bill, 1962, by the Rajya Sabha, including the consideration and passing of amendments, if any, to the Bill.

THE DEPUTY MINISTER OF RAILWAYS (SHRI S. V. RAMASWAMY): Sir, I would like to make a statement. In the other House, I mentioned that I withdraw Demand No. 16 which is about Rs. 22 crores. The discussion will confine itself to the rest of the Demands.

MR. CHAIRMAN: For the Appropriation Bill?

SHRI S. V. RAMASWAMY: Yes.

MR. CHAIRMAN: That is not here now.

**THE BUDGET (GENERAL), 1962-63—
continued**

SHRI BHUPESH GUPTA (West Bengal): Mr. Chairman, it is but natural that so soon after the election, the attention of the House should have been drawn by different Members to the manner in which the elections were conducted. Sir, I draw your attention to an official pamphlet again of the West Bengal State Congress Committee signed by the President of the Congress. The pamphlet is illustrated and distributed free. It is called "*Communist ke keno vote debana*" in Bengali—"Why I shall not vote for the Communist". All that I want to say in this connection is that this pamphlet contains 11 items of appeal on the ground of religion that the Communists should not be voted for.

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The Congress that is supposed to be a secular party made an appeal to the electorate in the name of religion that the Communists should not be voted for and here 11 items are there. I bring documentary proof from the West Bengal Congress Committee and I challenge the Congress Party which sits there to produce a similar document emanating from the Communist Party anywhere in the whole country. Now, I do not want to say more on this subject. As far as they are concerned, 11 items of appeal are there on the ground of religion, in the name of religion, that the people should not vote for the Communists. May I ask: Did our secular gentlemen become religious priests when they went to the elections? If it is so, let them tell us, then we shall know that secularism is for parliamentary debate and religion is for parliamentary elections. We can understand it. Now, if I had my opportunity, I would have had it translated into English so that the Members there could see. It is heavily illustrated and distributed free—lakhs and lakhs of copies. Malpractices have been alleged in Jammu. I think this should be gone into. There all kinds of things have appeared in the paper. I need not go into these but I would ask the Government to go into them. I find that even the marking system was not introduced in Manipur. There was an old system. The ballot was there, and that led to a number of malpractices and wholesale buying and selling and so on. This has appeared in *The Eastern Express* which is edited by a former Congress M.P., Mr. Jogeshwar Singh. Just last night I got a copy of the paper from Manipur. I am a subscriber. Now, Sir, casteism has worried us, rightly so. Sir, in this connection, I invite your attention that I was going through a write-up in *The Indian Express* of 21st March, 1962—"Electing a Chief Minister: Democracy Zindabad" by Kamal Rohtagi. The author is not a Communist, I can tell you, nor a crypto-Communist, if my Swatantra Party friends want to make an enquiry. Here is a multimillionaire's paper. There a descrip-

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tion is given. She says that on the eve of the election of the Chief Minister, the caste groups and the factions brought in their religion. She met some of them. And this is what she writes First of all, she asked them to go away from near her house to the 'democratic' area where the election was taking place. She was going to cover this election. She writes: —

"I went a little further. There was a place where the 'democratic' area started. The rickshaw passed some shaded trees. There was a quick noise and suddenly four 'democrats' leaped in front of me. One of them put his hand on the dagger. The rickshaw-puller wailed a cry. I was suddenly frightened. They did not say a word. One of them confided in another's cars that I did not look like an M.L.A. as I did not have the khadi clothes on. I thanked my aesthetic sense that I was wearing a fastidious silk sari. They bowed graciously, apologise'ng profusely for the mistake, and disappeared quickly."

These are our democrats who participate in the election of the Chief Minister in a State, after having gone through the general election.

Then, Sir, she writes. She tells us in this story how Congress women M.L.A.s were taken, detained and were not allowed till after the election of the leader of the party **was over**.

"They went to a district leader. He reported everything under control. He was instructed not to let the two ladies (women members! out till after the polling the day after. A lady came out. . ."

That is where we are. I would ask Shrimati Maya Devi Chetty to be careful in future so that she does not fall into such detention. After the elections, what happened again?

MR. CHAIRMAN: Mr. Bhupesh. Gupta, what is that paper you are reading from?

SHRI BHUPESH GUPTA: *The Indian Express*, Sir.

MR. CHAIRMAN: Some correspondent.

SHRI BHUPESH GUPTA: Some correspondent, not a Communist paper.

MR. CHAIRMAN: Not a Communist paper?

SHRI BHUPESH GUPTA: A paper owned by a friend of the Congress Party. r

After the election, what happened? This is the last item. You should read it. "The defeated democrats. . ."

SHRI B. K. P. SINHA (Bihar): Is the hon. Member aware that many non-Communist papers have Communist correspondents?

SHRI BHUPESH GUPTA: That is all right. Now you write to Mr. Goenka why he keeps such correspondents. Now I know. Whenever you point out this thing, he will say that you are a Communist or a crypto-Communist. These are the tactics of Goebbels. Why are you imitating him?

"The defeated 'democrats' began to depart. Some stayed and celebrated their victories with the local brew and *Gayikas* (singers, as the brothels are now abolished by law in this town)".

That is how it ended. It started with a dagger and ended in the singer's house with native brew. That was how a leader was elected.

Now, Sir, where are we going? I think it is in the interests of all right-minded people to put a stop to it rather than putting out this kind of interruptions.

Sir, as far as the Jayanti Shipping Corporation is concerned, I demand an enquiry. In this connection, I demand an enquiry by Members of Parliament because it is shrouded in mystery as to how the loan came to be given. Till now we have not been told who actually sponsored this proposal. I venture to mention one—Dr. Nagendra Singh of England. He featured very much and he is behind the scene according to our information. An enquiry can tell us as to whether I am right or wrong. He is supposed to be a man of dubious business background. Then—I would not mention any name again—another Minister was there who participated in this matter and sponsored along with others this particular loan proposal. I would like to know whether it is not a fact that Mr. Teja financed the election campaign of a particular Minister whom again I do not wish to name here because I will wait for the enquiry.

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Now, Sir, I find that Mr. Teja has become such an important personality—although he does not pay any income-tax or has no business and does not belong to any political party or is not a public speaker of any sort—that he was invited to the Prime Minister's dinner given in honour of Mrs. Kennedy: Mr. Teja and Mrs. Teja were two dignitaries invited there; they seem to have climbed very much high up in the Government circles today. Well, Sir, I think the hon. Minister will kindly note this thing and tell us as to what has happened.

As far as the economic situation is concerned, Sir, all I would like to say is that it needs to be carefully studied and objectively assessed. I regret that the Finance Minister's statement has not done so. Now the Finance Minister is a very brave man, braver than anyone of us. In the other House, when somebody referred to the Congress election manifesto and demanded that the promise in their election

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manifesto be fulfilled by constructing an approach road to every village, the hon. Minister got up and said in his reply that the Planning Commission cannot do everything that every election manifesto says. Very good. But the Congress Member was not asking him to implement what every election manifesto says. He was only asking him to implement what the Congress election manifesto had said—the party to which he belonged. And who wrote that manifesto? Everybody knows. Prime Minister Nehru wrote this particular manifesto as indeed he had written other manifestoes. If the hon. Finance Minister does not have respect for his leader and Prime Minister, or for his party and its manifesto, Sir, if he is a believer in God, I can only say: "God help him. God help him."

SHRI AKBAR ALI KHAN (Andhra Pradesh): At least once in his life he is asking God to help him.

SHRI BHUPESH GUPTA: You are a believer. Therefore I say. You make a religious appeal for getting votes.

Now, Sir, this is the position, but that is not the right approach, if election manifestoes written on the eve of elections are to be treated in this light-hearted manner after the elections and be violated in this manner. This is not at all a moral that you are setting before the country. What we say is, the Congress violates its election pledges and it is its habit.

SHRI SATYACHARAN (Uttar Pradesh): I believe this is a sort of misinterpretation of the Finance Minister's statement. What I believe is that he, in all honesty, said that every letter and syllable could not be implemented into action. That was all, not that he was against the policy dictated by the Planning Commission.

SHRI BHUPESH GUPTA: I knew because there are always some people who like to defend the Finance

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Minister. Therefore when I was saying that, I had a copy of his speech before me. You can come and read it here. Every word I said is correct, and I quoted it.

If the country's economic situation is something like a fashionable lady, then we could have put some cosmetics and told the country how beautiful she looked. But it is not so; you cannot dress it up by pouring out certain manipulated statistics. That is all that I can say.

He says national income has gone up by 4.5 per cent, at constant prices. But our Plan target is 30 per cent. over a five-year period. You are below target and this target of 4-5 per cent, is even less than the target that we set for annual increase in the First Five Year Plan. It was 5 per cent, then, when our population was not growing like this. Now in order to maintain the level of living of the population at the present rate of growth, we require at least 6 to 7 per cent, annual increase in the national income. But where are we getting it? Therefore this is wrong.

Then, Sir, distribution of national income does not catch the eye of the Ministers at all. Sometimes, Sir, the Prime Minister criticises concentration of wealth and monopolies at press conferences. We feel happy; they are refreshing to read, I must say. But then monopolies cannot be curbed or concentration of wealth cannot be reduced at press conferences or in public speeches, even the press conferences held by the Prime Minister or speeches made by him. This task has to be fulfilled in the economic life of the country by taking effective measures. Now, Sir, this is not being done; there is no indication in the report or the Economic Survey or the Finance Minister's speech that anything of that sort will be done.

The other day on the 10th of March speaking at Himmatnagar in Gujarat,

the Prime Minister told all the capitalists there that they had made in the course of 14 years since independence more profits than in the preceding 100 years. May I now ask the Prime Minister: "Is that the way to build socialism or a socialistic pattern of society or whatever you call it? Is it the way to remove income disparities and fight concentration of economic power?" Now, Sir, an answer has to be given. It does not bring credit to the Government that has allowed the capitalist class to make enormous profits which are more than what they had made under the British in the course of 100 years. That is a condemnation, perhaps the greatest condemnation of the Congress Government, and again it comes from Prime Minister Jawaharlal Nehru who is neither a Communist nor a crypto-Communist.

Sir, the families I can tell you, how things are happening inside. Seven families in India—Tata, Birla, Dalmia, Jain, Mafatlal and others—have a total investment in their various businesses of Rs. 776 crores. According to a recent study made under the aegis of the Planning Commission—the book is here—Prof. Hazari who made the study has said that the family of Tata has the sole control of 48 companies, the total assets being Rs. 290 crores. The family of Birla controls—Mrs. Tarkeshwari Sinha—if I may ask her through you—may make a note of these—331 companies with a total asset of Rs. 291 crores. Now, Sir, this is the position; this is how capital is accumulating in their hands. I can tell you this also that the smaller companies are going out of existence. The total number of companies registered during 1900-1956 came to 57,776 whereas the total number at the end of this period, that is to say at the end of 1956, was 29,874. Forty-five per cent, of the companies registered in the first half of this century had gone out of existence; they had been simply weeded out of existence by monopolist competition. Eighty per cent, of the war-

time companies were dead by 1956, that is to say, 6,000 out of 10,000 companies that came into existence went out of existence by 1956. Now, from 1946 onwards the number of companies rose only by 50 per cent., but the paid-up capital went up by 306 per cent. That shows how concentration of wealth is taking place at the company level. Now this is the position as far as concentration of wealth is concerned. I can give you many examples.

Now as far as income disparities are concerned, recently the National Council of Applied Economics produced a report in which they said that 80 per cent. of the urban people had no savings at all after 14 years of independence. Where are we bringing the country to? Therefore, vigorous measures, you will agree, are called for against monopolists.

I did not like everything that the Prime Minister said at the conference of the Federation of Indian Chambers of Commerce and Industry and some of his utterances were good encouragement to them—that there cannot be any non-alignment between the monopolists and the state sector, that there cannot be any non-alignment between the private sector and the public sector. The country is wedded to build at a rapid rate the public sector. Therefore the task of the Prime Minister, when he goes to such conferences to oblige the multimillionaire class by addressing them, is to tell them bluntly and plainly how they should behave in the country, and that we mean to strengthen the public sector in our economy. But that was not done. Now, as you know, they passed a resolution—these gentlemen of the Federation of Indian Chambers of Commerce and Industry—and on the resolution I think Mr. Chinai also spoke. On the question of price, do you know what they have said? They have said that the price line can be held only by increased production and by progress in technology. Nothing could be farther from

truth as far as the present state of affairs goes. Textiles, jute, cement, all these would show not only a rise in production but also a rise in progress in technology. And everyone in the country also knows that the prices of textile goods, the price of cement and the prices of various other commodities, which are produced on a much higher scale and under better technical equipment, have registered a considerable rise in this period. Therefore truth belies the statement that they made in their resolution.

Now, Sir, what happens to the price side? The Survey does not give any indication. The hon. Minister says that stability has been achieved. How has it been achieved? Even their statistics do not show that stability has been achieved. He has admitted in his statement that prices of foodgrains and food articles have registered steep rise. Here, Sir, is a cutting from the 'Amrita Bazar Patrika', again a Congress paper, which says that rice prices are going up all over West Bengal.

MR. CHAIRMAN: Look here, Mr. Bhupesh Gupta, your time is up.

SHRI BHUPESH GUPTA: I am finishing in a minute. Sir, as far as the time is concerned, I want to say a word.

MR. CHAIRMAN: We have given the Opposition Members exactly the same time which we have given the Congress Benches and we have divided it according to the representation here.

SHRI BHUPESH GUPTA: That part of your statement I entirely agree with. It is good of the Congress Members. The time allotted for the General Budget Discussion is six hours and one hour has been given to the Minister.

MR. CHAIRMAN: You had better finish it in one minute. Go on.

SHRI BHUPESH GUPTA: If I had been told about this time, I would not have participated in this Budget Discussion, because it is not done in consultation with us. Are we Members of the House or not? This thing is done by whom? We are not even consulted so that we could decide whether we should participate or not. Now we cannot do anything except at least boycotting the discussion.

MR. CHAIRMAN: All right. Go on.

SHRI BHUPESH GUPTA: In the other House three days it has been discussed practically, and in our House only six hours, and then one hour is given to the Minister. And then whatever is left is for us. It is good of the Congress Members, I do not deny. But why should the Minister get one hour? Let them sit longer and take some more time. This is the trouble. We should have been told all that. We are not dying to participate in this debate.

MR. CHAIRMAN: You have done it.

SHRI BHUPESH GUPTA: If you had told us "forty-five minutes", I would not have participated in the debate because I would like to register how we react to this matter by non-participation. Anyway, Sir, since you have said it, I will obey you.

About prices, Sir, I say that fixation of prices is a very important question. Cost accountants are to be appointed by the Government so that the base price is fixed. Deficit financing and the reckless expansion of bank credit have to be stopped and a restriction on the use of essential commodities is fundamentally necessary in order to check this thing. State trading has to be developed in the internal market on a larger scale and the State sector, which now even Mr. Krishnamachari supports, has to be undertaken on a much bigger scale.

As far as the unemployment problem is concerned, they do not see it

at all. It is growing apace in the country. At the time of the last general elections, they promised in the Prime Minister's manifesto written by him that unemployment would be reduced. Whereas it was 53 lakhs then, now it is 90 lakhs and there is every indication, as has been admitted by the Government, that it will be 12 millions in the course of the Third Five Year Plan. The educated people are becoming more and more unemployed. These are too vital aspects of the question of the economic situation which they have not tackled at all.

Finally, Sir, I would only like to mention about the deficit in the balance of payment. That again is causing worry. I find that now they are allowing the private sector to make heavier imports than before. In 1960-61 they have allowed them to import goods worth Rs. 591 crores on private account whereas import on Government account was less, Rs. 496 crores. In the first six months of the current year the import on private account is Rs. 308 crores, the import on Government account is Rs. 183 crores. It is clear that the Government is giving heavy concessions to the private sector to make imports, drain away our external resources for automation, rationalisation and building industries which make profit, which may not be so essential for the development of our country. Sir, this is a serious matter. I would, therefore, ask the Government to reconsider this thing. I have no quarrel if the Government import more machineries for developing the public sector in the country for laying the country's economic foundation on a solid basis, but if they submit to the pressure of big business in the country and allow them to import more and more then it will create a very serious situation because we would not have any foreign exchange left in order to build our heavy industries in the public sector. About taxation . . .

MR. CHAIRMAN: No more.

SHRI BHUPESH GUPTA: Just one word,
only one word.

MR. CHAIRMAN: What one word?

SHRI BHUPESH GUPTA: One word, you know, Sir. You are a literary man. You know, Sir, only last word. I have cut out so many things after you have asked me to stop. Taxation, according to them—the State and the Centre—comes to Rs. 1,367 crores in 1961-62, but the non-tax revenue it produces only Rs. 504 crores. Rise is very little. It seems that in the next four years of the Third Plan the Government will be raising additional taxation, on an average, of the order of Rs. 175 crores of Central tax alone, and another Rs. 600 crores totally will be raised by the States. Now, the States are not in a position to raise so much tax, and I think, Sir, the Central Government will create a very difficult situation in the country if at such a heavy rate they raise taxes. All I would say is that they should go in for the public sector to bring more money so that taxation becomes less. We must alter the proportion between tax revenue and non-tax revenue in favour of the tax-payer, and we must see to it that more monies come from the State sector. Here we need a fundamental orientation of the Government's policy.

SHRI N. M. ANWAR (Madras): Mr. Chairman, it is with privilege, pleasure and pride that I rise to speak on General Budget when you are in the chair. Sir, the dignity of this House, the reputation that this House carries for its high calibre owes not a little to the accumulated treasures of your mature wisdom, and we have been very fortunate, Sir, that you should have guided the deliberations of this House . . .

MR. CHAIRMAN: Come to the General Budget.

SHRI N. M. ANWAR: ... and we hope that in spite of the irrepressible hon. Member of this House, Mr. Bhupesh Gupta, we have been able to have quite a marvellous success of parliamentary democracy in this House. I hope, Sir, that very soon the nation will place you on a higher pedestal, indeed the highest pedestal that is in its gift.

MR. CHAIRMAN: I rule it out of order.

SHRI BHUPESH GUPTA: No, Sir. It is not out of order. He said "highest pedestal".

SHRI N. M. ANWAR: Participating in this debate on the General Budget of the Government of India for the year 1962-63, I feel greatly relieved by the observation that our Finance Minister, Shri Morarji Desai, has made in the course of his Budget Speech that since August, 1961 there has been restoration of stability to the general price level as is evident from the continued stability of the All-India Working Class Consumer Price Index. This stability of the purchasing power of the rupee, coupled with his assurance that it will be the major policy of the Government of India to hold the price line by taking adequate and effective measures through fiscal and monetary pressures and to check the inflationary spiral which is an inevitable concomitant of a developing economy, I should think, augurs well for the future of our well-planned economy.

Mr. Chairman, Sir, since the advent of planning in 1951 and right through these ten years of our First and Second Five Year Plans, the country from end to end has suffered an inflationary spiral, and I should think that this inflationary spiral has been the bugbear and the nightmare for the ruling party all over the country. Therefore, Sir, we feel immensely relieved and heartened that at long last planning has commenced yielding dividends and that we find that in many fields of productivity the law of increasing returns has already com-

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menced to operate, and that we have now emerged out of that nightmare of the recent upward trends of price level.

Mr. Chairman, notwithstanding all the teething troubles of the pioneering achievements of our planning and the numerous bottle-necks of foreign exchange, shipping, transport, coal and power and the inordinate delays involved in the processes of our planning under the aegis of our parliamentary democracy for the uplift of 440 millions of our humanity, indeed our planning, I should say, is planning by consent, not planning by order such as the hon. Member, Mr. Bhupesh Gupta, has got in his totalitarian countries of the Communist bloc. Well, Sir, it is gratifying to note that we should have recorded, during the year that has gone by, an all-time record rise of 8.1 per cent, in agricultural output and an overall rise of 7.6 per cent, in industrial production. Above all, I am most pleased to see from the short history of the activities of the Ministry of Scientific Research and Cultural Affairs, a tremendous or phenomenal growth in the invisible investment of our country. Indeed, from 1958 we have progressed now into 1961 in point of admissions to Engineering Colleges from 7,500 to over 15,000 now and in point of admissions to polytechnics from 11,000 we have now advanced to 27,000. This progress is without parallel in the world . . .

SHRI BHUPESH GUPTA: What about culture?

MR. CHAIRMAN: Don't bother.

SHRI N. M. ANWAR: I do not suppose that we have that culture of a culture which we find in Communist countries.

SHRI BHUPESH GUPTA: May I tell the hon. Member that one of the achievements of the Minister of Scientific Research and Cultural Affairs has been that he took Uday Shankar to participate in his election campaign and give a few dances.

SHRI N. M. ANWAR: I must have to say one thing. After having gone through a lot of campaigning during the recent elections all over the country, I feel, as every shrewd analyst can see, that this victory of the Congress Party in the general elections has been a victory for our planning.

SHRI BHUPESH GUPTA: Do not get excited.

SHRI N. M. ANWAR: I am not getting excited.

MR. CHAIRMAN: Mr. Bhupesh Gupta to say 'Don't get excited'.

SHRI N. M. ANWAR: Whatever may be the accusation that the Swatantra Party may have against the techniques and ethics of planning, the people have given us their general verdict and they have returned us to power and now we are going to carry through this Plan with a big heart, with a big mind and in a big way and I am sure that that is going to be the biggest answer that we are going to give to the Swatantra Party and its leading lights.

SHRI SHEEL BHADRA YAJEE (Bihar): And the Communists also.

SHRI N. M. ANWAR: We have, as a ruling party, carried our planned economy to almost every village and India, as Mahatma Gandhi had said, lives in the villages and we have got 600,000 villages in our country and this way, the planning has reached the 445 millions of our country. The common man is marvelled by the progress of planning that we have achieved from 1951 to 1956 and from 1956 to 1961 when the wonders of planning are there in the villages visible to the naked eyes of the common man, whether literate or illiterate. That is the greatest answer that we have given for the progress of our country in spite of all the accusations of our adversaries. Now how does the common man come to realise the wonders of planning?

Well it is in terms of schools, of transport, of electricity, of fertilisers, of roads, of dispensaries, of agricultural implements—in fact, of improvements in every field of human endeavour and particularly in community development through Panchayati Raj. The country has witnessed a marvellous progress over these 10 years, thanks to the dynamic leadership of our Prime Minister, Pandit Jawaharlal Nehru, who has given us this formula of planned economy for prosperity for our 440 millions under the aegis of parliamentary democracy.

Now, therefore. I must say that when the common man has come to realise this. I feel and, I am sure that the House will agree with me that ! much of the fears that our friends opposite had been raising against our ruling party has now almost lost its meaning. Now we march ahead with that verdict of our people, with an outlay of Rs. 10,000 crores under the Third Plan, with an accent on agriculture and with a big boost for the supply of consumer goods for the growing demand of our teeming millions of our people, now enjoying better earning and better living and with prospects of better and greater employment opportunities. India is tending to be the Eldorado of tomorrow, and this is the greatest point that I would like to make in the course of my speech that wherever and in whichever constituency, as the ruling party, the Congress, has suffered a defeat—and of course there have been many reverses, there have been also certain landslides in some of the States, let me say—let us not with Cassandra, predict catastrophe for the future. On the contrary, believe me, I must say that wherever we have suffered reverses, that was where we have failed to carry this development economy into the constituencies in full measure. Wherever there was not this development economy, naturally there was a development vacuum into which rushed all the forces of reaction, of communalism, of casteism, of sectarianism, of Chauvinism and of obscurantism. Well, these constituen-

cies naturally became the cesspools of poverty, not only poverty of the body but poverty of the mind, poverty of the heart, I should say. These constituencies turned out to be the flotsam and the jetsam of the little minds. Believe me, I shudder not so much any problem as the problem of the little mind because little minds and great States go ill together. Believe me, at this moment I am reminded of that classic lampooning of George Bernard Shaw, who so wonderfully put it in the mouth of Major Barbara.....

SHRI BHUPESH GUPTA; You mean Pygmalion?

SHRI N. M. ANWAR: "What is crime? A murder here, a bestiality there. Only fools fear crimes. We all fear poverty, the crime of crimes, the mother of crimes." Well, Sir, that is our problem number one in our country. No doubt these 10 years of planning had done a lot but still we must only say and honestly concede that we have touched only the fringe of the problem. We have yet to erase that mass of poverty which we have to obliterate and almost on a war footing, in blitzkrieg fashion. We have to carry on this war against poverty and all its deadly allies, filth and squalor, dirt and disease, ignorance and illiteracy. But what is the remedy? The remedy is more of planning, still more of planning and we have to carry on this tempo of industrial activity and this adventure of the 440 millions in its onward march towards progress and prosperity. If anybody should imagine that planning is not necessary for this country, well, he is only entertaining an idiot's delight in a fools' paradise. The people have given us support, for the Congress Party, not because of the personality of any individual quite so much as because of the massive achievement of our planning. Therefore I would only wish that we take a warning from the adverse vote which has been recorded against the Congress Party in whichever constituency it has happened. That is a warning to the Party that is now in

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power, to a greater call to duty by the people. India expects the Congress Party to do still better service than it has done in the past. We cannot rest on our laurels. Believe me even in that constituency of hon. Prime Minister. Pandit Jawaharlal Nehru in spite of all the spectacular achievements that he had brought to the glory of India, both at home and abroad, through his 40 or 50 years of dedicated service and sacrifice for our motherland, if we had against him as many as 70,000 votes, well, Sir, in which half of the world—Mr. Gupta, tell me specifically without any party prejudice—there has been such a conduct of general elections more free.

SHRI BHUPESH GUPTA: Why is he threatening me?

SHRI N. M. ANWAR: He has been accusing that our Party has not been fair but let me tell him that when we have this great example of a personality that has gone into the roll call of world history, who has received super-commendations from such men like President Kennedy that such a man should get as many as 70,000 votes against him, well that is a sad commentary that we have still got in our country a cesspool of communalism, a cesspool of reaction which I hope Mr. Gupta will join force with us to try to eradicate.

SHRI BHUPESH GUPTA: You know that Mahatma Gandhi was killed by a person. Therefore you know the forces that have been there.

SHRI N. M. ANWAR: Now let me say this. Equally so, representing as I do and as I have the honour to do, the State of Madras in this House, I must say that in spite of the glorious achievements of the Ministry there under the leadership of Shri Kama-raja Nadar, Sir, we have had many landslides and many reverses in that State and now, as a result of all that we have got, believe it or not, the emergence of the D.M.K. party as the

powerful adversary of the ruling party. Sir, that is a warning about the future of our country. Well, let me say this clearly and once again I reiterate it in this House, that this is not a vote against the Congress or a vote for Dravidasthan. It is a vote against the deficiency in our development efforts. And therefore, the only answer that the Finance Minister can give to the State of Madras is to win it over and win it over completely to national unity, by trying to penetrate this development economy more and more into the villages in the heart of the State of Madras. I am not suggesting for one moment that we should be concentrating on that State only. But we must dispel the danger signals to our national unity and the fissiparous tendencies that are now dissipating our energies. Still the heart of our people is sound and their love of the motherland is absolute. Therefore, let us reach the masses who are our only masters. Let us reach them through our planning and carry them with us in all the ideals that we hold dearest and work for the progress of our country.

Today, thanks to the dynamic leadership of the Prime Minister, our nation stands as one man, as never before in our history, with economic planning under the sovereignty of Parliament and as a sound, secular democratic Republic. And this nation is marching fast towards prosperity through planning.

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

So also in the field of foreign affairs, we have earned laurels which have added to the stature of the country in the comity of the civilized nations of the world. Indeed, we have contributed not a little towards the liberation of mankind and towards the obliteration of colonialism in almost every country in the world. We are now happy that even in Algeria colonialism is coming to an end, even as we have been feeling happy

recently that Goa has at last returned to the motherland. Today, Sir, within our frontiers we have no trace of imperialism. We have no trace of colonialism. We have no trace even of feudalism, whatever misconceptions may be entertained by hon. friends opposite.

SHRI BHUPESH GUPTA: A Rajah sits here.

AN. HON. MEMBER: He is no more a Rajah.

SHRI N. M. ANWAR: That is exactly what Mr. Gupta will have to realise now. We may have one or two Rajahs.

SHRI BHUPESH GUPTA: Half a dozen of them here.

SHRI N. M. ANWAR: We are not wooing them.

* * * * *

SHRI BHUPESH GUPTA: Sir, this should be expunged, this kind of thing. I never said that.

SHRI N. M. ANWAR: I never meant it for you.

MR. Vice-Chairman, I must say that at this moment, thanks to the conduct of our foreign policy, it has produced friendship from both the blocs and we have been having tremendous encouragement even for the development of our planned economy. Only this morning we had the most cheerful news that the United States of America under P.L. 480 is extending a most massive aid of Rs. 2568 crores for our economic development. Well, I shudder to think what would have been the course of all our planning had only our foreign policy taken a different course. Now, we are naturally, by the very philosophy of our country, committed to see that, there is not only international peace, but also total world disarmament and I am sure that the day will come and

** Expunged as ordered by the Chair.

come very soon, when India's voice will be raised again and that voice will be for total world disarmament, and the personality of the Prime Minister, Shri Jawaharlal Nehru, will be one of the invisible assets in bringing about that consummation of world peace.

Sir, nearer home, pardon me for saying this, behind all the paraphernalia of our parliamentary machinery of government, and all this brilliant achievement of our planning, I see sometimes, incorrigible optimist though I am, that there are certain dangers to the foundations of our national unity. We have got some fissiparous tendencies raising their ugly head and I would therefore, pray that the Prime Minister should have to take it upon himself as his portfolio and deal with this matter, giving it priority number one, and preserve the national unity at any cost and at every cost.

(Time bell *rings*).

Just one word more and I am done. Sir, I happen to have so many points to touch upon. Sir, I must say that after all, when we think of the glory of India and the glorious stature that she has realised during our generation, which we owe not a little to Mahatma Gandhi, it becomes our duty to bequeath this glory to posterity. After all, who lives if India dies? Who dies if India lives? I dare say that India will live on and live for ever. But this much we should guarantee to posterity. With poverty we can live, but we cannot live in the same house which is divided against itself. Therefore, let the Prime Minister get to the grass-roots of this problem and solve it for ever. That will be his greatest mission and achievement and that is the touchstone by which posterity will judge him, namely, whether all that we have achieved in the wake of our freedom will remain and remain for ever. India expects every man to do his duty. But unfortunately, although we have been brought up and

[Shri N. M. Am war.] trained in the traditions of Mahatma Gandhi and in the creed of service and sacrifice, we now see an anti-climax. I am very sorry to say this, because I am often pained that this creed of service and sacrifice seems to have yielded place to the greed for pelf and power. Every sixth man or every fifth man in one State, every fourth man in another State and every third man in yet another State Assembly, is looking for a ministership, not by his degree or even by his pedigree, but by third degree methods. That only means that a terrible disease has overtaken our country and I think it is high time the Prime Minister and the leading lights of our country, cry a halt to this disease, because our country cannot afford it, particularly when it is a kind of beacon light to the world, "when we have demonstrated and given an example of service and sacrifice during the days of our struggle for freedom. So soon after attaining that freedom, so soon after Mahatma Gandhi, even under the very nose and leadership of Shri Jawaharlal Nehru, there should not be such a greed for power. It looks like the melody in a game of musical chairs, but it is a terrible malady of the mean minds, that we should be struggling for ministerships.

SHRI BHUPESH GUPTA: He does not want more dissident Congressmen. That is his problem.

SHRI N. M. ANWAR: That may be our problem and we know how best to solve such problems in our house. But you are creating problems for our party. The electorate has already decided against you at the polls.

Mr. Vice-Chairman, I thank you for giving me this opportunity to speak and I only hope and trust and pray that very soon even this disease will come to an end and the country will be ensured stability, unity and prosperity for our posterity.

SHRI BHUPESH GUPTA: May ; know how many Central Ministers he would like to have? How big should the Cabinet at the Centre be?

SHRI N. M. ANWAR: Honestly, not more than twenty.

SHRI K. K. SHAH (Maharashtra)-Mr. Vice-Chairman, I wish Mr Bhupesh Gupta had gone through the economic classification of the Budget* of the Central Government. If he had done that, I am sure he would not have been harsh in his comments. His complaint was that the capitalists are making hundred per cent, profit and the poor are becoming poorer. If he had only cared to see the figures relating to receipts from Income Tax he would not have said all this. I think what he is worried about is the Wealth Tax return but he does not realise that if a share is purchased for Rs. 100, on account of the spiralling rise in prices, it is quoted two months after or four months after, at Rs. 300 in expectation of the factory making gains. Now, if he looks upon this as an indication of profits piling up with the rich, he is quite mistaken. What you see on paper so far as the assets are concerned is the market price according to the inflated prices that are still in the market. He should find out how profits are distributed. I will give you an example. If a corporation is making a profit of Rs. 100, out of that Rs. 55 is straightway deducted as Corporation Tax. It leaves Rs. 45 out of which Rs. 30 is distributed as dividend. Assuming that a rich man gets a dividend of Rs. 30, more than Rs. 26 is taken away from him by way of tax. What is left in his pocket is less than Rs. 4.

SHRI BHUPESH GUPTA: I say then Birlas should have been standing outside Parliament asking for doles.

SHRI K. K. SHAH: Therefore, I have been telling you in this House but unluckily you do not examine that position. You fly into a rage and you fly into sentiment.

SHRI BHUPESH GUPTA; No.

SHRI K. K. SHAH: Do you want ceiling on income?

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWARI SINHA) : Does he have any sentiment?

SHRI K. K. SHAH: Do you want any ceiling on income?

SHRI BHUPESH GUPTA: Yes.

SHRI K. K. SHAH: They will welcome a ceiling on income. Please examine this question. You are assuring them a net income of Rs. 35,000 by applying a ceiling on income. By doing so you will secure to these rich people Rs. 35,000 which they are not saving today. Take the Wealth Tax and the Income Tax. Please get it examined by your expert.

SHRI BHUPESH GUPTA: I have done it. There are only 102 people in the country according to the Central Board of Revenue who pay Wealth Tax on wealth above fifty lakhs. Everybody knows that there are more than 102 people. They slip through your fingers; that is all or maybe that money is coming to the Congress election . . .

SHRI K. K. SHAH: You are not realising that there is tax exemption on new investment. That is as far as Wealth Tax is concerned and, therefore, for the present you do not find the Wealth Tax returns as good as they ought to be. This is on account of the tax holiday which a new investor enjoys.

SHRI BHUPESH GUPTA: Wealth Tax is no longer applicable as far as companies are concerned. He may not know. We have amended this provision.

SHRI K. K. SHAH: That is why you find that there is little savings. A man like Mr. Birla or Mr. Tata pays on an unearned income of Rs. 100, Rs. 86 by way of tax in the higher level and on the basis of 6 per cent. if you are charging them 2 per cent.

as Wealth Tax, it will be Rs. 33 and Rs. 86 plus Rs. 33 will be Rs. 119. He will be earning Rs. 100 and paying Rs. 119, he is minus Rs. 19. Income Tax and Wealth tax, both taken together, do not leave him Rs. 35,000 which you will be securing if you were to have a ceiling on income.

SHRI BHUPESH GUPTA: Then the Birlas should have been auctioned by now.

SHRI K. K. SHAH: No.

SHRIMATI TARKESHWARI SINHA: Who will do that?

SHRI BHUPESH GUPTA: She will auction Birla.

SHRI K. K. SHAH: Please try to understand because the time allotted to me is short.

SHRIMATI TARKESHWARI SINHA: I try to understand Birla, you do not.

SHRI BHUPESH GUPTA: She asked, who will auction Birla. We will do it.

SHRI K. K. SHAH: Please get it examined by our officers.

SHRI BHUPESH GUPTA: If Mrs. Tarkeshwari Sinha auctions Birla, I should go to that auction.

SHRI SHEEL BHADRA YAJEE: Auction your party.

SHRI K. K. SHAH: Mr. Bhupesh Gupta, I beg of you. Get these figures examined. You are talking of Birla not being auctioned and it is because, as I told you in the beginning, shares that were quoted at Rs. 100 a few years ago are quoted at Rs. 500. That is on paper. Therefore, you find that their shares have gone up five times but in reality they have not.

SHRI BHUPESH GUPTA: When you bought from Mundhra, you mentioned the prices quoted in the paper.

SHRI K. K. SHAH: Now you are running away from economic factors. You said that the rich are getting richer but if you find that they are getting richer on paper, don't worry. When the market stabilises, the price of shares is bound to come down. Therefore, I have been telling my hon. friend that in his zeal to castigate some rich people, he should not forget to take into consideration the economic aspect of what he is saying. I am sure that these rich people, if they are asked, will welcome a ceiling on income because that will give them Rs. 35,000 net income and they will not have to pay what is known as Wealth Tax.

SHRI BHUPESH GUPTA: How much tax does Birla pay?

SHRI K. K. SHAH: The time is short and so I would only request him to see the . . .

SHRI BHUPESH GUPTA: The kind of accounting you have shown means that no State will earn at this rate.

SHRI K. K. SHAH: I will request you to go through very carefully the compilations that have been given in the economic classification of the Budget of the Central Government. I am sure the day will not be far off when real budgeting will be on the lines of the economic classification of the Central Government's budget. Those officers of the Central Government who have been responsible for inventing the economic classification of the Central Government's Budget deserve our gratitude. I think even a common man can understand what budgeting means, what is income, what is deficit, what is capital financing. All these can be readily found out.

SHRI BHUPESH GUPTA: Any common man can understand even if the hon. Member misunderstands.

SHRI K. K. SHAH: Just listen and you will see that this is a considerable improvement from the way in

which Budget is presented to the House and if you can see this, a lot of misunderstanding even in your mind will disappear, in spite of the fact that you may not be prepared to appreciate certain good aspects of the method which has been followed by the Finance Ministry. We have been talking a lot about deficit financing and deficit in our Budget on account of the Five Year Plans but the stability that the Finance Ministry has given to this Country and to the market is on account of the fact that all charges are borne by the General Revenues. Take for example Account No. 1. You will find that certain departments of the government, even though they are well run, well looked after, on account of certain difficulties that this country is facing, have to ask for further funds which are non-development expenditure. Take, for example, the Defence Ministry which has been very efficiently run but on account of the war that we have been fighting against Pakistan and against China, more sums have got to be spent. You could have prevented it in the case of China if the Communist Party could have utilised its influence with China and I am sure a sum of rupees . . .

SHRI BHUPESH GUPTA: Sir, in any case, we are not having any war with anybody.

SHRI K. K. SHAH: . . . two hundred crores could have been saved.

SHRI AKBAR ALI KHAN (Andhra Pradesh): You mean to say that they can speak so loudly there?

SHRI K. K. SHAH: He can exert his influence, I feel confident about it.

RAJKUMARI AMRIT KAUR (Punjab): May I ask whether the speakers are to address each other or whether they should address the Chair?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): They should address the Chair.

SHBI K .K. SHAH: I hope, Sir, my hon. friend will permit me to address the Chair.

SHRIMATI TARKESHWARI SINHA: The hon. Member opposite does not listen to anybody.

SHRI K. K. SHAH: Sir, the consumption expenditure has gone up. It has gone up from Rs. 456 crores to Rs. 580.3 crores in the 1962-63 Budget. The interest charges have also gone up from Rs. 125 crores to Rs. 167 crores. In spite of all this you will find that a fine stability has been imparted by the method which the Finance Department has followed. In spite of all this I hope that this year's expected deficit of Rs. 6.6 crores will disappear just as in the case of savings it was shown last year as Rs. 66 crores but in the Revised Estimates we found it came to Rs. 79 crores. I therefore hope that this deficit will disappear. Therefore my hon. friend will note that on the contrary they deserve encomiums that in spite of all these difficulties, in spite of the fact that the interest charges are rising, in spite of the fact that the consumption expenditure has been rising, they have been able to balance the Budget and pay all these charges from the Revenue Account. The tax receipts have gone up from Rs. 729 crores to Rs. 829 crores, an addition of Rs. 100 crores. The income from property and enterprises has gone up from Rs. 164 crores to Rs. 206 crores and even interest receipts have gone up. Therefore we have been able to balance our Budget and I hope my friend will take this into consideration.

So far as general stability is concerned, the index of wholesale prices for the week ending 24th February 1962 was about 2 points lower than it was a year ago. In spite of deficit financing, in spite of there being a deficit on account of capital outlay, we have been able to maintain the general price level; in fact it is 2 points lower than what it was. I think a greater phenomenon could never happen. Take any country in

the world. They have not to undertake deficit financing but still the prices are rising there but so far as this country is concerned, in spite of the fact that this year you will have a deficit to the tune of Rs. 493 crores on account of capital outlay, we have been able to hold the price line and I am sure my hon. friend will appreciate this. Supposing we were not called upon to incur this heavy expenditure on our Himalayan frontier with China; that amount could have been utilised for the purpose of acquiring rolling stock for the Railways and the bottleneck in the Railways would have disappeared and our production would have gone up. In spite of all these difficulties, I think it stands to the credit of the Finance Ministry that not only they have been able to meet the entire expenditure from the Revenue Account but they have been able to hold the price line also.

Now, I would like to make one suggestion, if I may, so far as nonproductive expenditure is concerned. Wages and salaries have gone up by 20 per cent and commodities and services have risen by 33 per cent. I know that the Finance Department itself cannot curtail the expenditure in other Departments of the Government of India but as I pointed out that in spite of this rise in expenditure, the Finance Department has been able to meet all these charges from the Revenue Account and I hope it will be possible for other Departments of the Government of India to cut down the wages and salaries. The rise of 20 per cent in wages and salaries and 33 per cent in commodities and services is too much and I hope it will be possible to have economy in the Administration and reduce it to 10 and 20 per cent.

Sir, the gap between interest received and interest paid is widening. As I pointed out to my hon. friend, that is on account of the subsidies granted to the States and in spite of this gap widening the entire gap has been met from Revenue Account and shows the excellent way in which the

[Shri K. K. Shah.]

finances of this country have been managed.

Sir, special care has to be taken so far as the profit in the commercial undertakings is concerned. Commercial undertakings are shown in Account No. 3. The estimate for 1960-61 was put at Rs. 45.8 crores which in actuals has gone down to Rs. 31.5 crores and the estimates for 1962-63 are shown as Rs. 28.4 crores. I am not oblivious of the fact that depreciation will go up by Rs. 23 crores and the profits transferred to current account of Government will also go up by Rs. 16 crores. In spite of that, in view of the increased activities so far as capital outlays are concerned, I wish it were possible for the commercial undertakings to maintain the level of Rs. 45 crores and not take it down to Rs. 28.4 crores. Thank you very much.

SHRI DIBAKAR PATNAIK (Orissa): Mr. Vice-Chairman, we have before us for discussion the Budget proposals for the year 1962-63 which have been placed before us by the Finance Minister. For the next year the expected revenue is Rs. 1,305.87 crores and expenditure Rs. 1,369.33 crores and the deficit comes to Rs. 63.46 crores.

At the outset I strongly feel that the financial year should be changed in the interest of the successful working of the Plan. This British era or the English era should be given up and a new era adopted, that is, the Moghul era namely Fasli. Its year ends on 30th June and the new year starts on 1st July. That will change the whole phase of the working of the Plan which will become a great success if the financial year is changed from 31st March to 30th June. So I appeal to the Government that instead of the British era the Moghul era should be adopted because if we pass our Budget in April, the Departmental Heads and the State Governments will get the sanctions in the month of May and the District officials will

get them in the month of June and that means the rains set in and the whole work has to be left over. Plantation and cultivation continue till the month of December and again in the month of January the work starts by which time the Finance Department wants the other Departments to surrender their savings and they have to do that, so much so we do not find much time to work on the projects that we have undertaken. If July 1st is taken as the first day of the financial year, that means the Departmental heads will get the sanctions in the month of October and tenders for work can be called in November and December and from January to the end of June work could be continuously carried on so that the progress on the work of the Plan projects will be more satisfactory than is now the case under the procedure now followed.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You can continue in the afternoon.

FORTY-SECOND REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (196-62)

SHRI R. P. N. SINHA (Bihar): Sir, I beg to lay on the Table a copy of the Forty-second Report of the Public Accounts Committee (1961-62) on the Appropriation Accounts (Civil), 1959-60 and Audit Report, 1961.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The House stands adjourned till 2.30 P.M.

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

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

THE BUDGET (GENERAL), 1962-63 —continued.

SHRI DIBAKAR PATNAIK: Before rising for lunch I suggested that you