

There, I think, we should not go by prejudices. Whatever is constructive, we should support; whatever is destructive—or any negative proposal as the proposal of the Western Powers—we should criticise in order to rouse public opinion in the country. We have been heartened by the news about the letter the Soviet Premier wrote to the Prime Minister and are equally heartened by the response which Prime Minister Nehru gave to the request of the Soviet Union. Heads of States and of Governments have to meet; the sooner they meet, the better. As for the nuclear tests which must be stopped, again it is possible to come to an agreement for stopping all nuclear tests.

I hope that I have expressed sentiments not only of my party but of the entire House including the Treasury Benches. There may be some on this side of the House or that side who belong to the Swatantra Party or such other parties to whom this question of peace and war has no meaning, to whom the sacred task of fighting for peace is something of party politics and so on. Sir, this is not so. We Communists, as everybody knows, consider it to be a sacred duty to fight for bringing about peace on earth; nothing we consider to be so sacred as the maintenance of world peace, consolidation of world peace and the creation of conditions for peaceful co-existence, so that we have peace, lasting and durable peace. Let us all work towards this noble ideal in the interest of all mankind. Mankind has got to be delivered from the threat of nuclear destruction.

Thank you.

THE VICE-CHAIRMAN (DR. A. SUBBA RAO): Any reply?

SHRI B. R. BHAGAT: I have nothing to reply; I think the hon. Member does not expect and reply.

THE VICE-CHAIRMAN (DR. A. SUBBA RAO): The question is:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1962-63, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (DR. A. SUBBA RAO): We shall now take up clause by clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI B. R. BHAGAT: Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE FINANCE BILL, 1962.

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI): Sir, I beg to move:

"That the Bill to continue for the financial year 1962-63 the existing rates of income-tax and super-tax and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year, as passed by the Lok Sabha, be taken into consideration."

Sir, the Bill does not propose any modifications in the existing rates of income-tax and super-tax. It incorporates, however, certain formal changes to enable the provisions of the Finance Act, 1961, to be made applicable to the next financial year

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also. These have been necessitated by the replacement of the Indian Income-tax Act, 1922, by the Income-tax Act, 1961, which will come into force from the 1st April, 1962. Opportunity has also been taken to provide for a definition of the term 'earned income' in the Bill. Members are, no doubt aware that the method of concessional treatment of 'earned income' while computing the assessable income was given up a few years ago. 'Earned income' is however subjected to tax at a concessional rate which is governed through the Finance Act. The definition of the term 'earned income' was therefore omitted from the new Income-tax Act, 1961, and is included in the Finance Bill.

The Bill also makes provision for maintaining the *status quo* in regard to the commitments under the General Agreement on Tariffs and Trade and also that salt may continue to be free of duty.

Sir, I move that the Bill be taken into consideration.

The question was proposed.

SHRI A. D. MANI (Madhya Pradesh): Mr. Vice-Chairman, Sir, while supporting the Finance Bill I should like to bring to the notice of the House certain important problems relating to Goa which, I think, should be discussed at this stage. Many matters about Goa were raised when the Goa, Daman and Diu (Administration) Bill was before the Houses of Parliament. But after the Bill was passed and after steps were taken to make Goa an integral part of Indian territory, there have been certain proceedings in the city of Bombay, in which Goans have taken part and which show clearly that the Goans are gravely disturbed about their future. I am referring, Sir, to a newspaper report of about four days ago. It came from the Press Trust of India and it said that a meeting of

Goans, which had been convened to discuss this matter, broke up in confusion because there were more than two sides to the question, that there were various parties and that the meeting broke up in confusion. Further, a few days ago, the Governor of Maharashtra, addressing the Legislature of Maharashtra, expressed in his formal Address the hope that Goa would become a part of Maharashtra. I should like to ask the Finance Minister to make a note of what he said in his Address to the Maharashtra Legislature. Before the Government of India reached any decision about the future of Goa he said that Goa was going to be a part of Maharashtra. There has been, Sir, a good deal of nervousness and unrest in Goa on account of the insistence of a section of the population that Goa should be integrated with Maharashtra. This is a welcome opportunity for Government also to state clearly and I hope that the Finance Minister would say in the course of the debate on the Finance Bill that the Goans will have the right to determine their own future. We hope, Sir, that Goa will at least be an island calm in this linguistic frenzy that we witness all over the country. If Goans want to retain their special identity, it is up to them to decide their future. Further, Sir, there are a number of problems relating to Goa, which I think should be placed before the House. I would not like the Government of India to treat Goa as a party question. All parties and all sections of people supported the Government of India's action in Goa, and it was because the action was taken almost with the unanimous consent of the people that the Government was able to stand up to foreign criticism, ill-advised foreign criticism, of our action. When all parties have been behind the Government of India in respect of their action in Goa, I would like to ask the Government: "Why not continue this all-party co-operation in other matter also?" I would like to make a concrete suggestion to Government, that an all-parties committee

should be sent to Goa to ascertain from the people, the leaders of the people, what should be done in regard to their future. I know that the Government itself is competent to take a decision and competent to collect its own information. But an all-parties committee would assure the people of Goa that their future is a matter of urgent concern to Parliament, and I hope, Sir, that such an all-parties committee would be appointed by the Government to go to Goa to consider the question. There are other points about Goa and I am raising this question here because the controversy that is going on about the future of Goa might become very aggravated and bitter as the weeks pass by, and when the Goa, Daman and Diu Bill has been passed, it is necessary that the Government should make a clear statement of their policy in regard to many matters. I am told that a delegation from Goa visited Delhi to place before Government certain matters relating to their economic future. I know that the hon. the Finance Minister is very severe in regard to making any exemption to any area from the taxation system, but I would like to suggest to him that for a period of five years we should allow the taxation system in Goa to remain what it was under the Portuguese. There should be no attempt on the part of the Indian Government to force the Indian taxation structure on Goa before the expiry of the five-year period. This would allow Goans time enough to adjust themselves to Indian conditions and would allow the local trade to make suitable readjustments to the present situation.

In this connection, Sir, I would like to draw the attention of the Finance Minister to a report from Goa about the employment situation there. I am not going to read a long extract, but it is a very telling extract which I am going to read. This is from a press correspondent who had gone to Goa and had written about it. It appears in the 'Free Press Journal' of 22nd March.

"With liberation came disillusionment to many of these people. The Administration started on the wrong foot by dismissing nearly 2,000 Goan military personnel in the Portuguese army. Retrenched were also the entire staff of the Banco Nacional, the Portuguese Airlines (TAIP), the Escaleiros Naval Shipyard at Vasco, several Radio Goa technicians, the Board of Foreign Trade. The total number of people rendered jobless in Government and semi-Government institutions came to nearly 3,000. Add to this no more than 10,000 unemployed in the mines on account of the uncertainties of the Government's ore export policy and scores of others made jobless by small import-export firms for want of a clear-cut policy from the Centre."

SHRI MORARJI R. DESAI: Which date?

SHRI A. D. MANI: 22nd March, 1962. The article is titled, "Goans gaze into future with nervous hopes", by a correspondent.

Sir, the allegations, the statements, made by the delegation which came from Goa to Delhi are before the Government. The situation in Goa today is that on account of the immediate application of our economic system, there has been considerable disorganisation and I attach much importance to an early remedying of the situation because on Goa foreign eyes are concentrated.

I would like to make one more suggestion to the Government, and that is, the port of Goa should be a free port for another five years so that the people who are depending on the import there can continue their avocation and can have some time to readjust themselves. On these matters I expect a statement of policy from the Government.

Sir, I would like to mention here that though our troops have behaved with commendable restraint and

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we are thankful to them for the way they behaved there, there have been certain allegations made against the troops and there has been a good deal of discontent in Goa that no immediate enquiry has been ordered into that. I do not know. I read extracts of newspaper reports containing these allegations. I would like to ask the Government whether it would not be proper to steady the local population by telling them that if there is a case of misbehaviour on the part of our troops, we would make an immediate enquiry into that.

Further, Sir, there have been many things going on in Goa to which, I think, the House should pay some attention. From the State of Madhya Pradesh went Mr. R.C.V.P. Norohna as the Administrator of Goa, Mr. Norohna is one of the most able men of the old Indian Civil Service. He had done a lot of work among the Adivasis in the Bastar district. Mr. Norohna wanted to be sent back to the State of Madhya Pradesh. Why was he anxious to return to the State of Madhya Pradesh? I am told that Mr. Norohna presented a plan for Goa's economic future and that he found that the Special Adviser to the Military Governor was interfering too much in the administration, and that in consequence there was nothing left for him but to ask for his return to Madhya Pradesh.

There is Maj.-General Candeth. He has been an able Commander, led our liberation forces into Goa, but he too has been stepping very much beyond the line by making an announcement that he is going to order land reforms in Goa. Who is he to order land reforms? He is only a Military Commander.

THE DEPUTY MINISTER OF EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON): But he has not said it.

SHRI A. D. MANI: Sir, I have got a cutting with me and I will show you. He has said about land reforms. It is all Government of India's cut-

tings. I may take some time but I would place them before the hon. Deputy Minister. I spoke to her before I came into the Chamber that I was going to raise this issue. Sir, we would like the Government to tell all the people, the Military administration there, not to make any statements because they are not the persons who are going to decide the political future of Goa.

Then, Sir, leaving that subject, I would like to pass on to another matter which I think can be pertinently raised in this debate on the Finance Bill. And that is the conduct of elections in our country. I was told this morning that from Uttar Pradesh there are going to be there bye-election vacancies to the Rajya Sabha in the month of April. For all these three vacancies the nominations have been called for on a particular day, the scrutiny is going to be on a particular day, the withdrawals are going to be on a particular date, but the elections would be held on different dates for every vacancy.

SHRI MORARJI R. DESAI: That is bound to be.

SHRI A. D. MANI: Which means that the Congress Party which has not secured a decisive verdict from Uttar Pradesh will take all these three seats. I quite agree that the rules, as they stand, permit the present situation. I would like to suggest to the Government and the Election Commission that the rules should be amended that where more than one vacancies occur, they should be put before the legislature as a whole so that the Opposition gets a chance of electing somebody on a minority vote. I thought, Sir, I should raise this matter here because the nominations are going to be called for in a day or two and it is possible for the Election Commission and for the Government of India to amend the rules if they want to. They can bring out a Gazette of India notification any time . . .

SHRI MORARJI R. DESAI: Does the hon. Member think that these rules can be amended without any notice at any time, whenever the Government chooses? Then he himself will be the first to criticise.

SHRI R. S. DOOGAR (West Bengal): Two Members are retiring in 1964 and one in 1966. How can the election be held together?

SHRI A. D. MANI: Whatever the number, that is not the question. I am only saying that the Congress is not in a decisive majority in Uttar Pradesh.

SHRI MORARJI R. DESAI: I do not agree.

SHRI A. D. MANI: There is a strong Opposition. Why not give a chance to the Opposition to elect one Member? Why should you say "1966 vacancies"? All of them are vacancies . . .

SHRI R. S. DOOGAR: The 1964 and 1966 vacancies cannot be filled by the same person.

SHRI A. D. MANI: My hon. friend, Mr. Doogar, I would like to tell him that he should not approach it from the point of view of a magistrate's court. We should really take the spirit of the thing into account, that you must give the Opposition the chance of electing somebody.

Sir, I would like to mention one more matter before closing, and that is again due to the conduct of elections. Sir, during the elections I saw a number of documentaries produced by the Films Division of the Government of India. I may say that I am an unashamed picture-goer. I have always thought that some of the films produced by the Government of India are extremely good. But surprisingly, during the impendency of the election certain films and shots were shown which were surprising. I one day saw the picture of the celebration of the birthday of Mr.

Kamaraj Nadar. I have got great respect for Mr. Kamaraj Nadar and I think he is one of the most astute Chief Ministers in India, and on his birthday I wish him not only one hundred and one returns but two hundred returns of the birthday. But that picture was shown during the impendency of the election. All of us have got birthdays, Sir. Some of them are not filmed. Many of them are not even noticed. I would like the Government of India to maintain a sense of propriety about these matters and not to use filmsy material which will be regarded as down-grade propaganda for the Congress Party before the election.

Further, Sir, a picture was shown in Bombay. I have got great respect for the Defence Minister and I would like to congratulate him on his success in the election. He was shown in the picture arguing the Kashmir case. So many have argued the Kashmir case. Mr. Gopalaswami Ayyangar argued the Kashmir case. He was the first man who went and argued the Kashmir case before the Security Council. But no shot of

[THE VICE-CHAIRMAN (SHRI K. K. SHAH) in the Chair]

Mr. Gopalaswami Ayyangar arguing the case was put forward before the screen. Mr. Krishna Menon's marathon speech—I would like to ask the Deputy Minister for how long he spoke, for 18 or 19 hours—not all the 18 or 19 hours but the shots of this speech were put on the screen. I think the time has come for the Government to pass a self-denying ordinance on this and appoint an all-parties committee in the year before the elections to scrutinise films which are being exhibited on the screens in the country, because the screen is one of the most potent and valuable media of propaganda and conversion of public opinion. I would not like to see that on the eve of elections things are done which make the public believe that

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the Government is misusing the facilities at its disposal for securing an electoral verdict in their favour from the public.

SHRIMATI LAKSHMI MENON: Mr. Vice-Chairman, the last speaker made certain comments about Goa and the policy pursued by the Government with regard to the future set-up of Goa. To begin with, I do not want to recall to the House the Bill that was passed declaring these territories as Union Territories and at that time and on many occasions before and after, our Prime Minister had given the assurance that the separate characteristics of Goa will be maintained, whatever cultural pattern or whatever there is but for the rest, it will be administered as a Union Territory. The Member also said that there had been application of the Indian economic system in Goa. This is absolutely wrong. Whoever has written it does not know what the policy of the Government is in this matter.

SHRI A. D. MANI: May I ask, when she says that it is wrong—and this statement will be published tomorrow—will she be prepared to investigate any genuine complaint that comes to her notice?

SHRIMATI LAKSHMI MENON: No. The statement was made that we were guilty of applying our economic system in Goa. I categorically deny it. At no time have we said that we were going to apply our economic system nor a complaint was ever made by the delegation which came from Goa. That delegation met me. They were quite satisfied with what was happening in Goa and they also realised that in course of time the economic system will change because of developments that are going to take place and of their relationship with the rest of the country.

SHRI MORARJI R. DESAI: How can it be different? It is bound to be the same.

SHRIMATI LAKSHMI MENON: Exactly, but they said at the moment they had no complaints because they realise fully—they were realistic enough to realise—that these changes were likely to take place and must take place and to say that we have imposed any economic system on Goa is all wrong.

Regarding the export trade, the Government have honoured all commitments entered into by the Goan industrialists before Goa was acquired by us.

Something was said about unemployment in Goa and the Banco Nacional Ultra Marine. The total unemployment may not be 3,000. Let us grant that it is 3,000. In the case of the Bank, the Bank was closed and the Bank employees were naturally unemployed but we have asked them to register and as and when vacancies occur in the Bank, if the Bank is revived or if new banking institutions are created, these people will be absorbed.

Regarding the Marmagoa Naval establishment, it was a private company in which 75 per cent. of the shares were taken by the Portuguese Government which of course became the Indian Government's as the successor Government. All the liquid assets of that company were in Lisbon and we have lost it and whatever equipment there is, we are trying to salvage and develop the port. In the meantime the Government have paid the salaries of all the employees for January and February.

There were allegations against the military. I think this question was answered in the other House or in this House, I forget which. Everyone of those allegations was enquired into and about most of these allegations even the police did not know who made them. They could not trace. Sometimes the allegations were recorded but they found that nobody could trace the individual or even the

person who complained. There were two allegations against the military—only two—and both of them were enquired into and I think one of them is still under investigation.

SHRI A. D. MANI: What about Shri Sri Prakasa's statement?

SHRIMATI LAKSHMI MENON: I am not responsible for what Governors and others say in their capacities but I am only responsible for the statements made by the Government of India and I can tell the hon. Member that the one reason why we have decided to keep Goa as a Union Territory is because of the rival pulls of Maharashtra or various other Governments who want to make Goa a part of it. Only the other day we heard when we were having the debate on the Sahitya Sammelan Bill the rather subdued interest among people to stretch Konkani to such an extent that Konkani might ultimately become merged into Marathi and Goa will become part ultimately of Maharashtra. It is all left to the Union Government to decide what should be the set-up.

SHRI A. D. MANI: May I ask, from what she has said, that she dissociates herself from the statement made by the Governor of Maharashtra, or if she likes to remove the word 'dissociate', that she does not agree with that?

SHRIMATI LAKSHMI MENON: Is it a court of law where I am cross-examined on every sentence that I say? I am neither associating myself nor dissociating with whatever has been said. The only thing is I cannot be made responsible for finding out the motive of the people who say these things. All that I say is that these allegations are wrong.

The last thing that he said was that the Military Governor had made statements about land reforms etc. The Military Governor is an intelligent man and he knows that he is there only for a short time but when people make representations and ask for an

answer he at least must say that the Government will look into those things and that is all that Major General Candeth had said. When representations were made to him that they wanted land reforms, this, that and the other, he said that the Government will look into them. Is it a crime, I ask?

SHRI MORARJI R. DESAI: Sir, the points raised as regards Goa have been replied to by my colleague and I need not therefore repeat them but just about the question of the Governor of Maharashtra's making some statement to the Assembly, I may say this that the Governor speaks on behalf of the Government and if the Maharashtra Government claims Goa, that does not mean that it gets it. That is a matter for Parliament to decide ultimately but why should somebody prevent it from making a claim, I do not understand. (*Interruptions.*) Why should people be so very jittery and why should they be moved by somebody making it? Tomorrow anybody else may claim. Someone may claim. That does not mean anything . . .

DR. A. SUBBA RAO (Kerala): If the Governor of Mysore includes in his speech in the Assembly that Goa should merge with Karnatak, will you agree to that?

SHRI MORARJI R. DESAI: When a start is made by Maharashtra, they can also follow suit. I cannot say 'no' to them. We do not dictate the speeches of any of the States. Therefore it is not possible for us to say anything but the Prime Minister has very clearly stated the policy of the Government of India in this matter and that ought to be convincing to the people that there is no necessity for any fears in this matter and I do not think that the wishes of the people will be discarded at any time by this Government in this matter.

Then he raised a question about the three vacancies which are going to be filled in. This is not the first time that this is happening. This is hap-

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pening everytime. That has happened ever since the Rajya Sabha has been constituted, and all casual vacancies, as they happen separately, are bound to be filled up separately. They cannot be, for the convenience of somebody in the Opposition or anybody else, be grouped together so that somebody may be given a chance. It is a very queer claim that is made. That is all that I can say. I do not think that that is democracy. Democracy does not mean that somebody should be spoon-fed. Democracy means that everybody should take his chance according to the rules of democracy and this is the rule of democracy. This is all in the Constitution. This is according to the rules. I do not see why any change should be made in this matter at all.

Then he mentioned about some films being shown. I myself have no knowledge about these films but I do not think that the films would have got any votes for anybody. Films are shown in the course of things. The film on Kashmir must have been shown at the time; probably it was made ready perhaps somewhere in November or December and then it must have been shown because it came at that time but I do not know that the film is going to bring any vote for anybody. If they were shown, whether they were shown in North Bombay or whether they were shown in Central Bombay or South Bombay, I have no idea, but certainly these criticisms will be borne in mind in the future elections, I hope, and there may not be any cause for such complaints in the future. Let us hope so. I quite understand
4 P.M. that one should not only be correct, but the people should be convinced that one is correct, and that should be the principle which should be followed in a democracy by all those who are in Government and I have no doubt about that. Whether others follow it or not, those who are in charge of the Government must follow it,

Sir, I do not see any other point raised in this debate and therefore, my task has been very much simplified.

THE VICE-CHAIRMAN (SHRI K. K. SHAH): The question is:

"That the Bill to continue for the financial year 1962-63 the existing rates of income-tax and super-tax and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI K. K. SHAH): We shall now take up the clause by clause consideration of the Bill. There are no amendments.

Clauses 2 to 4 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI MORARJI R. DESAI: Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE STATE FINANCIAL CORPORATIONS (AMENDMENT) BILL, 1962

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): Sir, I move:

"That the Bill further to amend the State Financial Corporations Act, 1951, as passed by the Lok Sabha, be taken into consideration."

Sir, as the House is aware, the State Financial Corporations Act was passed in 1951 authorising the establishment of financial corporations by the State Governments for the provision of financial assistance to medium and small-scale industries. By the end of 1960,