

MR. CHAIRMAN: My dear friend, I tell you that yesterday Mr. Gopala Reddi was answering on behalf of the Minister of Steel, Mines and Fuel who was not here. Therefore he did not wish to commit him and so he kept quiet. That does not mean there is any suggestion or implication.

SHRI BHUPESH GUPTA: Now, Sir, I have not said, I have not accused Mr. Gopala Reddi. You are quite right.

MR. CHAIRMAN: I am merely . . .

SHRI BHUPESH GUPTA: Mr. Gopala Reddi could have given a stronger answer; that is a different matter. I am drawing your attention to the newspapers which have used this question in this manner. Mr. Khobaragade only made an enquiry. Suppose I ask the Home Minister whether Mr. Khobaragade had stolen my purse, is it not making an allegation?

MR. CHAIRMAN: That is all right.

SHRI BHUPESH GUPTA: It was not an allegation that Mr. Khobaragade made. It was an enquiry, but then the newspapers make it look as if Parliament is saying this thing, that the Russians are giving money to the Communist Party.

MR. CHAIRMAN: We now take up the Budget.

SHRI BHUPESH GUPTA: I hope you will consider.

THE BUDGET, (GENERAL) 1960-61  
—GENERAL DISCUSSION

SHRI J. V. K. VALLABHARAO (Andhra Pradesh): Mr. Chairman, Sir, before I venture to speak on these taxation proposals of the Government, I think I would be failing

in my duty if I do not refer in this connection to the fact that this is the Budget that is presented in the fourth year of the Second Five Year Plan, and this is a Budget that is presented on the eve of launching a bigger Third Five Year Plan, and naturally one would expect of the Government and its spokesman, the Finance Minister, to present to the country the achievements of the Government in relation to the promises it had made at the time of launching the two Five Year Plans. Sir, the country expects a balance-sheet from the hon. the Finance Minister because day in and day out we hear members of the Government and also the leaders of political parties they represent asking for public co-operation and sacrifice to carry out the development programmes of the country. But it is a sad commentary that the Finance Minister, in the Economic Survey that he has given to us, and also in his speech very eloquently admits the fact that the cost of living has risen, prices are shooting up, and unemployment is increasing. Here and there we have industrial development, but the country is still at the mercy of foreign loans and foreign assistance and it gloats over the fact that foreign private investment is coming in a large measure—to exploit us.

12 Noon

Sir, I am one of those who welcome the objectives of the First and the Second Five Year Plans. You are aware that my party in this House has given its unqualified support to certain aspects of the Second Five Year Plan, especially the policy of industrialisation, the policy of land reforms which are promised, and the policy of state trading, etc. Now, we are at a loss to know why not a word is said about any of those things, as to what steps the Government have taken to implement those plans.

In this connection, it is very significant also to note the attitude of the great patrons of big business, the Press barons who day in and day out

attack the Prime Minister for his policy, for the policies which he enunciates especially about expansion of the public sector for heavy industries, on land reforms, co-operative farming and even his great policy of non-alignment. Today unanimously they come out and say that it is a very great Budget, a sagacious one, an intelligent one and a realistic one. That makes us much more suspicious as to why these sharks, which spare no effort on their part to attack the Nagpur Resolution of the Congress, to attack the Prime Minister's foreign policy, to attack the Industrial Policy Resolution, to attack everything good that the Congress stood for, today come out and say that they support the Budget.

There is one single reason for their doing so, namely that everything that the Congress adopted since its Avadi Session has been given a good-bye in this Budget. Let us take these items one by one.

First, I come to the question of food. The President in his Address and also the Finance Minister in his Budget Speech, said that in spite of the fact that there was increase in production, we were still suffering from food shortage. Prices are shooting up. I wonder whether the Finance Minister or his colleagues are not aware that the prices are shooting up in spite of more food production and greater import of foodgrains. That is because of one single reason, namely, the grip of hoarders and financial sharks on their policies. They do not want you to move an inch. You appointed a committee which recommended that the State should take up trade in foodgrains. Your own organisation has gone through many sessions and admitted that the basic issue on the food front was to change in social relations on the rural side, and also the immediate necessity of land reforms. The very social structure on the rural side has got to be changed. There must be ceilings on land. The peasant must have the

initiative. He must have the right to own the land. He must have the right to improve the land. Then alone there will be incentive. And above all, the State must be prepared to give a price line and accept it. Nothing about that is said today.

Now, a strong and able Minister is put in charge of the Food portfolio. He tells the country, "I am going to import more manures, more tractors, more of chemical fertilisers, and added to that, I am going to build a big food bank." With what? With American surplus produce. The country is permanently told to rely on P. L. 480 for its development, for its progress.

Sir, this is really a very distressing picture. We on this side, and I am sure many hon. Members on the other side also, agree that unless and until the Government is firm with regard to the question of ceilings and the question of State trading in foodgrains, not an inch will advance in the matter of solving the food problem. Sir, some of my friends, on the other side, and even the Government at State levels, may tell us that they are now trying to bring in legislation with regard to land reforms. But, it is a well-known fact that land reforms are delayed and when Bills are introduced, ceiling on land is fixed in such a way that the *status quo* is maintained.

An erstwhile Minister of this Government, now an hon. Member of the Lok Sabha, has reviewed recently in one of the Government publications, *Yojana*, the whole state of affairs. While reviewing the two reports—one of the U. N. Committee and the other of the Ford Foundation—he said that everything is done to keep the *status quo*. Not even an inch has advanced of the so-called development—irrigation facilities, dams and all other things. They are nothing but extra expenditure. It has not reached the common man. It is not reaching the peasantry because of

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some lacunae here and there. Defective arrangement is stopping the real advantages, delaying advantages from flowing to the peasantry. Sir, one expected that the Finance Minister will be bold enough to say that they were going to deal with this aspect.

In connection with the Second Plan, the Nagpur Session of the Congress said that by the end of 1959 there would be land reforms and the land would be in the hands of the peasants. Later you had the Ooty Seminar and the Planning Committee meeting at Chandigarh, but things are still in a sorrowful state. This aspect has been very surreptitiously evaded. I think a decent and ceremonious burial is being given to this idea of State trading in foodgrains and the idea of making the tiller of the land the owner of the land also, by the Food Minister and this Government.

The second aspect that worries me most is the question of industries. The industrial policy of the Government is stated in the Industrial Policy Resolution. Very long speeches have been delivered, tripartite meetings have been held, meetings of representatives of all parties were convened, and the country is made to believe that they are going to develop the basic and key industries in the public sector. They also demarcated certain industries that will never be given to the private sector.

Sir, now comes the offer of the Government that private foreign capital will have better trading facilities and will have a good return if it is invested in India.

In this connection, I would like to clear one misapprehension which is likely to be created because some of my friends would like to equate foreign assistance and foreign loan with foreign investment. I am not opposed to foreign loan and foreign assistance for our industrial development.

Foreign loan or foreign assistance, from whichever part of the world it comes, let it come, but it should be operated by the State. It should be controlled by the State and it should go into the coffers of the State for the development of our country. What I am opposed to, and every nationalist who loves the country's independent economy is opposed to, is the investment of foreign private capital invested in vital public sector industries. We are deadily opposed to that. Why?

The other day, Sardar K. M. Panikkar, a learned Member of our House, mentioned the role of the oil companies in the Middle East, and how instead of the Government of the Middle East controlling the oil companies, it was the oil companies that dictated terms to the Governments. And where did all this lead to? It led to a serious crisis. Today the Middle East is a trouble spot. And here in India, we say "Come on, foreign investors. Get into India. Here is oil for you. You can invest in engineering firms. Come on. You can invest in plantations and so on." You have thrown all the vital sectors of your industry—chemicals, drugs, aluminium and mining—open to them. You say, "You are welcome."

Sir, I would like hon. Members to just scan through the pages of their own Congress history and the various reports of the National Planning Committee. At that time Pandit Jawaharlal Nehru was not the Prime Minister of India. He was the President of the National Congress and they had report after report wherein they stressed this point, namely, that the economic penetration of these foreign companies was mainly responsible for the degrading economic condition of the Indian masses. Today the Finance Minister comes and tells us that country after country is competing to help India. How? It is to exploit the Indian masses and to export the profits earned out of the suffering of the Indian masses. This is really a sad commentary on the

history of the Congress and the men who represent the Congress here and because of our past association, we feel ashamed that that very organisation today has to come and tell the nation to accept the crumbs of foreign aid and ask the foreign investor to come and invest in India so that we may have a mill here or a mine there. Your worker here is going to suffer and the profits will go to the foreign countries. It is a serious aspect of economy and I hope the Government and the members of that party will just ponder over this aspect.

I would like to deal with another aspect, namely, the Finance Minister's assessment of the situation in the country. When one reads his speech, one finds that in spite of rising prices, in spite of food shortage, in spite of growing unemployment, in spite of heavy taxation on the common man and in spite of heavy indebtedness to the foreign countries outside, India is on the march to progress. Let us see what is the position. After 12 years of independence, with two Five Year Plans nearing completion, we are faced with a constant food deficit, increased food prices, ever deepening foreign exchange crisis, perennial cry of shortage of resources for the fulfilment of our Plan targets, the crisis of export and fall in the earnings, recurring cuts in imports, some of which are very essential for the growth of our industries, increasing dependence and anxiously rushing in for foreign aid and this time for private foreign capital investment and added to all this, the mounting burden of taxation. This is the picture on the one side and on the other side there are greater tax holidays for the monopolistic concerns, Government laurels for tax evaders, sometimes conferring of titles on them and at the same time trying to encourage them to build up and tie up with foreign monopolistic concerns. There is the administrative set-up which, day in and day out, is dragged down

by corruption, nepotism and favouritism. These are the factors. Do they lead to the nation's progress or do they lead to the nation's decadence? Are they signs of economic and moral advancement or are they signs of the awaiting debacle for us? One had to seriously think over these. I do not want to dilate on these because so many hon. Members on that side, though they will not agree with me here, I am sure, will agree with me outside because when they go out, they know what the position is and they know it if they happen to see the people and ask them for their reaction . . .

SHRIMATI YASHODA REDDY (Andhra Pradesh): May be it is the other way round. They may agree outside though they may disagree here.

SHRI J. V. K. VALLABHARAO: If there is something good, I will agree.

SHRI BHUPESH GUPTA (West Bengal): The hon. Lady Member agrees even in the lobby. She does not have to go very far outside.

SHRI J. V. K. VALLABHARAO: This aspect has to be considered. I want to present this aspect because this picture is, though distressing, is a reality and therefore the survey presents a very wrong impression.

Another important thing is, the Finance Minister has given us some more presents on his birth-day by way of taxes. This time also, as usual, the tax burden is increased on the consumer, the common man. How? I will deal with it later. Before I come to the taxation proposals, I would ask the Minister and the Government as to what has happened to the recommendations of the Direct Taxation Administration Enquiry Committee. Has he taken into account the large arrears of income-tax? What exactly is wrong with the department? What steps have they taken? The report stated that even

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 in the year 1958-59, assessment of nearly 28.89 per cent. of cases was not made and in the previous year, that is in 1957-58, assessment of 32 per cent. was not made. Now a total of Rs. 271 crores is remaining as arrears. This is not Kaldor's report. This is the Government's report, a report submitted by a Committee appointed by them to deal with the problem of tax evasion and the Committee, in categorical terms, stated that tax evasion is encouraged by the Government's own officers by the methods they pursue to collect the tax. There is a definite charge, but what happens? We got independence 12 years back. Not a single tax-evader has been prosecuted, not a single evader has been convicted and even in cases where an enterprising officer takes up the case of a person, the higher-ups rush and make it a marginal sum. Two years ago, if I remember correctly, I made a statement on the floor of the House about a particular concern about evasion of income-tax and when some Members wanted it, I gave the name also and today I am told that the Income-tax Officer who was responsible for it is at present the financial adviser to that very concern in Madhya Pradesh. Sir, you let loose these financial sharks to evade taxes and exploit the common man and you catch the common man by taxing him, beginning from his match box right up to the poor man's vehicle, the cycle. Sir, this aspect the Finance Minister has got to take into account. He owes it to the country to say, "Here is the statement giving the number of cases prosecuted. Here is the amount we have got. We are not going to allow them to go away." But that is not done. What happens is that these very people are given a tax-free holiday for two more years. This is something which is a sad commentary on the state of our finances.

**THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI):** Five years.

**MR. CHAIRMAN:** He is content with two.

**SHRI M. BASAVAPUNNAIAH (Andhra Pradesh):** The rest may be contributed by the Government.

**SHRI J. V. K. VALLABHARAO:**  
 Next, I come to the question of the new taxes. Many of the papers, with the exception, fortunately, of a South Indian paper—*The Hindu*—have very little comments on the taxes. All that they seem to be worried about is that more concessions are not given to big business, that enough incentive is not being given to their industry and trade. Sir, except the taxes on motor vehicles and foreign liquors, every one of the taxes, directly or indirectly, falls on the consumer. Outwardly the taxes will appear to be nothing. But let us take them one by one

Take the tax on pig iron and the tax on tin sheets, on aluminium. My friends, the big manufacturers, will not be very much affected by these small taxes, perhaps. But what happens today? Our country is just trying to build up the engineering industry and this has practically become a cottage industry today. There are small workshops in Punjab, workshops in and around Calcutta and Howrah district, workshops in other places also. All these workshops are now manufacturing small things which we are not importing today. In some places even free-wheels are manufactured by them. They also manufacture small accessories for big industries. Now big organisations are being set up to give encouragement to the small-scale industries, to the medium-scale industries and other such small units for the promotion of which I think Gandhiji spent his whole lifetime, writing articles in his papers advocating small-scale industries distributed in rural areas. But the biggest axe has fallen on these very small units. Take my own State. There, in Rajahmundry, some thousands of aluminium workers will be affected. There are small employers

employing fifteen to twenty men, making utensils, the *bartans* for the poor man. These will be hit because aluminium prices have gone up and you cannot help it. But the big manufacturer who makes the stainless steel vessels, he is not affected. Even pig iron gets a tax on it. People cannot help using it. You ask the clerk to pay Rs. 10 every year if he wants to go on a cycle to his office or the Secretariat.

AN. HON. MEMBER: Every year Rs. 10?

SHRI M. BASAVAPUNNAIAH: If not ten, have it as five.

SHRI J. V. K. VALLABHARAO: Everyone cannot afford to go in for a Raleigh green model with the wages you pay—his cycle requires replacement of parts which you taxed.

SHRI BHUPESH GUPTA: Mr. Morarji brought his new Budget in a new car flown to Delhi in order to advertise it.

SHRI J. V. K. VALLABHARAO: Whom does the tax affect? These taxes affect the engineering industry, these small-scale industries, industries which are located in the rural parts also, with a small number of workers, trying to make things and supply them at cheaper rates to the rural population. These units get taxes put on them.

[MR. DEPUTY CHAIRMAN in the Chair.]

Take, then the tax on diesel oil. What does it matter? It may be asked, well, the user will have to pay two *naye paise* more for the bus ticket he buys for going by bus. This the owner of the bus will not pay. The owner of the bus will only add that much on to the fare that the common man will have to pay. So, that is the position.

Take the case of the villager, the peasantry. In some areas some five or

six of them join together and have a motor for working a rice mill or some such small industrial unit. All these people will now have to pay the increased tax. The cumulative effect of all these taxes will be much higher, because you have to add to these the sales tax also in the various States, as *The Hindu* puts it. So, what is the net result? The net result is that the quantum of taxation is doubled by the time it comes to the consumer. But the consumer is told, 'No, I don't touch your purse. I only tax diesel oil, pig iron and a few other things.' But ultimately you find that, every one of the things you buy bears these taxes. Sir, if one takes into account the method of taxation followed in the budgets of the past twelve years, one finds that the common aim of this Government is to shift the burden of the economic crisis, or whatever you may call it, the crisis of the Plan on to the shoulders of the common man, and to make him starve, for you yourself admit that food prices are high, or make him unemployed, because you yourself say unemployment is on the increase. Therefore, this Budget that is presented to us, and this economic survey that is given today, should put all of us on the alert as to the shape of things that are to come in the Third Plan.

Sir, in this connection I would like to say one thing about these foreign investments. I do not want to go into many details and speak of the types of investments and so on. I would only like to draw the attention of the Government and of hon. Members here to the case of foreign oil companies in India. There was a report of a cost accountant deputed by the Government to enquire into the finances and also to enquire into the quantum of profit made by one single company—The Burmah Shell Company, I think—and to report on it and to ascertain the working cost. I do not want to go into the details of that report, because the Government is aware of them. I only want to

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know whether the Government after reading that report, after knowing how they cornered the profits, how they increased the emoluments of the managerial staff, how they refused to show their accounts even to the Government cost accountant, how they concealed some of their production cost, like the cost of grease and so on, and with all this knowledge, the Government will be pleased to tell us whether the cost accountant was wrong or whether the foreign friends were in the wrong. In spite of all these, why is the Government throwing open the field of oil exploration to these concerns? I do not object to foreign collaboration of foreign loan or assistance but why do you invite these foreigners to invest, exploit and then capitalise the profits? They take away the profits also. Government owes an explanation in this respect, if not in reply to our criticism but at least in reply to the criticism made by Sardar Panikkar. This is the economic side of the situation.

We are faced with a still worse situation on the political side. The very foundations of our economic structure are now threatened. They are not only threatening the very foundations of our economic structure but they are also attempting to scuttle the independent economic development. From the other side comes the Bishop of Trivandrum shaking the very foundations of the secular democracy. He threatens people with excommunication if they voted this way or that way, if they campaigned for this party or that. Where is the President of India? Where is the Constitution? Where is your secular State? Where are the Fundamental Rights that have been guaranteed to us? Are you bound by the Bishop of Trivandrum's directions? Are we to be afraid to make speeches here voicing our view point because our wives and children are going to be excommunicated by a Trivandrum bishop or some Sankaracharya or some other Acharya or bishops?

MR. DEPUTY CHAIRMAN: You are on the Budget?

SHRI BHUPESH GUPTA: The House of Commons practice is there. Any subject, political or economic, can be discussed. There is no bar to it whatsoever.

SHRI J. V. K. VALLABHARAO: I myself am anxious to confine my speech to the Budget but unfortunately in the Budget there are allocations to various Ministries. Like the other House, this House has no opportunity to move cut motions in respect of the various Ministries and it is only in the course of this discussion that I can bring to the notice of the House as well as of the country at large certain points which are a danger not only to our economy but to the very foundations of secular democracy. I hope patriots belonging to all shades of opinion would ponder over these danger signals that are being given by vested interests not only in the economic sphere but also in the political sphere.

MR. DEPUTY CHAIRMAN: There are 32 names on the Congress side. Time is strictly allotted. Today, we will meet at 2 p.m. instead of at 2-30 p.m. and tomorrow and the day after there will be no lunch break.

SHRI BHUPESH GUPTA: I want to know one thing, Sir. When would the Finance Minister reply?

MR. DEPUTY CHAIRMAN: Late in the afternoon on Saturday.

SHRI BHUPESH GUPTA: Can't it be on Monday morning, Sir?

MR. DEPUTY CHAIRMAN: We will have the Saturday and the Minister will reply late in the afternoon. Each Member from the Congress side will take fifteen minutes.

SHRI J. S. BISHT (Uttar Pradesh): Mr. Deputy Chairman, before examining the Budget, we should try to place ourselves in the situation in

which a Finance Minister of the Government of India would find himself in today in order to be able to correctly appraise the situation. It is very easy to criticise him theoretically for the situation he finds himself in but I would like my hon. friends to visualise how they would act if they were placed in his position. In a planned economy, the Planning Commission fixes the budget in consultation with the National Development Council . . .

**SHRI BHUPESH GUPTA:** How would the hon. Member have acted in that position?

**SHRI J. S. BISHT:** . . . for the whole of the five-year period. The Planning Commission practically fixes the budget for the five years and the Report of the Planning Commission is discussed and approved of by both the Houses of Parliament. It is, therefore, wrong to put too much burden on the Finance Minister when he is merely implementing the plans that have already been approved by Parliament.

Taxation is always very unpopular; nobody wants to pay any tax. In fact, I would say that if we can create money without taxing the people, we would be the happiest of people on earth but considering, as I said, the situation in which the Finance Minister finds himself in, that is to say, the rising costs, the increasing expenditure on Defence and the desirability of fulfilling the targets of the Second Five Year Plan, he has to meet a very big deficit indeed. In order to minimise the effect of that deficit, he has come with taxation proposals which are to cover only one-fourth, that is to say 25 per cent. of the deficit which comes to about Rs. 23 crores. For this purpose he has selected certain particular items. The hon. Member who spoke before me laid emphasis on certain industries which have been taxed, namely, the engineering industries. I believe that is the point which has been made by *The Hindu* of Madras, that is, with regard to taxation on aluminium, pig iron, internal combustion engines and diesel oil.

While it is true that the burden of these taxes will fall ultimately on the consumer, yet you have to decide as to in what form you are going to take the money from the people. Ultimately, it is the people who pay the money. There are only two ways: Either you tax the people or go in for what you have been trying to do in the past for large-scale or heavy doses of deficit financing, that is creating money. Personally I have always stood for taxation and that is why when the massive effort was made by Shri T. T. Krishnamachari to have taxation on a very big scale I wholeheartedly supported those taxation proposals and I still think that but for that massive effort, the Second Five Year Plan would have fallen short by more than a thousand crores of rupees. There is no doubt about that. So again, for that very reason, I wholeheartedly support the proposals made by the Finance Minister in order to tax certain articles. You might have noticed that in the last year's Budget itself, the Finance Minister had said that there would be further taxation so far as diesel oil was concerned. I would just read out the relevant paragraph,

"Refined diesel oil was made subject to duty in 1956 when a tax at 25 *naye paise* per imperial gallon was levied. Although the tax has since been raised to 80 *naya paise* per imperial gallon, the consumption of this commodity has been increasing rather rapidly. The growing imbalance between the internal production and consumption of this commodity is causing a considerable drain on the foreign exchange resources of the country. I, therefore, propose to raise the basic rate of duty by a further 25 *naya paise* per imperial gallon. This will bring in a revenue of Rs. 504 lakhs a year."

So, in view of the growing imbalance, as he says, between internal production and consumption and the drain on the foreign exchange resources he has brought in this particular additional tax.



SHRI N. M. LINGAM (Madras): How does it help stop the drain on foreign exchange?

SHRI J. S. BISHT: Diesel oil has to be imported.

The hon. Minister has put in certain other taxes, for instance, Rs. 200 per metric ton on tin plates and tin sheets, Rs. 10 per metric ton on pig iron, Rs. 500 per metric ton on aluminium sheets and circles, Rs. 300 per metric ton on aluminium ingots, 10 per cent, *ad valorem* on internal combustion engines and about Rs. 12 for each complete cycle. Now, on this point the biggest objection has been that it will affect the engineering industries. I just do not know how it will affect the engineering industries because the demand for those goods is increasing very fast and whatever these people manufacture will ultimately be passed on to the consumers of those industries. And with all these new taxes the maximum sum that the hon. the Finance Minister expects to get is only about Rs. 23 to Rs. 24 crores a year. As I was saying, this is not a point about which we should raise any great objection. The real point of objection is that there should not be deficit financing on a large scale because the difficulty is that in deficit financing the prices rise and the very consumer about whom my friend from the Communist Benches was very solicitous is very adversely affected. And in deficit financing you really do not know how it will affect the prices. I will quote an eminent economist on this point. He says as follows:

"The masses are misled by pseudo-experts that cheap money can make them prosperous at no expense whatsoever. They do not realise that investment can be expanded only to the extent that more capital is accumulated by saving. They are deceived by the fairy tales of monetary cranks. Yet what counts in reality is not fairy tales but people's

conduct. If men are not prepared to save more by cutting down their current consumption, the means for a substantial expansion of investment are lacking. These means cannot be provided by printing bank notes and by credit on the bank books."

That is quite clear and I will further add that the science of economics is not interested—true economics, not partisan economics—in any particular theory; that is to say, it recognises neither an inflationary nor a deflationary policy. It establishes only the following truths:—

1. By adopting an inflationary or a deflationary policy certain groups are favoured at the expense of other groups;
2. It is impossible to know in advance who will be favoured. It depends on a complex of the market data involved.
3. Expansion results in misinvestment of capital and over-consumption. It leaves the nation as a whole poorer.
4. It hurts those who are least able to defend themselves.

And that way the habit of thrift which we have inherited for generations together will go. That was the experience of France; that was the experience of Germany. It is for the these reasons that this method of financing is not to be preferred at all and that is exactly the reason why I have always favoured the plan of raising resources by taxation and by borrowing. Therefore it does not lie in the mouth of my hon. friend there to complain that ultimately the consumer will have to pay all these charges or imposts or taxes because otherwise instead of getting these Rs. 25 crores by taxes, if we were to go in for expansion of money by, say, Rs. 200 or Rs. 300 crores, the inflationary pressure will be so great that that very poor consumer, especially

in certain sectors where he cannot defend himself, will be very adversely affected. The Economic Survey itself realises this point. I will quote from paragraph 50 where it says:

"From the indications of emerging trends mentioned above, it follows that it will be essential in the coming year to hold inflationary pressures firmly in check and to accelerate the effort to increase production and savings. The level of prices is already high, and the demands both for consumption and for investment are steadily on the increase. With the scope for additional imports strictly limited because of the low level of reserves, continuance or resurgence of inflationary pressures is a positive hindrance to the pursuit of development with stability. A high degree of discipline both in fiscal and in monetary policies is essential not only for averting further increases in prices in the immediate future but also for maintaining conditions in which the larger tasks of resource mobilisation connected with the Third Plan can confidently be taken in hand."

This is a very correct appreciation of the position. It is with this view that the hon. Finance Minister has thus faced the situation. In fact, in the current year he has reduced deficit financing to Rs. 190 crores against what was provided in the Budget last year and in the next year he has again cut it down to Rs. 153 crores. In fact, I hope that with the increased buoyancy that is shown in the market it will be possible for him actually to go in for no more than Rs. 110 crores of deficit financing. With this I would make an earnest appeal to him that we should start the Third Five Year Plan with a clean slate so that we find the funds for the whole Plan from our own resources; that is to say, from our savings which we should try to increase by all means, fiscal and

monetary, that are at our command. Coming to the loans that we can raise by small savings, I also welcome the new innovation, that is, the introduction of prize bonds which are likely to increase the small savings drive in which we are engaged.

Here I may bring to your notice a point that has been made that the increase in money supply since the commencement of the Second Plan has already been about 20 per cent, and the rise in wholesale prices by about 20 per cent, since the commencement of the Second Plan is indicative of the continuing pressure within the economy. Therefore, it is very right that the Survey has emphasized the need for discipline in our consumption and in our monetary policies.

As far as food articles are concerned, the prices have gone up considerably. The general index level is now about 119 as against 88 in July 1955. It was 118 in December 1959 and now it is 119. Sir, our national income has gone up from Rs. 10,480 crores in 1955-56 to about Rs. 11,570 crores at constant prices which means that our national income has gone up only roughly by about Rs. 1,000 crores from 1955-56 to 1958-59 and what I would appeal to the hon. Minister is that there should be some relationship between the increase in the national income or increase in national production and the increase in money supply. There should be a definite proportion. It should not increase to such an extent that there is an imbalance which is likely to result in inflationary pressure on the economy as a whole.

Now, I come to a point which was emphasized by my hon. friend there. He raised objection with regard to certain so-called deficiencies. He said that we had laid down that there would be State trading and that we had laid down a certain industrial policy and against the policy laid down by us we were going in for foreign capital investment in our coun-

[Shri J. S. Bisht.]

try. He objected to foreign capital investment on the ground that the profits would be going outside the country. He did not say exactly how he was going to square with the proposition that if we were to take loans from foreign countries, even then we would be required to pay interest on the loans, even if they were from Government to Government. Actually from Government to Government it is not easy to get such loans; it may be possible on a very small scale from certain totalitarian countries and we know from experience that even from those countries it is not available on any large scale. The only field open to us is to take recourse to private capital to be invested. In fact, even if Russia in the original attempt to industrialise the country had been able to get private capital, she would not have been unwilling to take it. In fact, if I remember correctly, the Ford Motor Works from America had a plant there and Vickers Armstrong from England were right there in Russia. So it is not a question of inviting foreign capital in the private sector which is going to harm us in any way at all. I am therefore not in favour of the argument advanced by him in this particular respect. In fact, we should get all the capital that we can either at the Government to Government level or at the level of the private sector, because what is needed to raise the living standard of the people is increased production. Larger revenue for the Government, larger slice of the cake whether for the labour or the peasantry or the middle class will come only from that increased production. Increased volume of production can only come if we get enough capital, enough know-how and all the other resources from those countries that are in a position to help us in this matter.

Now, Sir, having gone that far, I will now invite your attention to one particular point on which I have always laid emphasis in a budget speech. It is with regard to certain deficiency in the Defence department.

I am glad that the defence expenditure has been raised to about Rs. 272 crores. It is not much. In fact, we expected that on account of the new Sino-Indian trouble, it may go up still further. There is one point which I raised some two years back in my budget speech. It is with regard to certain facilities that are needed for the officer corps. I have said once before and I repeat it that the officer corps is really the hard core of the Army. As you all know, the jawan is really taken on short term service. He comes originally for a period of seven years. Then, he is sent back to the Reserves for a period of five years. He enters the Army at the age of about 18 years and he goes away at about 25 or 26, when he is not able to marry usually. He goes back to farming, the class from which the Army mostly draws its men. We find that he gets employed, he is in great demand and gets a good salary. Those who want to remain in the Army want to earn. Most of them who have some capacity in them are lifted up. They become lance-corporals, corporals or havildars. Those who are better among them become Jamadars that is to say, Junior Commissioned and still better, ten per cent. of the commissioned ranks are reserved for these people. From among the Junior Commissioned Officers, they are able to join the regular Commissioned Officers' corps. For them there is not much of this trouble. As I said, they are only on short term and those who want to stay on have got ample opportunity for advancement, right up to the top. So far as the officer corps is concerned, they are there for the whole life. It is their whole life's career and as against the civilians they are put under great handicaps. The total expenditure on the officer corps—I have taken it from the Defence Services Estimates—is:—

Officers in Army Rs 1401 crores.

Officers in the Navy Rs. 1.55 crores.

Officers in the Air Force Rs. 3.19 crores.

The total comes to about Rs. 18.75 crores. In a total budget of Rs. 272 crores, this Rs. 18.75 crores is not much. What I have been pressing for before and what I am pressing for now is this. You must provide for them, one, separation allowance. An officer is today, say, in Madras or in Travancore and tomorrow he is sent to NEFA. In one or two years he is sent somewhere in Kashmir or Srinagar or somewhere else. From time to time they are sent from one place to another. They have to maintain two establishments. This displacement or separation allowance there must be and it used to be there before independence.

The second is the handicap with regard to the education of their children and these language difficulties. There is no uniformity in curriculum. The language difficulty in regard to education is very great. There was a scheme to provide one uniform type of school throughout India for the children of these officers. But it evidently did not materialise. Therefore, either the Government should provide those educational institutions with a uniform curriculum of education or, in the alternative, some sort of subsidy should be granted. That is to say, the expenditure on the boys and girls who have to be put in the boarding houses, should be shared between the officers and the Government to some extent. This sharing I have calculated and I find that at the most it may cost one crore twenty-five lakh rupees or it may be Rs. 2 crores. If you add that to the Rs. 18.75 crores that is spent on them, it may come to Rs. 20 crores or Rs. 21 crores at the most. This is a very small draft, as in return we earn their gratitude and contentment. Contentment and satisfaction of this corps is vital for our national defence. When we take out an insurance policy, we pay the premium very gladly because we want to take no risk. This is a form of national insurance, and there is no country in the world that does not look after its officers. If

I remember correctly, during the last five or six years, the British Government itself has raised the terms and conditions and salaries nearly three times, in accordance with the rising cost of living. Unfortunately, the Pay Commission did not examine the salary scales of the I.A.S., I.P.S. or the Commissioned ranks of the Army. If the prices are rising, they are evidently rising for everybody and it is in the fitness of things that these grievances should be looked into. They are not imaginary grievances. They are grievances which are genuine. I will not go further. I have personal experience about these matters and I know how the officers feel about it.

Now, Sir, with regard to the Posts and Telegraphs Department, I wish to bring to the notice of the hon. Minister of Transport and Communications, who happens to be here, that in the whole of the Posts and Telegraphs Department the only line which seems to run at a profit is the telephone department. It shows net receipt of about Rs. 9,14,27,000 a dividend of Rs. 2,42,68,000 to General Revenues and an appropriation for renewals of Rs. 3 crores and 25 lakhs is provided leaving a balance of Rs. 3 crores and 46 lakhs. That is quite a good revenue. What I want to bring to his notice is that the telephone department is not rendering good service. I have heard loud complaints from various parts of the country, from many cities. Wherever there is no dial system, wherever you have to ring up the telephone exchange and ask for a number, you may have to wait for many minutes. And if you are very anxious about it and if you talk a little louder, then the telephone exchange would say that the number is engaged or was not available. After all it is a commercial department. Even if it is run by the Government, unlike America where it is run by a private company, the motto that they must adopt is that the

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customer can never be wrong. Excuses are invented by these operators often saying that the customer was not behaving properly, or there may be some other defect or trouble. In every commercial line the motto should be that the customer can never be wrong. Unless you adopt that motto, whether it is the telephone department or whether it is the railway department or any other commercial department, you will never get good service from your permanent officials, because the officials always shift the blame on to the users or the customers.

Now, Sir, after this I come to another point, to which the Economic Survey has made some reference. In the matter of employment, certain figures have been given, that is to say, the total unemployment has been shown as 14.2 lakhs of which the biggest percentage, 52.42, is unskilled. In the case of clerks it is 26 per cent. Between them, the unskilled people and the clerical people, they constitute 78.47 per cent. The number of unskilled is 7,54,079 and clerical is 3,56,170. Nearly 11 lakhs out of 14 lakhs of unemployed are these two categories. What I am driving at is that the unemployment figures are not reliable at all, because it is said here many people who are already employed also send applications in search of better jobs, whether it is unskilled or whether it is clerical. So, we should have some better plans for it. That is to say, in the figures they should show whether the man is genuinely unemployed or whether the man is applying for a better job, so that we must know correctly as to what the actual unemployment situation is. I think that this figure of 14 lakhs is not really the correct figure, because there is too much of overlapping. In fact, it may be half of it. Therefore, we must know exactly how we stand, with regard to these unemployment figures. If we take care to see that the employment exchanges verify carefully as to what is the number of people who are genuinely unemployed and what is the

number of people who are employed but are in search of better jobs, it would be better.

MR. DEPUTY CHAIRMAN: It is now one o'clock.

SHRI J. S. BISHT: How much time are you giving me, Sir?

MR. DEPUTY CHAIRMAN: You have already taken 25 minutes.

SHRI J. S. BISHT: Will you give me five minutes?

MR. DEPUTY CHAIRMAN: Yes. We will adjourn now and meet again at 2 o'clock.

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

The House reassembled after lunch at two of the clock. THE VICE-CHAIRMAN (PANDIT S. S. N. TANKHA) in the Chair.

THE VICE-CHAIRMAN (PANDIT S. S. N. TANKHA): Yes, Mr. Bisht. You may continue.

SHRI J. S. BISHT: Mr. Vice-Chairman, I just wish to mention one point which I forgot while I was dilating on the difficulties of the officer corps of the Indian Army. I have already mentioned two points, one with regard to the separation allowance, and the other with regard to the education of their children. The third point which I wanted to mention was with regard to the retirement age. The retirement age is very low, 48 years, as against 55 years in civil services. In fact it is raised to 58 years, for instance, in the State of Uttar Pradesh, and the proposal of the Pay Commission is to raise it to 58 years here too. I strongly urge that that point requires to be looked into. It should be raised to at least 50 years, because 48 is too low, and that is the reason why an officer career in the Army is very unpopular, and the Army suffers from shortage of officers,

and it is not able to recruit enough officers for those very reasons. All these handicaps, whether with regard to retirement or with regard to separation allowance or with regard to the education of their children have brought about that condition.

Sir, Mr. Vallabharao was dilating on a certain point where he was making satirical remarks about the doings of the Congress party. He referred to State trading and said that it was not being pushed through. He also dilated on the question of the country's economy being concentrated in the public sector. With regard to that, I am reminded of a very apt line in English which says: "For forms of government let fools contest; that which is administered best is best." I would make a variation of that and I would say: "For forms of economic systems let fools contest; that which delivers goods best is best." That is an effective answer to him. We are not interested in whether the whole thing should be run by the State or by private enterprise. We are not wedded to anything. We are wedded to one thing only, and that is that production must increase and that the country must be rapidly industrialised. Well, anyone who is prepared to do that on reasonable terms is very welcome indeed, for it helps us in raising the standard of living of the people.

While on this point, I may just remind the House that the first Government of India Budget was laid before the Assembly in 1860, exactly a hundred years ago, by Mr. James Wilson, the first Finance Member of the Government of India. I just tried to find out the figures, and with great difficulty I had been able to trace them in the Calcutta Gazette of 1860, and that too from the National Archives. I could not get them in the Library here. The total revenue of the Government of India, which was a unitary State at the time, was £37 million. At that time a pound was worth Rs. 10 because the exchange rate was two shillings for a rupee. The sum of £37 million comes to about . . .

SHRI N. M. LINGAM: Rs. 37 crores.

SHRI J. S. BISHT: Yes, Rs. 37 crores. Now, the present level is nearly Rs. 2,000 crores. This sum of £37 million included capital budget and also the States budget, because the States used to be doled out whatever the Government of India wanted to. That went on up to the Montague-Chelmsford Reforms. Then the Niemeyer Award came and allocated the revenue. So, it is now a tremendous thing. The Government of India budget along with the capital budget and along with the States budget will come to Rs. 3,000 crores. So, that is not a bad progress at all. Our Finance Ministry should have had ample experience, with their archives full of trials and errors, of these past hundred years.

Sir, there is however one point to which I wish to draw your attention, and that is with regard to the debt position of the Government of India which, to me, does not look very satisfactory. If you look at page 82 of the Explanatory Memorandum, you will find that the total debt as on 31st March, 1961 is Rs. 6,589.40 crores as against Rs. 949.77 crores in 1939. That is a very tremendous advance. Now this memorandum tries to show that it is covered to the extent of Rs. 5,598 crores by certain assets of the railways, posts and telegraphs, investment in commercial concerns, loans and advances, and so and so forth. Of these, regarding the first three, that is, railways, posts and telegraphs and investments in commercial concerns, they have shown the full assets as per book value. Ordinarily that is not the banking practice. If you go to a banker and show him your assets as Rs. 100, he will not advance you Rs. 100 on that. The maximum that he may advance you even on gold will be 75 per cent. and no more than that. So, I have calculated that on these three items, if you work out at 75 per cent., your coverage comes to Rs. 1,810 crores, so that your uncovered debt is not Rs. 991 crores but actually it

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should be more by Rs. 603 crores. It comes to Rs. 1,594 crores which is uncovered. This should be looked into both in regard to covered as well as uncovered debts, because after all it is quite easy to write these I.O.U.s. You go to a merchant and write out these I.O.U.s. Ultimately they have to be honoured, and these loans will have to be paid back. In fact if you look into the Budget, you will find that on debt account alone this year we are to pay Rs. 69.59 crores as against Rs. 60.13 crores last year and Rs. 43 crores odd in 1958-59. That means a rise of Rs. 26 crores in two years on interest alone apart from repayment and other charges. Therefore, in this matter of budgeting the debt position of the Government of India should in fact be sound, because on that depends your borrowing capacity whether in the internal market or in the foreign market and also the stability of your budgetary position in the years to come.

With these remarks, Sir, I quite support the Budget which has been produced by the hon. Finance Minister under very difficult conditions. As I said, the Finance Minister now is not as free as the Finance Member used to be in the thirties or even in the forties, because now he becomes only an instrument in the hands of the Planning Commission or, you might say, the National Development Council, because they fix the various targets.

And he has merely to foot the bill, so to say. I would therefore suggest that in future, especially in regard to the Third Five Year Plan, the Finance Minister should have the final voice in fixing the target and in fixing the resources that he can mobilise, both internal and external, and also in regard to the capacity to which he can borrow and tax. It should not be the other way round. That is to say, we should not frame our plans in accordance with our actual needs. Our needs may be unlimited. Even if we go in for a Plan of the size of Rs.

20,000 crores, that will be insufficient. That is not the point. The point is that there should be development, but it should be with stability. It should not be in a manner which would defeat its own object, because if you are caught in a vicious spiral of rising costs, rising prices, etc. you are nowhere. Even today the sum of Rs. 4,600 crores—the actual money target—will not probably be in terms of the money of 1948 or 1949 or 1950: it will be hardly about Rs. 4,000 crores or Rs. 3,800 crores. So, merely inflating the money is no good. Therefore, I hope that the Finance Minister will see to it that he gets a dominant voice in the framing of the Plan and in framing the future resources so that he does not become a mere prisoner in the hands of a policy in which he has got no final voice.

THE VICE-CHAIRMAN (PANDIT S. S. N. TANKHA): Hon. Members from the Congress side will each get 15 minutes and the Opposition will get time according to what has been previously fixed by the Chairman.

SHRI S. C. KARAYALAR (Madras): Mr. Vice-Chairman, Sir, I rise to support generally the Budget proposals. The Budget for the coming year has been generally well received in the country. All sections of the community—business men, industrialists and stock exchanges—have reacted favourably to the Budget proposals. Of course, in considering the Budget proposals, there cannot be unanimity of opinion or of agreement. But, as I said, there is a general approval of the proposals.

One striking feature of the Budget proposals is the discrimination shown by the Finance Minister in selecting the commodities on which he proposes to levy new excise duties. I am mentioning this because the result of this imposition of the new duties is not going to raise substantially the cost of living and therefore, Sir, it should be welcome to all sections of the public. I shall, however, make

my comments on the new duties a little later.

Sir, the Budget for the coming year estimates a total revenue of Rs. 920 crores. In this, excise revenue plays a very dominant role. If you analyse the figures of revenue for five or six years before 1955-56, you will find that customs revenue played a dominant role in the finances of the country. Since then, there has been a change in the pattern of the structure of taxation, with the result that there has been an emphasis on excise revenue in preference to customs revenue. The revenue from the excise duties is likely to shoot up to Rs. 380 crores during the coming year due partly to the increased levy. The change in the pattern of the structure of taxation is, I think, the natural outcome of the planned development through which we are passing, and it is geared to the needs of the Plans. It has necessitated a broad-based structure, and this pattern is bound to continue during the next Plan period also, because it is suited to the needs and the requirements of the Plan. The country has, therefore, to adapt itself to the new situation in which the Indian finances will have to depend more and more upon excise duties and levies.

Coming to the broad features of the economy against the background of which the Budget proposals have been framed, it is stated—and we find it from the Economic Survey—that there has been a definite upward trend in agricultural production and in industrial output. Sir, in spite of this feature, you will find that the general index of prices shows an upward trend. This phenomenon of increased production—both agricultural and industrial—and the phenomenon of rising prices are paradoxical. It emphasizes that there is a heavy pressure within the economy itself; it emphasizes the need for rapidly increasing the industrial production of the country. The rate of the growth of industrial production is not commensurate with the needs of the

growing economy. What is wanted now is not only quantitative industrial production but an appreciable increase in the per capita output of industrial production. That is exactly what is needed to meet the needs of our economy. It is necessary that the increase in industrial production should be achieved, to a large extent, by a large increase in the output of small-scale industries, and these industries should be diversified and spread out throughout the country. Unless this is achieved, we cannot hope to raise the output and hence the standard of living of the people of the country. The chief inhibiting factors which impede the industrial output in this country are the techniques of strikes and the go-slow tactics which are adopted by labour organisations in general even for trivial reasons. These tactics have played a tremendous havoc with our industrial production in the past and are likely to play a great part in our future programme of production also. Although strikes are a legitimate weapon in the armoury of labour organisations, they have to be resorted to only in the last instance but this convention has rarely been adhered to. I like to suggest that in the present context of our economy, the labour organisations in the country should impose a self-denying ordinance on themselves and put a ban on strikes and other techniques which go to impede the growth of industries and industrial production in the national interest, until we reach what is called the “take-off stage” in our economy and a self-generating economy is created. If the labour organisations will not heed this suggestion, it will be time for the country in the national interest to take to other devices.

SHRI BHUPESH GUPTA: What do you say?

SHRI S. C. KARAYALAR: I say, in general, the country will have to take some measures; if necessary, the country will have to adopt legislation in order to remove the fangs of the strikes and to prohibit the go-slow tactics.



**SHRI BHUPESH GUPTA:** You should say it; it should not be left unsaid.

**SHRI S. C. KARAYALAR:** While on the subject of industries and industrial production, I wish to make a brief reference to the state of the salt industry, with particular reference to the industry in the southern States. Sir, this industry was in a very prosperous state until about ten or twelve years ago, and until the country became self-sufficient in regard to salt, this industry was playing its role very well. It is an industry which was developed at a very heavy cost, and it fulfilled its role by making the country self-sufficient in respect of salt. Now, Sir, when this stage was reached, the salt policy of the Government underwent a slight modification with the result that an unlicensed sector in the industry grew up, which threatened the very existence of the organised sector. Then Sir, during the initial stages, when these factories were being developed, the emphasis was on quality of salt. Now the emphasis has been shifted and there is no need for any quality or standard. This state of affairs has resulted in a very serious situation in the industry. It may be said that the industry is now in a morbid condition, and it will not be long before it becomes moribund. Production has already fallen considerably and it is therefore essential that we should take stock of the situation and see that the industry is put on a stable footing, on a sound salt policy. What is needed is a well-defined policy in regard to salt. That is exactly what is lacking at the present moment.

Now, I come to the Budget proposals. Sir, the new duty on internal combustion engines will deal a severe blow to the automobile industry. The effect of the new duty coupled with the *ad valorem* duty, particularly on small cars, will be to raise the manufacturer's costs of cars, and to make them prohibitive, and it will put them beyond the reach of the common man. So, Sir, the idea of Gov-

ernment in promising a cheap car to the common man under these circumstances will remain only a dream; it may not be realised in the near future.

I next come to the increase in the duty on diesel oil. The increase in the duty on diesel oil will raise the cost of commercial transport, and necessarily therefore the prices of consumer goods which are transported by commercial vehicles will rise and thus the burden on the ordinary consumer will also rise, and to this extent, Sir, the cost of living index will go up. Sir, this is a matter which deserves to be very carefully scrutinised. Sir, the structure of taxation on motor vehicles is getting more and more complicated, and it is highly necessary that the structure should be rationalised and simplified, and the burden on motor transport should be reduced.

Sir, coming to the income-tax measures, personal income-tax rates are much higher in our country than in several Western countries including the United States of America. These are acting as a severe deterrent against capital formation. There is a clear case for revision of the rates as recommended by Professor Ka'dor in his report. He has made out a very strong case for at least revising the marginal rates of taxation.

Next, Sir, the yield from taxation on companies is actually higher than the anticipated revenue. The Finance Minister last year categorically stated that the new system of taxation of companies was not intended to secure more revenue but only to simplify the structure. There is therefore a case for a reduction of the rates levied on companies.

Sir, we are now entering into the last year of the Second Five Year Plan. The provision made for the next year will bring the total of our outlay on the Plan to about Rs. 4600 crores. This will be a great achievement on which we can congratulate

ourselves. The success of this achievement will be largely due to the generous assistance we have received from foreign countries. The country should be therefore deeply grateful to those foreign countries which have rendered us valuable assistance. So far as internal resources are concerned, although additional taxation during the Plan period will be of the order of Rs. 1000 crores, we shall have resorted to deficit financing to the extent of about Rs. 1200 crores. Deficit financing has not so far generated very high pressure in the economy, as the effect of deficit financing on the economy has till now been cushioned off to a great extent by our drawing down on our foreign exchange resources. In the context of the present position of our foreign exchange resources it is no longer possible to count on them and therefore, Sir, great caution is called for in the future, and cautious watch should be kept on the trend of prices.

I shall now refer for a moment to the small savings scheme. Sir, it is estimated that the small savings scheme will bring in about Rs. 90 crores during the coming year. I should think this is a very optimistic estimate. We have got to take into account the fact that the average *per capita* income is of the order of about Rs. 280 or Rs. 290 per annum. In this state of affairs I should like to refer to what the Finance Minister has stated:

"I would, therefore, appeal to every family in this country to save more and contribute its share in making the movement a greater success."

I should like to point out, Sir, that in the context of the low *per capita* income, which means that the vast bulk of the people, say, about 70-80 per cent. of the people, will not be able to make any savings or to contribute to the small savings, whatever savings can possibly be mobilised will have to come from about 10-20 per cent. of the population. I should like to suggest that the sections of the

people which can possibly save, should be tapped in preference to all and sundry in the country. I should like particularly to point out that the industrial workers in the country are able to save a lot and it is estimated that by way of bonus alone they get in the aggregate about Rs. 50 crores—only bonus. I think, Sir, here it is a real saving and this saving should be tapped by some means or other, of course by persuasive means, and that is the way in which small savings can be substantially added to instead of all and sundry being tapped.

SHRI BHUPESH GUPTA: Do you think the bonus they get they put in the bank? I thought they spent it.

SHRI S. C. KARAYALAR: I am only laying down a broad proposition. They are the people who can really save and actually the bonus that is given to them is being frittered away. They can add to the small savings if by some means or other the entire bonus given to them can be mobilised and be attracted to small savings, and it will be their real saving as well.

As my time is up, with these observations I support the Budget proposals.

SHRI ROHIT M. DAVE (Bombay): Mr. Vice-Chairman, Sir, the Budget which the hon. Finance Minister presented to Parliament on the 29th of last month has been variously described, namely, "a Budget full of very pleasant surprises", "a timid Budget", "a Budget that is solicitous of the interests of the common man" and "a Budget that would give a filip to private investment in the country" and so on.

Sir, it has been described as "a Budget of pleasant surprises" because the country was expecting a larger burden. The markets in the country were expecting an additional impost of nearly Rs. 40 crores. There were rumours that there would be an increase in the personal tax. An in-

[Shri Rohit M. Dave.]

crease in the taxation on the corporate sector and many more items which have been actually included by the hon. Finance Minister in his Budget proposals were feared of being included in that particular list. When the Budget speech became public, the markets generally reacted very buoyantly and very favourably to the various proposals that were contained in the Budget.

Sir, now it is necessary for me to go into some detail as to why the worst fears of the market were not fructified. This was because of the fact that in the current year, the Government could get greater receipts from some of the sources, especially from Customs and Union Excise, than were expected when the Budget for the current year had been prepared. We have now been told that there is going to be an increase in the receipts from import duties in the current year, estimated at Rs. 138.22 crores, which exceeds the Budget Estimates by Rs. 23.90 crores. This is due to the following reasons.

There is an increase in the additional duties levied on kerosene and other mineral oils. There were larger imports of machinery, heavy chemicals, etc., and there was an issue of additional import licences under export promotion schemes.

Sir, greater receipts are also expected from Union Excise Duties. The original Budget Estimate was Rs. 285.32 crores. Now, it is expected to be Rs. 310.13 crores, an increase of Rs. 24.81 crores. Here again, the reasons are that the progressive increase in indigenous production has resulted in a larger yield. There were larger clearances and there were additional duties on kerosene, motor spirit and certain mineral oils during the year. The result of all this is that the deficit on the revenue account which was expected to be of the order of Rs. 59.08 crores is now expected to be of the order of Rs. 15.39 crores, because revenues have gone up from Rs. 780.10 crores to Rs. 838.66 crores and expenditure on

revenue account has gone up from Rs. 839.18 crores to Rs. 854.05 crores.

Sir, I have ventured to mention these figures in the House in order to assail the charge that the present Budget is a "timid" Budget. The critics who argue that this Budget is a timid Budget, because of the fact that only 25 per cent. of the deficit is sought to be covered by taxes, forget the various factors that have resulted in the boosting up of the revenues during the current year. These factors are of such a nature that they are likely to continue in the coming year also, and one need not be surprised to see that there is no deficit at all, when actuals are published, under the current year's account. If our expenditure does not suddenly shoot up, there need not be such a big gap in the Budget year also.

In this connection, I would like to quote some figures which support the contention which I am here making. Sir, if we examine the Budget for the last three or four years, a very interesting picture emerges as far as the receipts from Customs and Union Excise are concerned. Sir, in the year 1955-56, the actuals of the combined receipt from Customs and Union Excise Duties were roundly Rs. 312 crores. In 1956-57, the Budget Estimate was Rs. 320 crores. The Revised Estimate was Rs. 360 crores. The actual receipts were Rs. 364 crores. In 1957-58, the Budget Estimates was Rs. 423 crores. The revised estimate was Rs. 448 crores and the actuals were Rs. 454 crores. It was only during 1958-59, when the Budget Estimates were formed at Rs. 475 crores, the actuals were only Rs. 451 crores. But even here, while the Revised Estimate was only Rs. 437 crores, the actuals were Rs. 451 crores. In the year 1959-60, the Budget Estimate is Rs. 457 crores, while the Revised Estimate is Rs. 511 crores. If the tendencies that have been well-established and the factors that are operating in our economy are taken into consideration, there are reasons to believe that the revenue deficit will not be so large as was expected.

There is, however, one proviso to this statement, and that is, provided our expenditure do not suddenly shoot up. It is here, Sir, that one has to be a little cautious. One does not know what the next year is going to bring for us. It is possible that we might have to decrease our expenditure on defences. On the other hand, it might also be that we might have to increase our expenditure on defence. The hon. Finance Minister has already told in his Budget speech to Parliament that he might have to come, if occasion arose, for fresh grants for defence purposes. If this happens, then this cushion, which the hon. Finance Minister has in mind, is very wisely kept, the margin that he has allowed for in order to draw in at the time when perhaps a larger demand for Defence grants might become necessary and it is because of this perhaps that he has very conservatively estimated the receipts from customs and Union excise. If however, that expenditure does not materialise, then it is very likely that we might have even some surplus in the actuals when the accounts for 1960-61 are finally published. In this matter we are rather in the dark and therefore I do not think there is any timidity in keeping only 25 per cent. of the gap to be bridged by additional taxation and keeping another 75 per cent. to be covered, if need be, by deficit financing.

Coming to the question of the characterisation of the Budget as one which is solicitous to the interests of the common man, one has to take certain factors into consideration. It is true that the items chosen by the Finance Minister in his proposals for Union excise duties for the Budget year are such that do not directly or in a big way enter the family budget of the common man.

**SHRI BHUPESH GUPTA:** What is your characterisation?

**SHRI ROHIT M. DAVE:** I am coming to it. At the same time one has also to take into account the indirect impact of these levies on the family

budget of the common man. If the figures are examined, one finds that nearly 50 per cent. of the additional import is on lorry transport. We read today in the papers that one spokesman of the Railway Board said that it was inevitable that as a result of this impost of nearly Rs. 11 crores and more on road transport, road transport will be costlier. His argument was that it was in no way a protection to the railways because there are so many other factors that are operating in favour of road transport and the operational cost is only one of them, and therefore road transport will continue to get the patronage of the citizens as it used to get in the past. I am not here concerned with the competition between the railways and road transport. But I am concerned with the impact of these excise duties that are going to make road transport costlier on the family budget of the common man. That family budget is bound to rise as a result of this costlier road transport. We have already a 5 per cent. rise in the railway freights also and therefore it is quite conceivable that the transportation of goods will now be costlier, either on railways or on road transport and the result would be that the common man, the consumer, would have to pay more.

Then there is the question of the excise duties on cycle parts and on heels and soles. Now as far as I have tried to understand the various taxation proposals put forward by the Minister, I find that there are two guiding considerations. One is that those industries that are doing well and that have got larger profits are the industries which should be directly touched and as far as possible, those items that enter into the family budget of the common man should not be touched if they directly enter into the family budget. Now it is quite correct that the automobile industry, the cycle industry and the various engineering industries should have been chosen by the Finance Minister for his excise duties as they are the industries that have done well during

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last year. These have done well because of the fact that they are enjoying unusual protection because of the strict import controls. It is therefore quite reasonable to expect that the profits which these industries are getting as a result of this protection, at least a part of that profit, should go into the public exchequer. But when we are having this type of blanket levies, levies on commodities that come either from the organised sector or from the small-scale sector, there is bound to be some inconvenience to those units which are small units, units which have got higher cost of production, units which have not got enough resources and therefore the units that are not making the same rate of profit as the large-scale units and when we try to fix our levies in terms of the profits of the large-scale units, there is a possibility that the small units might feel inconvenience. The second point to remember in this connection is that there is a very great demand for these goods which have been chosen for increased excise levies. Whenever there is a suppliers' market, there is always a tendency on the part of the suppliers to shift the entire increased tax burden on to the shoulders of the consumers. It is quite conceivable that in this case also, instead of tapping the profits of the larger units and the industries that are undoubtedly doing well, we might actually be taxing the common man and the consumer because only the other day the Prime Minister told us that India is now slowly entering the 'cycle age' and the cycles are now visually seen all over the country, not only in the cities but even . . .

**SHRI BHUPESH GUPTA:** And the Finance Minister wants to put a spoke in the wheel.

**SHRI ROHIT M. DAVE:** . . . in the villages. That was a heartening fact that our people are now taking to mechanised transport even if it is in an humble way. These imposts are likely to discourage this greater use of this type of mechanised transport, at least in those families where the mar-

gin of saving is very small and therefore even a small increase in the cost of living would at once result in axing all those new items that have recently entered into their family budget. These facts are to be considered when we try to find out whether this Budget is solicitous of the interests of the common man or not.

It can naturally be asked: What is Government to do? The Government has to look to the developmental expenditure. The Government has to foot the larger pay bill due to the Pay Commission's recommendations. The Government has to foot the larger Defence expenditure possibly. Therefore, some cushions have to be kept. But my answer to that would be that there are many other commodities which could have been taxed, rather than diesel oil, or cycle and cycle parts or heels and soles, etc. The market was expecting some of these commodities to be taxed, commodities which were not entering either directly or even indirectly into the budget of the common man and these were the commodities which had got enough sales in the country and enough production in the country and so could have given good results. I have in my mind, for instance, rayon. It was expected that some duty would be levied on rayon and when it was found that that particular commodity was not in the list, the price of rayon mills have gone up. Similarly there were paints and varnishes and there were other commodities also where some impost was expected and where some impost could have been levied and enough receipts could have been had from those commodities. And the list could also be enlarged. In that case, perhaps one could have avoided taxing cycle parts, soles, heels, etc. which enter the budget of the common man.

**SHRI J. S. BISHT:** The cycle tax is not an annual tax.

**SHRI ROHIT M. DAVE:** I have said that.

SHRI J. S. BISHT: It will be paid once in fifteen years or so.

SHRI ROHIT M. DAVE: I have not said that it is an annual tax.

SHRI BHUPESH GUPTA: Just give the description.

SHRI ROHIT M. DAVE: I have already done it. Perhaps the hon. Member did not hear me.

Coming now to the tax on the corporate sector, I would like to say that there is a pressure in the country which is sought to be exercised on the Government with a view to decreasing the tax on the corporate sector. Just today, we have got a resolution released by the Committee of the Federation of Indian Chambers of Commerce and Industry which criticises the Government for not giving the corporate sector any relief in the budget proposals. The resolution says:

"The Finance Minister has not thought it fit to modify the taxation structure in a basic way, as is called for in the interest of rapid and broad-based economic development."

It also says:

"The Government has failed to recognise that the core of the problem of savings lies in ensuring that the savings fructify in the hands of the individuals."

And lastly the Committee emphasises that high rates of taxation are bad for industry and would harm the national interest

Sir, when one tries to find out what is going on in the stock exchanges, what is going on in the capital market, what is going on when new issues are put in the market, one fails to understand this argument that the present tax structure is in any way detrimental to the interest of the

nation or detrimental to investment efforts. Whenever any script is put out in the market, it is taken up by the investors in a period which is much less than what is provided when that particular script is put in the market. Every new script which is put in the market is readily accepted by the market and this should be sufficient proof that the investors are not at all discouraged by the present tax system or by the present tax burden on the corporate sector. They are prepared to invest their money provided they get a chance, and provided they have sufficient faith in those who promote that particular industry. Sir, it is very difficult to believe that the private sector is in any way hampered because of the present tax burden on the corporate sector. This has been said even by big businessmen. It was said the other day by a big businessman at Poona:

"As far as the corporate sector is concerned, there are adequate compensatory factors for the heavy taxation like the handsome development rebate and the high percentage of depreciation allowance which enable the industry to recover a very high proportion of their investment for further development in the business."

Sir, it has also been said that the investing public knows that if today the yields are not sufficiently attractive, that is not because of the taxation burden, but because of the fact that the investment is going into channels where the gestation period is fairly long, and they are quite sure that the capital appreciation that is going on as a result of the concessions that have been given to the corporate sector, is sufficient guarantee to them that that particular investment is worth having. If this be the case, then it is very difficult to understand the argument of those who say that some relief in the corporate taxation is called for.

I now come to the question of the fate of the common man which is, after all, the most important considera-

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tion when we consider the Budget. I have already stated that it is possible that as a result of the new imposts, the budget of the common man would go up. This particular fact has to be considered against the background of the heavy inflationary pressure which is already existing in our economy. Sir, according to the Economic Review, the index of wholesale prices has of late come up to 119. At the end of January 1959 it was about 114. So the rise is of the order of 4.5 per cent. The all-India index of working class consumer prices has risen by 5.2 per cent. The middle-class cost of living index in Calcutta has risen by 5 per cent. And this in a year when production has already increased. There is also a considerable increase in the prices, and in the cost of living of both the working classes and the middle-classes. Sir, this fact has been noted many times before and we have heard about it on the floor of this House. The Reserve Bank Report also has mentioned it. The Finance Minister mentioned it in his Budget speech and the Economic Review also has taken note of it.

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Merely mentioning this problem does not solve it. It is not correct to say that merely because the economy is developing, because we are in an under-developed economy and because we are developing at a rapid rate this type of inflationary pressure is to be expected. This, Sir, is to take a very complacent view of the situation and it might create difficulties for us in future. It is, therefore, necessary to go into the causes of this inflationary pressure and to see what remedies can be applied and it is here that we draw a blank. The hon. Finance Minister, Sir, is reported to have told the Informal Consultative Committee on Finance that he is not able to establish any direct relationship between the rise in prices and money supply. It is not possible, Sir, to establish any direct relationship between prices and

production because production is rising and the prices are also rising. It is not possible to establish any relationship between the rise in prices and the rise in national income because national income is calculated at fixed prices and, therefore, the question of rising prices does not come into the picture. What is the reason for this persistent inflationary pressure being experienced in our economy? This is a question for which no answer is available. I am mentioning this particular problem here because of interesting remarks that I find both in the speech of the hon. Minister as well as in the "Economic Survey". I would like to quote at some length from these two documents. In paragraph 4, page one of his speech, the hon. Finance Minister has said:

"At the same time the demands for domestic consumption and investments are increasing while the urgent need to build up exports remains. It is essential in this situation to ensure to the maximum extent possible that aggregate demand does not outstrip the supplies available."

In the "Economic Survey", paragraph 21, page 7, we are told:

"There has been in recent years a substantial increase in the credit extended by banks to industry".

Then in para 47, page 15, we are told:

"The continued up-trend in prices and cost of living indicates the insufficiency of domestic resources relatively to the demands both by way of investment and of consumption... The task of policy is, therefore, the difficult one of promoting and fostering the growth of investment on sound lines without creating in the process large or persistent imbalances in the system."

Sir, the inclusion of this word "investment" whenever the word "consumption" occurs makes one rather suspicious. Is it the intention of Government in any way to slow down the rate of investment? There is already a

rumour in the market that the Government is thinking in terms of raising the bank rate with a view perhaps to discouraging investment which it considers not to be in the larger interests if that be so, this question needs very careful consideration. It has two aspects. It is quite true that recently the index number of industrial raw materials and of manufactured goods has risen and there is perhaps a possibility that this rise is due to the large credits that have been given by the banks against these commodities. It is also true, Sir, that advances by the scheduled banks against shares and stocks are also rising and have risen during the last year. Perhaps any increase in the bank rate might discourage the common man to take money from the bank and would make him hold on to the industrial raw materials and manufactured goods which would in turn push up the prices of shares and stocks. It is also possible that any rise in the bank rate might also discourage investment and if it does discourage investment, it will be a very serious situation because we have also to take into consideration the question of employment. This is a question which is likely to engage the attention of the country and of this House more and more in the near future. According to the Ooty Seminar and a paper read at the Ooty Seminar, the employment opportunities which we will have to create during the Third Plan is of the order of twentyfive million. Now, Sir, as far as the Second Plan is concerned, we are not likely to create employment opportunities which would be more than 6.7 or perhaps 8 million.

**SRI BHUPESH GUPTA:** It would be much less. That was the target but they themselves say that it would be about four million.

**SRI ROHIT M. DAVE:** It would be at the most six or seven million. It was expected that in the Third Five Year Plan we might have some relief on this particular point but we now learn that with the total Plan

outlay of Rs. 11,000 crores the national income is likely to rise only at the rate of 5 per cent. This is what the Prime Minister said in the other House the other day. If that is so, for a rise of 1 per cent. of national income we will have to invest Rs. 2,200 crores as against Rs. 1,500 crores which was the order in the First and the Second Plans. It is perfectly clear that the projects to be included in the Third Plan are going to be capital intensive and if these projects are more capital intensive than the First and the Second Plans, it is not likely that employment opportunities that might be created will be more than ten million. If that be so, then there will be a very wide gap between what we expect to do in the Third Plan period and what we are likely to do. If, under these circumstances, the bank rate is raised and as a result of that further discouragement to investments sets in the employment problem will become all the more serious. I realise, Sir, that the task before the economy is development through stability and monetary stability is a very important factor but with monetary stability, social stability is of equal importance. If social discontentment grows to a point we know that it will be difficult for the Government or for anyone to check that discontentment and our efforts instead of resulting in economic development would result in economic disaster. It would be all right, Sir, to blame the Opposition or the political parties as mischief-mongers, as people who take advantage of the temporary difficulties of the community, as people who want to bring the Government into discredit, etc. All these arguments will be quite all right on the floor of this House but when we go into the streets, when we go into the markets, when we go into the hearths and homes of people, these arguments will be of no avail because the realities will have to be faced there and the realities are when our economy is developing, when the prices are rising, when the consumers' cost of living index both for the middle class and the working class are rising,



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when unemployment is rising, the families find it more and more difficult to make their two ends meet. That might result in a situation which no one likes to see in this country.

**SHRI J. S. BISHT:** The hon. Member began to analyse the causes of this inflationary pressure but he gave no answer.

**SHRI ROHIT M. DAVE:** I am coming to that. The answer will be the last point that I am taking up and then I will finish.

Therefore, Sir, at least the raising of the bank rate is not an answer to the inflationary pressure. That is my arguments if that is done, it might create more difficulties than the difficulties that it might solve. Naturally, the question might be raised as to what should be done. Sir, I have no panacea for the ills of this country but I can certainly suggest some two or three remedies which might help in easing the situation a little. The first point worth considering is about the powers of the Reserve Bank. As we read the Report of the Reserve Bank from year to year, we find that the Reserve Bank is not quite satisfied with the policy which the scheduled banks are following. These reports are official reports and they have to be couched in official language and therefore they have to be very polite but behind the screen of this politeness one sees many a time the discontent of the Reserve Bank, the dissatisfaction of the Reserve Bank at the policy which the scheduled banks are following. They are trying to warn the scheduled banks but that is only after sufficient harm has already been done.

To my mind, one very important factor which is responsible for the inflationary pressure in the country is the credit policy of the scheduled banks. It is this policy which needs to be curbed; it is this policy which needs to be regulated not only in the interests of the profits of the

scheduled banks but also in the interests of the community at large.

The other factor is Government's own administrative and organisational procedure. The administration of this Government will have to be radically changed if the prices are to be controlled and if the commodities are to be available at places where they are needed according to the circumstances and according to their availability. There are all sorts of bottle-necks that are developing as a result of the illegitimate interference by the Government in the market forces. It is because of this interference that the market forces are not able to develop. Nor is it possible for the Government to correct the imbalances that are developing from point to point in time. They are doing it but they are closing the stable only after the horse has fled. This is happening again and again bringing in a large amount of hardship to the common man and it is exerting great inflationary pressure on the economy.

The third point is what the hon. Minister of Commerce and Industry already told the Import Advisory Council the other day. He warned businessmen that if they went on pushing the prices up, the prices of commodities which are important, the prices of commodities that are in short supply, the prices of commodities that are demanded by the community, then he will have to intervene and will have to canalise the trade in these commodities either through the State Trading Corporation or through other agencies. Sir, even a conservative banker like the Governor of the Lloyds Bank said in Bombay the other day that mere fiscal or credit measures would not suffice when the situation developed very fast and that physical controls and physical remedies might become absolutely necessary. Let this particular lesson go home to the Government and if they realise that checking the prices is one of the most important functions of the Government under the present circumstances and if they utilise all the

powers at their command, fiscal, monetary, credit and physical, it would still be possible to have the development of our economy with stability, both social and economic. Thank you, Sir

SHRI T. R. DEOGIRIKAR (Bombay): Mr. Vice-Chairman, Sir, at the outset, let me congratulate the Finance Minister for getting the honour of introducing a Budget which has touched the limit of Rs. 1,000 crores. I also congratulate the hon. Minister for keeping the gap between revenue and expenditure uncovered. It was so last year and it is so this year. Last year we found that had the gap been filled, there would have been additional taxation and this year also let us hope we will get the same experience.

Now I want to make some remarks about what has been presented to us in the Statement of Revenue and Expenditure. In a welfare State we expect that along with brickbats there should be some bouquets. Had the taxation measures been a little compensated by giving some relief to the people, it would have been better. I cannot give you instances in the short time at my command but I can tell you that in Bombay, for instance, they gave all educational facilities free to persons who had an annual income of less than Rs. 900. We expect the same thing from this Government also. I cannot say whether health services could have been made free or whether they could have declared primary education free. There are so many things that could have been done but I do not want to enter into them. The only thing is that there should be compensatory measures in a welfare State along with the taxes.

The most surprising thing in this year's Budget is contained in paragraph 45 of the speech of the Finance Minister. They propose to issue prize bonds. It militates against my conscience. We have inherited certain morals from Mahatma Gandhi. You may defend the Prize Bonds scheme

to any extent you like. The Finance Minister has said in his speech that there were suggestions from various quarters from time to time and it was as a result of those suggestions that these prize bonds were being issued. I do not want to say that it is gambling or betting, but it is nothing less than that. Our Government should not take recourse to such measures. During war time, at the time of an emergency, the British Government had issued these prize bonds. We should not imitate them.

There are certain other points also in his Budget. Co-operatives having more than Rs. 10,000 turnovers are proposed to be taxed. That is a welcome thing. Transport has been taxed heavily. My friend, Shri Rohit Dave, and others have said that this would hit the ordinary man, the middleman. This time we are taxed from foot up to—shall I say—the head. We are taxed that way. One reason which appeals to me is this that you have increased the freight on the railways. There was a general complaint last year that road transport was competing with rail transport, and in order to give more opportunity to the railways, road transport must have been taxed. But that is not very much welcome.

I would suggest to the Minister that agricultural income or agricultural revenue from cash crops can be taxed. But that is not being done. The Government may say that it is not their responsibility, that it is a State subject.

Then, coming to the next point, I want to make a suggestion. As I have said many times before, the planning budget should be separated from the general administration budget. There are three budgets amalgamated into one. One is Union territory budget; another is general administration budget and the third is planning budget. In 1961 at least let us hope that there will be three budgets so that we can get a clearer picture as to

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where we stand. It is not very difficult to have a planning budget.

SHRI J. S. BISHT: It will not be clear, but confused—Union territory budget, Posts and Telegraphs Department budget, etc.

SHRI T. R. DEOGIRIKAR: Then, we will know where we stand. At present we do not know where we stand. So, that is one suggestion.

Another suggestion with regard to separation of the planning budget is that you realise additional taxes in order to finance planning. You get loans, both internal and external. You resort to deficit financing. All these resources combined together go to finance planning. And from planning you do not get an adequate return. So, my suggestion is that all the money that comes from these resources should be a charge on the planning and they should at least give a 4 per cent return on the total sum that we invest in them.

As regards profits from public enterprises, I want to make a suggestion that the profits should be credited to the Consolidated Fund of India and if these concerns want to expand their business, then there should be borrowings from the Consolidated Fund of India. That will also add to the strength of planning as well as general administration.

Then, my fourth suggestion is that the non-developmental expenditure which is a part of the planning should be taken away from it. Take, for instance, health, education, cultural activities, community projects or rehabilitation. Why should these things go to planning? They are the fundamental duties of every Government and, therefore, non-developmental expenditure should be taken away from planning. This will make the total sum of planning less alarming than it is at present. If this budget is

separated, there will be three things. The Government will get a firmer grip on the expenditure side of planning, which is not available or visible today. The second thing is that the Boards of Directors of the various Corporations will be made more businesslike. They will realise that they must be more efficient, they must be more cautious, and so on.

The third thing is that the States today—if I am allowed to say so—are not co-operating adequately with the Centre. The speed at which the Centre is going is not to be found in the States. So the States will also be more alert if we resort to that.

My another complaint is that we spend so much money in planning, but there is no follow up. We do not see the results and what has become of that? I will give you an illustration. Take, for instance, irrigation, where they invest so much money. But I am told that several States have not even finalised today the blueprints. In the Bombay State, for instance—I speak subject to correction—the potential created for irrigation was 64,000 acres. Actually only 2,000 acres have been brought under irrigation. If you go to Kerala, it is 21 per cent. In Madhya Pradesh the potential expected was 11 lakh acres, but the actuals are 0.07 lakh acres—irrigated. In Hirakud we have spent Rs. 100 crores in digging canals and in building the dam, but the water is not utilised for growing more food.

SHRI J. S. BISHT: The same is the fate of Tungabhadra.

SHRI T. R. DEOGIRIKAR: So, he supports me. I beg to suggest that one separate Minister should be appointed to see the follow-up of these projects. Otherwise, it would be no one's business.

As regards taxation, taxation is necessary and we do not hope that till all the Five Year Plans are completed we will have a surplus Budget, not even a balanced Budget. It is going

to be a deficit Budget for more years to come. That is not my headache. But I do not understand why there should not be a process of ploughing back. We complain that we are spending all the additional income created in the country from planning. There is very little ploughing back to planning or to economy.

Similar is the case with taxation. Now, we have invested about Rs. 5,000/- crores in all industries and all projects. What is the return? If you invest that much money in any concern at the rate of 4 per cent. you will get Rs. 1000 crores in the Plan period. But we are getting very little from them. Why should it be so? Why should the process of ploughing back be not applied to taxes also?

Then, as regards loans, loans are a necessary evil. No nation has developed on its own savings. But let us not glorify in these loans. If we get loans from some country, we are very happy. But that should not be the attitude. We must consider that loans are hateful and derogatory. Out of helplessness we take to that. So, that should be the attitude so far as loans are concerned.

Now, Sir, in the Third Five Year Plan period we will have to repay Rs. 500 crores or Rs. 600 crores in all. Wherefrom are we going to get that money? Are we going to ask for a moratorium? Are we going to contract other loans for paying the previous loans? That should not be the case. Our economy is self-generating, as they say, and unless our public enterprises give us Rs. 300 crores per year, these loans cannot be repaid and the interest cannot be paid

Then, we come to the import and export policy. I can quite understand that it is necessary to restrict imports and enlarge our exports. But ultimately this policy recoils upon our economy. I will give you an instance. In most of the countries, excluding the United States of America and

West Germany, they have more imports and less exports. In the case of France, the imports and exports balance themselves. We do not know anything about the U.S.S.R. or China. We need not be sorry for having more imports and less exports. More imports are necessary if you want to create a certain atmosphere in the country. I tell you that the people are Plan-minded. Small-scale industries are about to be started. There is sufficient money in the market. There is sufficient skill in the market. There is sufficient talent and there is sufficient will. But if you go to the Ministry and ask for something, they say: "No, our foreign exchange is exhausted and you cannot get any import." That is the sort of answer which we get, with the result that we cannot start small-scale industries on as wide a scale as possible. So, that should not be the case. I would say that if you start small-scale industries, you will be giving employment to people. You will get enough technicians in the country, which is the need of the present day. Thirdly, after basic industries, subsidiary industries are necessary. Otherwise, there is a stalemate in the economy. So, for these three reasons, small-scale industries should be started on as wide a scale as possible. But our misfortune is that we are spending on importing foodstuffs. Even in the last two quarters of 1959-60, according to the figures quoted in the material which is supplied to us, it is about Rs. 82 crores, that is about Rs. 164 crores in a year. If you can save that much exchange on account of food, I think that much money could have been utilised in starting small-scale industries. Then I would strongly suggest that in the Third Five Year Plan greater emphasis should be given to small-scale industries. There should be a network of small-scale industries in the country if you want to save the country from poverty, from want, from unemployment, and so on. In 1950, when I came to Parliament, I was asked by a prominent person to go to Arab-Ki-Sarai and see the small-scale industries set up

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there with Japanese help. It was really a wonderful thing. Today if you go there, you will find that there is absolutely nothing. The small-scale industries are neglected to such an extent that you do not find even a remnant of what you were once taking pride about. That should not be the case.

Then, regarding the matter of food, we are told that we will be reaching self sufficiency in food very soon. But I would consider the food problem to be solved only on that day on which you stop imports altogether. So long as you are not stopping imports I am not prepared to say that our food problem is solved. There is another thing. We have got excess population on land. That population should be lifted and should be utilised fruitfully in industry. Unless you do these two things, I am not prepared to agree that the food problem is solved. What has become of our State trading? What has become of our ceilings? What is going to happen to our joint farming co-operatives? Where is our mechanised agriculture? What has become of our waste lands? What about fertilisers? These are various questions which come up before our mind, and we do not find any answer to these questions.

SHRI BHUPESH GUPTA: You ask the A.I.C.C. Secretariat.

SHRI T. R. DEOGIRIKAR: I will tell you a very wonderful story. The other day I was listening to a rural broadcast and I was told that the population of rats in India was six times that of men. There are 240 crores of rats in this country, and every rat consumes 12 pounds of foodgrains. If you make calculations, the total amount of foodgrains consumed by rats comes to about one crore and 30 lakh tons. That means that 14 per cent. of our foodstuffs is eaten up by rats. I do not know whether those figures are correct or not . . .

SHRI BHUPESH GUPTA: Therefore, you want to say that rats are very well fed

SHRI T. R. DEOGIRIKAR: That is the main problem. Rats are eating away a lot of food and we are always in short supply in food. That should not be the case. There is another variety of rats in this country, that is, human rats. My friend, Mr. Vallabharao, was very vociferous when he said this morning that corruption is here, there and everywhere, that nepotism is there. But I would like to ask him as to what happened in his Kerala State. Was there no corruption there? So, we must not throw stones at each other. We must realise that it is want of national character and want of a spiritual outlook that are responsible for these things. So, punishing a man is not quite sufficient. Mr. Deshmukh had quoted certain instances. The Press reports say that he has got certain instances with him.

SHRI BHUPESH GUPTA: He has become a nightmare.

SHRI T. R. DEOGIRIKAR: I have got also some, but how am I to prove them? It is very difficult in a democracy to prove that even truth is truth. So, it is very difficult.

[MR. DEPUTY CHAIRMAN in the Chair.]

I want the foreign countries to understand that it is because of our greatness, because of the greatness of Indians, that we are admitting our own faults. I am not prepared to admit that there is no corruption in foreign countries. It is only suppressed, it is not let out. Unfortunately India is victimised, and everybody says that India is corrupt. But there are certain things which must be done at the governmental level where most of the corruption is going on. It is not individual corruption, I may tell you that. There are chains and groups, and the whole thing is corrupt by and large, though not all

are so. It is not sufficient if a Minister says that he is above corruption, that his Secretary is above corruption. We admit that they are above corruption, but it is not sufficient. They must see that people round about them are also free from corruption. Then alone they can boast that they are free from corruption.

SHRI BHUPESH GUPTA: But Mr. Deshmukh does not admit that.

SHRI T. R. DEOGIRIKAR: Then, Sir, we were thinking of establishing a socialist system of government in this country. Is that goal any the nearer? I think we have got the same things which are continuing. Overcrowding in trains is there. There is shortage of houses. There is shortage of foodstuffs. There is corruption. There is unemployment. There is poverty. Cost of living indices are rising. Everything is going up. Still we are claiming that ours is a welfare State. Let us not talk about a welfare State in this country. Let us say that we are struggling hard for establishing a democracy. But may I tell you, Sir, that this Constitution which we drafted was drafted under great pressure? The pressure of the lingering British rule was there. The pressure of the princely order was there. The pressure of the refugees was there. The pressure of our neighbours on the border was there, and the pressure of the capitalists was there. This Constitution was drafted under these five pressures, and the time has now come to revise our whole Constitution. I am not saying at this stage that we should have another Constituent Assembly. I would however welcome it if a second Constituent Assembly is appointed. After the experience which we have got and in view of our developing economy at the end of the Fourth Plan period, if we appoint another Constituent Assembly and if we revise the whole Constitution the basis of which should be removal of poverty . . .

SHRI JASWANT SINGH (Rajasthan): Like Pakistan.

SHRI T. R. DEOGIRIKAR: Please do not advise me, like that. I am against Pakistan in that respect. But if you are going to suggest that there should be no change in the Constitution, let me tell you that in the history of the world changes have come about through revolutions. This thing must not happen in my country. I may tell you another thing that the opposition parties have no chance of coming into power for a long time. China has done us a great deal of good on this account. Well, Mr. Bhupesh Gupta has no chance of coming into power because China is responsible for it.

SHRI BHUPESH GUPTA: If China has done a good thing to you why not settle the issue.

SHRI T. R. DEOGIRIKAR: My suggestion is, if you want to overhaul the Constitution, well and good. If not, you must amend the Constitution, the basis of which will be to give work to everyone who demands work. That must be the slogan. Then there must be minimum wages. There must be rooting out of poverty and giving equal opportunities to all.

In the end I would like to mention one thing. I had been to a Scheduled Tribes area. People there do not as yet know that their government has come into existence. I asked them what their religion was. They knew nothing about it. I asked them whether they knew the gods of the Hindu religion. They said that they did not know any gods. I went inside their huts and saw that they had no utensils and no clothes to wear. I do not understand how they are pulling on these days. (*Interruption.*) Mr. Bhupesh Gupta's problem is altogether different from the problem which I am discussing just now.

SHRI BHUPESH GUPTA: Did you ask them if they knew about the Delhi gods?

SHRI T. R. DEOGIRIKAR: Sir, that is an Adibasi area. There are no

[Shri T. R. Deogirikar.]

roads there. Motor cars do not go there. Fortunately, we have got fifty workers of the Gandhi Smarak Nidhi, who are the pride of our country. You can go there and see what tremendous work they are doing against odds. I want to draw the attention of the Government to this aspect. If you want to spend your money on community development, you spend all your money on areas like this and not on the villages which are near about cities. That will give you no return. So, these are our problems and these problems must be solved. The Budget is an occasion when we can review the whole situation and give in a nutshell what our sorrows and sufferings are.

I support the Budget.

MR. DEPUTY CHAIRMAN: Mr. Babubhai Chinai.

SHRI BHUPESH GUPTA: He is here.

SHRI BABUBHAI CHINAI (Bombay): No bombshell, I assure you.

Mr. Deputy Chairman, Sir, it is a rare and happy occasion and coincidence that the presentation of the Central Budget fell on the birthday of the hon. Finance Minister. It is also historic that this happens to be the hundredth Budget of the Government of India, as the first Budget was presented in 1860 by the then Finance Minister of India, Mr. James Wilson.

SHRI M. P. BHARGAVA (Uttar Pradesh): Shall we call it the centenary Budget?

SHRI BABUBHAI CHINAI: You may call it so.

He was the pioneer in reorganising Indian finances after the great national uprising of 1857. There is no doubt that the world has moved far and so also this country, since the first Budget was presented. Many

brilliant men have presided over the financial destiny of this country till now. Perhaps, no one had such an infinite task to do as the present Finance Minister has in the context of the existing circumstances, when the country is struggling to emerge from a period of long stagnation to one of self-generating economy. When the hon. Finance Minister took charge of our finances, he had behind him his reputation as a great administrator, and the entire country looked to him to steer the nation out of the troubled waters. Mr. Desai's second Budget for 1960-61 once again suggests that the confidence reposed in him has not been misplaced.

The greatest feature of this Budget is the attempt to broad-base the structure of taxation. There is a shift in emphasis from direct to indirect taxation as a measure of mobilising resources. Few can deny that direct taxation has over-reached its limits, and that the main reliance for resources in the future should be commodity taxation. Such a taxation is necessary also for checking the growth of consumption of commodities whose supply is restricted or for which we depend upon imports. It is also true that the administrative simplicity of these taxes, as a rule, will not affect the willingness or the ability of the people to put in more work. Of course, the range of commodities and the level of tax must be selected carefully so that the burden does not fall heavily on those who are not in a position to bear it any more. In this task the hon. Finance Minister has acquitted himself creditably, and he deserves all cheers. It is just possible that opinions might differ regarding taxation on individual items but that is a matter of detail, and I am sure that the hon. Finance Minister will not be wanting in giving appropriate relief wherever the need be.

I think, Sir, that the hon. Finance Minister has done well in leaving a substantial portion of the revenue deficit uncovered, because of the buoyant excise revenues in recent times.

According to the latest indications, the yield from Union excise duties is mostly an underestimate, for full account has not been taken of the likely increases in industrial production. Take, for instance, the yield from the excise duty on sugar. It is placed at Rs. 46.40 crores in 1960-61 as against the revised figure of Rs. 47.38 crores in 1959-60. That is not enough. Also, one has to take into consideration the fact that sugar production in the season commencing November, 1959 has shown an upward trend, and also that a large part of the 'release' stocks will occur in the first half of the financial year 1960-61. Similarly, the yield from excise on cotton textiles is estimated at Rs. 43 crores, i.e., at the same level of 1959-60. Even in this case, it is more likely that cloth production will show an upward trend in view of the improvement in the off-take and consequently excise revenue would also advance further. In view of all these, I have no hesitation in saying that the estimated excise revenue in 1960-61 would be more at least by about 15 to 20 crores of rupees as compared to the estimate given by the hon. Finance Minister. It is also significant that the developmental expenditure has been provided for at the peak annual rate of Rs. 1,174 crores, taking the total outlay on the Second Plan to Rs. 4,600 crores. This is indeed heartening especially because at the same time last year, there was a feeling that even the attenuated Second Plan might not be carried through successfully.

Again, he has not failed to make provision for increased defence expenditure. He has no doubt indicated that he would come before the House again with a supplementary demand if there were to be any increase in the defence expenditure due to any aggravation of the trouble on the northern borders. I hope the occasion will not arise, but I am sure that, if such an occasion were to arise at all, the House will not be wanting in supporting this demand.

Even in regard to deficit financing, the hon. Finance Minister has done the best of a difficult job. It is indeed gratifying to note that the total deficit financing under the Second Plan will not exceed the limit of Rs. 1,200 crores. This contrasts with the earlier fears that the deficit financing might exceed Rs. 1,400 crores. It is true that in the present circumstances when the prices of essential commodities are looking up leading to an indication of inflationary tendencies emerging in the economy, regarding which even such a responsible person as the Governor of the Reserve Bank has warned caution, it is necessary that the Government should be vigilant. Much can be done still by economies in civil and other non-developmental expenditures.

So far as direct taxation is concerned, if at all there is any criticism, it lies in the field of omissions. Quite possibly, the Government have been encouraged to be complacent by the fact that the private sector has been able to invest more than was expected in its developmental programmes. It would perhaps have been more realistic if the question of giving relief in direct taxation would have been thought of in the perspective of the emerging Third Plan and the intensified industrialisation which requires fresher and larger incentives for capital formation. It is needless to repeat that, with the abolition of the excess dividend tax, there is no meaning in retaining the tax on bonus shares.

SHRI BHUPESH GUPTA: You want tax vacation.

SHRI BABUBHAI CHINAI: I have not asked for it; it is your imagination. Again, Sir, nothing would be lost in doing away with the Expenditure tax and the Gift tax, the yields of which are relatively insignificant and which have subjected the assesseees to needless harassment and worry.



[Shri Babubhai Chinal.]

It was at one time thought that a good case had been made for reducing company taxation from 45 per cent. to, say, 42 per cent. but, Sir, the reduction of 5 per cent. has been confined only to the smallest concerns. There is no doubt that with increasing industrialisation and better performance of the companies, the tax revenues of Government from this source would exceed by more than Rs. 15-20 crores. The hon. the Finance Minister would recall that at the time when he introduced the new scheme of taxation last year he stated that it was only for procedural easiness that this scheme was being enunciated and it was not sought as a measure for increased revenues. He has, no doubt, stated that he would require some more experience before he could reconsider the limit of 45 per cent. I hope the time will not be far off when the tax limit will be fixed at a lower level, thereby giving incentive to further industrialisation.

There appears to be no reason why the proposed rebate in Super-tax should be available only for dividends received by any company from an Indian company formed and registered on or after 1st April, 1959. Certainly it should be made applicable for all investments in any company, whether formed before or after 1st April, 1959.

Finally, Sir, I find there is also the proposal which seeks to extend the period of exemption from tax liability within which the new industrial undertakings may begin to manufacture or produce articles by another five years. This is indeed a step in the right direction. In order that this concession may be of real benefit, it is necessary to provide that the 6 per cent. return on capital and any uncovered depreciation be allowed to be carried forward for being recouped in later years. I further feel that any dividends declared by the company out of current profits for a period when the company is eligible for this relief should also not be tax-

ed in the hands of shareholders in order that the benefit may be real.

Sir, a word more. There is the question of distribution of dividends by an Indian company out of past taxed profits. It is now proposed that a sum equal to 10 per cent. of the dividend distributed be given credit. But such credit is to be given against the company's tax liability on its income for the previous year for which the dividend is paid. For this purpose the dividend in respect of any previous year is sought to be deemed first to come out of available profits of the previous year and the balance out of the available profits of one or more immediately previous years.

I am of the considered opinion, Sir, that the credit of 10 per cent. of the dividends declared is small. Even though the reserves accumulated in the past years might have borne tax at rates lower than those in force for the years 1957-58 and 1958-59, it will be reasonable to assume that the average rate of income-tax borne by them was 20 per cent., against the rate of 31.5 per cent. in 1958-59. I have no hesitation in saying that credit should be increased from 10 per cent. Besides, the proposal requires that the dividends in any previous year should come first out of the profits of the current year. As such, unless a company makes losses or very small profit, there cannot be the possibility of drawing out of past reserves to declare the usual dividends. Thus, it may not at all be possible to utilise past reserves for dividend purposes and it will mean that the credit available on past reserves will be completely lost.

SHRI JASWANT SINGH: Mr. Deputy Chairman, Sir, my friend, Mr. Bisht, prefaced his speech by remarking that the position of the Finance Minister is very difficult in these modern times and, of course it is true, because it is not possible to please everybody. Taxes have to be levied and everybody feels the pinch according to the school of thought the people belong to. But the question to be thought of is this, what

taxes could properly be levied with least inconvenience on the people concerned and to what extent they could be levied. About the difficult position of the Finance Minister, Sir, there was a very clear case today. The opening speaker, Mr. Vallabharao criticised the Budget, because it was applauded by the business class. Then there is the other point of view which is represented, that the poor have been hit more than the others. So I could well realise the position of the Finance Minister in a modern State and in modern times.

**SHRI BHUPESH GUPTA:** But he gets elected with the vote of the common man, not business man.

**SHRI JASWANT SINGH:** Well, my idea is a little different because, for election purposes, money is supplied more by business men than by common men. The common man only votes, but the money is supplied by somebody else. However, that is a different matter; that has nothing to do here; it is neither here nor there.

Now, coming to the Budget, I and other Members of Parliament have been supplied with a lot of data in the various documents supplied along with the Budget papers, and they give us a fairly clear picture of the Budget, and by going through them one can reach his own conclusions according to the study one makes of the data contained in these papers, and as far as the supply of papers containing the materials and data are concerned, I wish to record my appreciation.

Sir, I would now come to the actual Budget. In paragraph 29 in part A of his speech the Finance Minister shows the estimated income and expenditure on revenue account leaving a deficit of Rs. 83.90 crores on revenue account. It will thus be noticed that both revenue receipt and expenditure in the coming year would be the highest ever. For this he has been congratulated by my friend, Mr. Deogirikar, and as far as

the highest revenue and the highest expenditure is concerned, surely the credit goes to the present Finance Minister. Then, Sir, in paragraph 79 in part B of his speech the Finance Minister summarises the net effect of the Budget proposals. According to these proposals the total additional revenue would stand at Rs. 23.53 crores, reducing the revenue deficit from Rs. 83.9 crores to Rs. 60.37 crores, and the overall deficit from Rs. 177 crores to Rs. 153 crores. Sir, it is proposed to leave the revenue deficit uncovered, and I agree with my friend, Mr. Deogirikar, and others who say that it is a good thing that it remains uncovered, because from last year's experience we can well hope that with better realizations this gap will further close, and hoping it to be so further taxation has not been levied and some relief to that extent has been given to the people at large. The overall deficit will naturally have to be met by the expansion of Treasury Bills.

4 P.M.

In this connection it may be noted that up to the year 1957-58, we were having surplus Budgets, but it appears that in the foreseeable future, a surplus Budget is not a possibility. I agree with my friend, Mr. Deogirikar, that for a long time to come we will have to face a deficit Budget. But this should not worry us because there are some countries, even more advanced than ourselves, which also at times have to face a similar situation. Thus the final picture that emerges is that on the revenue account our revenues are not keeping pace with the expenditure which is allocated to revenue.

Now, I would like to say a few words about capital expenditure. During the next year, the provision for capital expenditure stands at Rs. 370.84 crores for direct capital outlay. The total planned outlay in 1960-61 will amount to Rs. 1,174 crores. Thus the actual outlay in the

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public sector, over the five-year period, will be near about Rs. 4,600 crores. The Finance Minister further stated in para 39, part A, of his speech that the investment in the organised private sector is expected to reach the total envisaged in the Plan; it may even slightly exceed. For this he has been duly thanked by Mr. Chinai. Perhaps, it has been the reason with the Finance Minister for not imposing direct tax, taking into consideration the part the private sector has played in the economy of the country.

Coming to the ways and means position, it has been shown to us that the total disbursement of Rs. 1,126 crores will be met from market borrowings, including receipts from Prize Bonds, small savings, foreign assistance, loan recoveries, miscellaneous receipts, leaving a deficit of Rs. 177 crores which will be met by the expansion of Treasury Bills. Thus, if we dispassionately see the picture, as has emerged from the Budget papers, the position appears rather disturbing and disquieting. This position has also been endorsed by the Finance Minister in para. 81, page 23, part B of his Budget Speech.

Now, Sir, I would like to say a few words in regard to revenues. As far as the revenues are concerned, there is not much to be said. I would only say that out of the total revenue of Rs. 919·98 crores, including taxation proposals, of course, customs and Union excise duties are yielding the major portion. But the three taxes which were levied during the last few years are an integrated taxation system, namely taxes on wealth, taxes on expenditure and taxes on gift. If we look at the figures supplied to us, it appears that the income from these sources is more or less negligible. The tax on wealth has been reduced from Rs. 12 crores to Rs. 7 crores. The tax on gifts and expenditure is even less than a crore of rupees each.

As regards the expenditure, out of the estimated expenditure of Rs. 980·35 crores next year, Rs. 708·09 crores fall under civil expenditure and Rs. 272·26 crores under Defence Services. With regard to civil expenditure, the Budget papers disclose an increase of Rs. 91·74 crores over the Revised Estimates. Last year also the hon. Members from this House as well as the other House expressed concern about the growing civil expenditure. The Finance Minister has also made a reference to this effect in para. 28, part A, of his Speech. He has referred to the various steps that have either been taken or are proposed to be taken to keep down the civil expenditure. But, Sir, it appears that the steps that have been taken or are proposed to be taken are not sufficient, and something more is required to be done. There is need for diverting more revenues into productive channels.

I would not like to take much time of the House by repeating what has already been referred to by Mr. Deogirikar in regard to the reduction of non-developmental expenditure. I hope this point will be borne in mind by the hon. Finance Minister.

Coming to the Defence expenditure, a sum of Rs. 28·56 crores over the Revised Estimates has been provided for in the next year. The reason for this increase has been given in para. 33 of the Finance Minister's speech. The background of the Estimates of the Defence Services can be seen in para. 34, page 11, part A. It says:—

"The estimates of the Defence Services have been prepared against the background of the present threat to our borders and I am sure the House will not expect me to dilate at any length on the measures which have been taken and are under consideration for safeguarding the territorial integrity of the country."

Sir, here I thought that due to the situation that has arisen, the expenditure would go much higher. Even last year Rs. 24 crores were reduced from the Defence expenditure. A new situation has not arisen this year. Sir, if we were vigilant and if we had a practical foreign policy for the effective defence of our country . . .

SHRI BHUPESH GUPTA: And if you had not the Defence Minister.

SHRI JASWANT SINGH: That is the opinion of my friend, Mr. Bhupesh Gupta, and his party.

Sir, this position has not arisen now. We are surrounded on all sides by unfriendly countries. From 1950 onwards, we have been seeing an army of liberation advancing forward. Howsoever friendly and kindly we may be towards such an army, any wise man with foresight could have seen good reason for having proper defences. We see that Pakistan has occupied thousands of square miles of our territory. Again, our erstwhile friend, China, has also occupied thousands of square miles of our territory and the Finance Minister feels that by spending Rs. 28.56 crores more on Defence, our defences will be sufficient to meet the onslaught. I would respectfully submit that it is acting like an ostrich which hides its head in a bush when it sees danger. Why has this position arisen? It has arisen because of our unpreparedness and if the Finance Minister and the Government of India feel that our unpreparedness could be remedied by spending Rs. 28 crores more, I think that it cannot be and would not be a practical proposition. In the past we have had the experience of even the friendliest of nations becoming unfriendly and today we are facing a humiliating situation of our Prime Minister meeting the Prime Minister of China on his terms and eating his own words which a few months back he uttered, that he would not meet him, and now he is prepared to do so. If we had been prepared to spend

more money on defence, this would not have happened. Only the other day, when the announcement was made that the Prime Minister of India had invited the Prime Minister of China and that he had accepted the invitation, my hon. friend, Shri Bhupesh Gupta, congratulated both our Prime Minister and Mr. Chou En-lai.

SHRI BHUPESH GUPTA: And you almost fainted in the lobby.

SHRI JASWANT SINGH: I was here, not in the lobby. I agree with him that it is a case for congratulation to Mr. Chou En-lai because his point had been met and he stands to gain something. He would not go empty-handed. We have had the experience of such conferences when Pakistan always got something out of us and similarly I can bet, as far as imagination can go, that he will go away with something from us. Our Prime Minister on the other hand, has to be sympathised with, that he had to eat back his own words which he used when he refused to accept the invitation of the Prime Minister of China on his condition.

SHRI BHUPESH GUPTA: As long as we have such fighting stuff as Shri Jaswant Singh, we do not need atomic weapons.

MR. DEPUTY CHAIRMAN: You will have your chance tomorrow.

SHRI BHUPESH GUPTA: He is almost a Parliamentary rocket.

SHRI JASWANT SINGH: Therefore I would have thought that the expenditure on Defence should have been much more than what has been provided for in this Budget, which is not only inadequate but which is a mere farce, if we have to make up the lee-way in regard to our preparedness which we have neglected all along. I know it is not possible. Where territories are concerned, only

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the powerful will enjoy those territories, not by unpreparedness. I would now like to say a few things regarding the taxation proposals.

SHRI BHUPESH GUPTA: Have you left the border?

SHRI JASWANT SINGH: Yes. My friend will have an easy conscience. I will not disturb him on this point. I would come to the taxation proposals.

In paragraph 53 of part B, the Finance Minister states:

"In framing the taxation proposals for the coming year, I have had in mind something more than the immediate needs of that year . . ."

He further states:

"It is essential, in dealing with the budgetary needs of each year, to think in terms of broadening and adjusting the bases of taxation so that the revenue raised continues to expand with the years . . ."

He further states:

"While direct taxation will be kept under constant and continuous review so as to make it yield the maximum resources, the bulk of the expansion in taxation will have to come from indirect taxation."

With this background and with this idea before him, he has divided them into three heads—indirect taxation, readjustment in the existing rates of duty on certain commodities and direct taxation. In regard to indirect taxation, eight new excise duties have been levied. As far as indirect taxation is concerned, nobody should have ordinarily any objection because everybody in the modern world should have some share in the payment of taxation. You cannot always go on

levying direct taxation. Even the poor people in a certain way should contribute their mite towards the finances and resources of the country. Therefore indirect taxation is as much essential as direct taxation but here, in regard to indirect taxation on commodities, one must think as to what is going to hit the hardest and which will be most inconvenient and whether there can be any better alternatives. In the present case, I will only refer to one or two items from which the maximum revenue would be coming. Take the cycle tax or rather the essential cycle parts which have been taxed for the first time. Other hon. Members have spoken on this and I would add my voice to the protest that cycle is a poor man's vehicle, and there was a cry from the other side that it would not cost more. Some hon. Member on this side said that it would cost Rs. 10 extra per cycle on the other side, it was stated that it might cost only rupee 1 extra. I would like to know from the Minister and the Government as to whether they have tried to find out the economic position and the sort of life of the poor people and the middle-class people. Now, cycle is not a luxury, it is an essential item for the performance of one's duty and those who cannot make both ends meet have to keep a cycle as a necessity and in that case, even a rise of a single rupee would be a much heavier burden than large amounts on those who can afford. So it is the most unpopular levy that has been made and it is still hoped that before these taxes are finalised and approved by Parliament, the Members of the Congress party at least, who will have the important say in this matter. . .

SHRI BHUPESH GUPTA: Most of them do not ride cycles.

SHRI JASWANT SINGH: . . . will persuade the hon. Minister at least to remove this burden and be the recipient of the blessings of the poor people.

Regarding other items, naturally the cost of living will rise and it appears that with these additional levies, the poor and the middle classes will have to pay more for everything. As far as I can see, there is hardly any commodity left which is used by the poorest man and on which taxes have not been levied. Probably fresh air is the only thing not taxed.

SHRI BHUPESH GUPTA: That is also poisoned.

SHRI JASWANT SINGH: In due course probably if people live in better places and have more fresh air, the Finance Minister may even feel the necessity of levying tax on air but now that is the only free thing, otherwise nothing is free and cost of living is rising so rapidly. We are making progress, some people said. Shri T. R. Deogirikar referred to the all-round progress that we are making. But along with this all-round progress, we also find unemployment and other things also increasing. They are also progressing and so everything is keeping pace with one another. I would, therefore, submit that at least as far as cycle parts are concerned, the Finance Minister should do something. He is a kind-hearted man. A Finance Minister's duty is to be cruel-hearted, but we understand that otherwise he is a kind-hearted person and since these cycle parts have reference mostly to the poor people, I hope he would be good enough to reconsider the matter and have this excise duty on cycle and cycle parts removed.

As I said a little while ago, there is hardly anything left now which has no duty put on it and since the number of undertakings is increasing day by day, it is clear that this net will be spreading, I mean the net of the excise department. Therefore, a new approach will have to be

there on the part of this department so that avoidable inconvenience and harassment may really be avoided. As I was submitting, there is nothing now which has been left without taxation by way of excise duties. Therefore, inconvenience and harassment would naturally be there in the matter of collection. Therefore, I say a new approach is very necessary and the Finance department will, I hope, kindly pay heed to that matter.

With regard to the readjustments, I have to submit that some of these levies were levied somewhere in 1955, 1954 and 1953 and since then some of these articles have not been touched. Now, after five or six years, readjustment has been thought of and though this will not bring in any large income, all the same, a large number of items have been readjusted. There are some of these items again, which will prove very hard on the common people. Take, for instance, transport. Formerly, of course, large vehicles etc. were subjected to duties. But now the Finance Minister proposes that even commercial vehicles and small and medium cars should be subjected to duty ranging up to 15 per cent. *ad valorem* on all types of motor vehicles. Formerly, only certain types of motor vehicles were subjected to the tax. Now, whether they are commercial or even small or medium cars, there is this tax on all of them. Then again, there is the basic rate of duty of another 25 *naye paise* per imperial gallon on refined diesel oil. This will be a heavy burden on road transport and will react adversely on its further development which is so very necessary in order to meet the increasing traffic requirements which our railways would not be able to cope with. Here we have to get the Third Five Year Plan started. We are still in the last year of the Second Plan. We want quick transport and we want the bottle-necks to be removed. I do not know

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how far the economic condition of our people is improving as a result of these budget proposals. As far as my experience goes, the life of the people is getting more and more difficult and when prices rise like this, the situation will become even more difficult. Therefore, even the slightest rise in the prices of things in use in everyday life will tell very heavily on them. Transport being a very great necessity, its cost will naturally go high. These are, as I said, very essential things and when these are affected, naturally the employment position also will be affected and there will be an undesirable set-back in many things. On the one hand we want the standard of living of our people to rise. In other countries we see that large numbers in the population have cars. Of course, the standard in the U.S.A. is a different matter. But in other countries also, in other democratic countries and other countries also the standard of life is getting higher. But here we are putting a handicap on the encouragement of even those people who own small or utility cars, and even on those who use the buses because even the user of the bus will have to pay more now.

As Mr. Deogirikar said a little while ago, in the present Budget proposals, the taxation will apply from the foot—because even heels and soles have been subjected to duty—right up to the head. Therefore, the man will have to pay more under the present proposals to the Finance Minister and so things will be very difficult for him. I submit that the hon. Finance Minister should pay more heed to these matters and consider them again before the proposals are finally approved. To these matters which go to make the poor man's life, the middle-class man's life more difficult, he should apply his mind and try to give these people some redress.

So far as readjustments are concerned, there is going to be an increase in the duty on wines and spirits and other alcoholic liquors. This is dealt with in paragraph 72 on page 20. I know the hon. Finance Minister is a puritan. He does not believe in vices and he does not have any vices, as far as I can understand. But we are all ordinary human beings and we cannot reach that standard. We have our vices and we want to have our comforts and we also claim under the Constitution our Fundamental Rights.

But encroachment is being made on these rights under some pretext or the other because of prejudice or because of dislike of some commodities and it does not behove a person of the position of a Minister in the Government to allow prejudice to have predominance over what is correct.

SHRI BHUPESH GUPTA: Does he stop you from drinking?

SHRI JASWANT SINGH: I don't know whether he ever drinks.

SHRI BHUPESH GUPTA: No, no. Has he stopped you from drinking?

SHRI JASWANT SINGH: He has stopped me in this way that before the war I could get Scotch Whisky at about Rs. 10 a bottle and now I cannot get it for anything less than Rs. 55 or Rs. 60.

SHRI BHUPESH GUPTA: Still you consume?

MR. DEPUTY CHAIRMAN: Order, order.

SHRI JASWANT SINGH: I consume. I do not deny myself the great pleasure of drinking and I take even greater pleasure in giving

it to others for drinking purposes when they come to see me. So, when the price goes up to Rs. 65 and Rs. 70 a bottle those who are connoisseurs and who like good things, they will be obliged to beg, borrow or steal and spend all that money. All that money will be wasted and this will do harm to the country in one way or the other. If the hon. Minister chooses, let him stop it and have complete prohibition all over the country. The Finance Minister, I know, tried it in Bombay. He can have the satisfaction that he passed a law, but that was never a success and it will never be a success.

**SHRI BHUPESH GUPTA:** So you want national reconstruction by making Scotch Whisky cheap?

**SHRI JASWANT SINGH:** Therefore, I submit that the duty that is proposed to be levied now on wines, spirits and alcoholic liquors is prohibitive and it will not help the country.

**SHRI BHUPESH GUPTA:** Johnny Walker will.

**SHRI JASWANT SINGH:** The hon. Minister may have a little more income, but the people would spend more money which they would have saved and used to help the country in other ways.

Next, I would like to say a few words about the direct taxation. There has been no change made in the rate structure of the personal income tax and no increase has been made and so far so good. For that we should be thankful to Mr. Chinai and many others.

I see from the morning's papers that even the business class people have some grievances, particularly those referred to by Mr. Chinai.

The Finance Bill contains provisions for the amendment of the Expenditure tax and the Gifts tax. The income

from these imposts is very negligible and it is a different matter altogether whether these two measures should be removed or not. I am personally not interested but all that I wish to say is that it is wrong in principle that such amendments should be brought in through the Finance Bill. We know that these two measures are covered by separate Acts, the Expenditure Tax Act and the Gifts Tax Act what the Finance Minister is trying to do is to have those Acts amended through the Finance Bill. I object to that on principle. This matter was referred to the Direct Taxes Enquiry Committee which has recommended that all substantial changes in the taxation law should as far as possible be made through specific amending Bills which would provide for full opportunity for detailed consideration by Parliament. If amendments are necessary to these two Acts, then let specific amending Bills be brought forward before Parliament so that Parliament can fully discuss the amending provisions and then arrive at a decision but bringing in amendments through the Finance Bill is very wrong.

Prof. Kaldor had suggested an integrated scheme of taxation which was not eventually accepted but during the last three or four years something over Rs. 200 crores has been brought in from the various taxation measures suggested in that integrated scheme. It was hoped that the integrated scheme would be brought in on the lines suggested by Prof. Kaldor but that hope did not materialise. One item was brought in last year and it was sincerely hoped that since the yield of Expenditure Tax was very negligible it would be removed and that the whole thing would become a really integrated scheme of taxation but somehow or the other that has not been done. This matter does not affect me; I am neither sorry nor happy because I am unconcerned but I would say as a matter of principle that in the future years, amendments should be brought in separately and not through the Finance Bill so that Parliament can go through them properly.



[Shri Jaswant Singh.]

There are many happy features which have been referred to by various Members and so I would not take the time of the House in going through them. I would end my speech in a couple of minutes by referring to this prize bond scheme. This is a new idea and the Finance Minister has said that this was suggested to him. He has brought this thing in because he also likes this. In great dismay Mr. Deogirikar referred to this thing as un-Gandhian and he was very sorry that one of the disciples of Gandhiji should have introduced a scheme like this which is nothing but gambling. In this respect I cannot speak with authority as the followers of Gandhiji but I can say that there are many principles laid down by Gandhiji which are not being observed now and, therefore, this prize bond scheme is in line with such action. Therefore, I do not see why unnecessarily Mr. Deogirikar should have felt unhappy over this. Of course, there is much room for improvement and in the present form it is nothing but pure gambling. It is a lottery cent per cent and there cannot be any two opinions about this. It is a bad thing and coming as it does from the Finance Minister of Mr. Morarji Desai's personality, it is really surprising.

SHRI BHUPESH GUPTA: He is only a teetotaler.

SHRI JASWANT SINGH: The puritan that he is, he should not give encouragement to gambling and I would, therefore, submit that the terms of this prize bond scheme should be liberalised. There should be some interest attached to the sums deposited.

SHRI BHUPESH GUPTA: Suppose Scotch Whisky was included among the prizes?

SHRI JASWANT SINGH: That would be a very good thing.

There should be some kind of interest added to the money so that this sum will appear to be a sort of

investment and not pure gambling as it looks now.

It has been noticed in the last few years that non-budgetary considerations have tended to be more important than the budgetary ones. As I submitted a little while ago, no Government can do without taxation; taxation will have to be imposed but it should be such as will not inconvenience the people, as will not throw a heavy burden on the people and make life unbearable. The present position is unbearable. So far as the excise duties are concerned, there are many items which can be removed from the purview of such taxation and there are also obvious things the levying of duty on which would not have been felt by the people. This levy would have removed much of our difficulty in regard to finance and we would not have to have recourse to borrowings, both foreign and internal and the starting of new schemes like the prize bond scheme which is nothing but gambling pure and simple. I have time and again made suggestions but they have not been considered at all. While talking of those who do not agree with the Government, the Prime Minister has often said that they are people who are cut away from the main current of life, that they are not moving with the world, that they are static and so on but, Sir, this Government with such a Prime Minister at the helm of affairs is more static than those whom the Prime Minister criticises. We say that the world is moving fast and that we should also move with the world. I would like to know whether there is any country in the world today which has got prohibition? If the hon. Minister removes prohibition, if he tries to move with the rest of the world, if he is not static—if he wants to remain in isolation, that is a different matter but if he wants to be practical and if he wants to keep in line with the main current then he should know that prohibition is the first item which should be removed. Many of the things which are being objected to by us, by Mr. Bhupesh Gupta's party and by the businessmen will automatically go away

and the country will have plenty of money if you only do away with prohibition. You are not only spending money in enforcing prohibition but you are also losing money. Then, Sir, secondly salt is another thing which I have been suggesting and it is high time that the hon. Finance Minister revised his prejudices. He should move with the times and have a duty on salt and that also will bring in a large amount of money and all our ills will disappear. Thank you, Sir.

**श्री राम सहाय (मध्य प्रदेश) :** यह जो बजट हमारे सामने पेश हुआ है उसका मैं हार्दिक समर्थन करता हूँ। अभी बाबुभाई चिनाई ने यह कहा था कि देसाई साहब की वर्षगांठ के दिन ही बजट पेश हुआ है। मैं ईश्वर से प्रार्थना करता हूँ कि वे अपनी आयु के शत वर्ष पर्यन्त इस प्रकार की वर्षगांठ मनाते रहें और ऐसे सुन्दर और सुयोग्य बजट भी हमें प्रस्तुत करते रहें।

इसमें कोई श्रुति नहीं है कि जो हमारे देश की व्यवस्था चल रही है, चाहे किसी प्रकार की व्यवस्था को हम लें, बहुत ही सुन्दर तरीके पर चल रही है और इसका प्रत्यक्ष प्रमाण यह है कि हमारा देश एक तीर्थस्थान बन रहा है। कोई ऐसा देश नहीं है जहां से वहां के नेतागण या वहां के प्रमुख लोग यहां न आते हों। साथ ही साथ ऐसा कोई भी देश, छोटा या बड़ा ऐसा नहीं है जो हमें अपनी भरसक सहायता न देता हो। यही कारण है कि इस वर्ष भी हमको लगभग साढ़े चार अरब की सहायता दूसरे देशों से मिली है और यह एक बिल्कुल जीती जागती मिसाल इस बात की है कि हमारा देश सुव्यवस्थित रूप से चल रहा है। यह सब बात होते हुये भी हमारे देश की जो परिस्थिति है उसको भी हमें भूलना नहीं। हमारे देश के कोने कोने में अभी गरीबी विद्यमान है। मैंने सोमनाथ से लेकर कन्याकुमारी तक

का सफर किया है, आसाम से चेरापूजी तक का सफर किया है और पिछली मार्च में ही मैंने कोई दो सौ मील के करीब पैदल यात्रा की थी और वह भी पहाड़ी इलाके की। मैंने वहां का जो दृश्य देखा उससे मैं इस नतीजे पर पहुंचा कि हमारे देश की स्वतंत्रता का या हमारे देश की जो आर्थिक या सामाजिक स्थिति सुधर रही है उसका कोई भी प्रभाव पड़ते वहां नहीं मालूम होता। गत वर्ष इसी प्रकार से मैंने अबूझमाढ़ का जिक्र किया था जो मध्य प्रदेश के बस्तर इलाके में है। वहां के आदिवासियों की जो हालत थी वह ऐसी है कि कोई भी सम्य पुरुष उसको देख कर अपनी गर्दन शर्म से नीची किये बिना नहीं रह सकता। आज भी वहां के लोग, विशेषकर स्त्रियां, करीब करीब नंगी ही रहती हैं। तो मेरा निवेदन यह है कि जहां हमारे देश में ऐसी परिस्थिति है वहां हमें उधर खास तौर पर तवज्जह करने की जरूरत है। अभी अभी चाइना के एग्रेसन से जो हालत पैदा हुई है उसमें भी हम यह देख रहे हैं कि जो इतर देश के हमारे लोग हैं वे पहाड़ों पर जाकर वहां अच्छी तरह से कार्य नहीं कर पाते हैं लेकिन जो लोग वहां रहते हैं रात दिन उनकी हालत बद से बदतर है। मैंने खुद अपनी आंखों से देखा है कि उस इलाके के लोग इतनी गरीबी में हैं कि उनके पास पहनने को कपड़ा नहीं और खाने को भरपेट भोजन नहीं। उनके पास इस प्रकार के साधन नहीं हैं कि वे कोई धंवा कर सकें। उस पहाड़ी इलाके में, उस ठंडे मुल्क में उनको जो मजदूरी करनी पड़ती है उसमें रुपये, बारह आने या सवा दूधरुपये से अधिक उनको नहीं मिलता। आज जब हमारे देश की सुरक्षा का सवाल उधर पैदा हुआ है तो मैं फाइनेंस मिनिस्टर साहब का विशेष रूप से उस ओर ध्यान आकर्षित करना चाहता हूँ। मेरा तो यह खयाल है कि जब देश में कभी कोई विशेष परिस्थितियां उत्पन्न हों तो हमको महज साधारण बजट से ही सहारा लेकर कार्य नहीं करना चाहिये। मैं तो

[श्री राम सहाय]

ऐसा समझता हूँ कि ऐसी विशेष परिस्थिति आज हमारे देश के सामने है जब कि हमको राष्ट्रीय रक्षा के नाम पर या सुरक्षा के नाम पर दूसरे लोगों पर कोई विशेष कर लगाना चाहिये और उस कर के द्वारा हमको अपनी सरहद की, बाउंडरी की, सुरक्षा का माकूल प्रबन्ध करना चाहिये। मैंने यह देखा है कि वहाँ आज जो पुलिस फोर्स रहती है या जो मिलिटरी थोड़ी बहुत वहाँ रहती है उनके लिये जो राशन पहुँचाया जाता है वह खच्चरों के द्वारा पहुँचाया जाता है और कई दिनों में वहाँ वह पहुँच पाता है। तो जब ऐसी परिस्थिति है तो हमारा कर्तव्य है कि हम अपने बाउंडरी की सुरक्षा के लिये ज्यादा से ज्यादा और जल्दी से जल्दी जितने साधन वहाँ जुटा सकें उनको जुटा कर आवागमन के साधन पर्याप्त मात्रा में उपलब्ध करें और बनायें। साथ ही, मेरा नम्र निवेदन है कि वहाँ की जनता जो नीचे के इलाके में रहती है उसको हम ऐसी आर्थिक स्थिति में पहुँचायें कि जिससे वह भली प्रकार से अपना जीवन व्यतीत कर सके और उनमें ऐसी शिक्षा भी हम पहुँचायें जिसके द्वारा वे अपने राष्ट्र की रक्षा के लिये, अपनी सरहद की रक्षा के लिये देश सेवा की भावना से प्रेरित हो कर काम करें। मैंने तो वहाँ की हालत तनी खराब देखी कि जब मैं वहाँ बन्नीनाथ, केदारनाथ जैसे तीर्थ स्थानों में गया तो मैंने रास्ते में देखा कि मातायें अपने नन्हें बालकों को एक छोटा पैसा मांगने के लिये उकसाती हैं, उनको दो दो, चार चार फ्लाँग दौड़ाती हैं। तो मेरा यह निवेदन है कि वहाँ की जनता जो अच्छी तरह से बाउंडरी की रक्षा के लिये सम्पन्न और समर्थ हो सकती है उसकी ओर मैं समझता हूँ अभी तक सरकार का जैसे ध्यान जाना चाहिये या उस प्रकार से नहीं गया और यही कारण है कि वहाँ उनकी हालत के बारे में हम अभी तक कुछ विचार नहीं कर सके। कुछ भी हो बुराई से कुछ न कुछ अच्छाई जरूर निकलती है। यह चीन का

जो एप्रेशन हुआ है उससे भी हमारा ध्यान उस ओर आकर्षित हुआ है और वहाँ यदि हम जनता को पर्याप्त साधन मुहैया कर सकें और उनकी आर्थिक और सामाजिक हालत को दुरुस्त कर सकें तो मैं समझता हूँ कि हम अपने कर्तव्य का पालन कर सकेंगे।

डिफेंस मिनिस्टर साहब ने मिलिटरी के खर्च में आर्मी के खर्च में करीब साढ़े २८ करोड़ ६० की वृद्धि की है लेकिन मैं तो यह समझता हूँ कि कोई विशेष कार्य जैसा चाहिये या वैसा वे वहाँ सम्पन्न नहीं कर सकेंगे। मैं तो समझता हूँ कि इस बारे में खास तौर पर ध्यान देने की आवश्यकता है।

जहाँ एक तरफ मैंने पहाड़ी इलाके से सम्बन्धित बातें कहीं वहाँ दूसरी तरफ आज अपने देश के अन्दर हम यह देखते हैं कि बावजूद इसके कि हम सदियों से कोशिश कर रहे हैं, वर्षों हो गये हमको कोशिश करते हुए, लेकिन आज भी हम भंगी के सिर पर से मैले की डलिया भी दूर नहीं करा सके। तो जहाँ ऐसी परिस्थिति है, जहाँ हमारे समाज की इस प्रकार से दुर्गति है, उसको देखते हुए उसका लेखा भी अगर हम इस वक्त न लें तो कोई मुनासिब नहीं है। मैं समझता हूँ कि इस बारे में हमें खास तौर पर गौर करने की आवश्यकता है। हम देखते हैं कि हमारे आदिवासी और हरिजन भाई बुरी हालत में हों ऐसी बात नहीं है, हमारे दूसरे वर्ग के लोग उनसे भी बदतर हालत में हैं लेकिन फिर भी आदिवासियों के लिये और हरिजनों के लिये जो हमने सुरक्षायें रखी हैं उनको उनका पूरा पूरा लाभ नहीं मिल रहा है। हम देखते हैं कि पहले ग्रैंड की सविस या दूसरे ग्रेड की सविस में हम उनकी योग्यता या शिक्षा अच्छी न होने के कारण उनको जैसा चाहिये पर्याप्त मात्रा में सविस नहीं दे सकते। ठीक है, अगर हम ऊँची श्रेणी के ग्रेडों का

स्टैंडर्ड कायम करने के लिये उनकी मदद नहीं कर सकते हैं तो कोई हर्ज की बात नहीं है । लेकिन हमें तीसरे और चौथे स्टैंडर्ड के लोगों के लिये नौकरियों में ज्यादा परसेन्टेज की व्यवस्था करनी चाहिये । मेरा तो यह निवेदन है कि कम से कम हमें चौथे वर्ग के लोगों को ६ परसेंट से ज्यादा स्थान नौकरियों में देना चाहिये । आदि-वासियों और हरिजनों को उपयुक्त स्थानों में जितना ज्यादा हो सके हमें अवश्य स्थान देना चाहिये । इसका नतीजा यह होगा कि उनकी आर्थिक दशा सुधरेगी और इसके साथ ही साथ देश की हालत भी सुधरेगी । इस बारे में मेरा आनरेबिल फाइनेंस मिनिस्टर और होम मिनिस्टर से यह निवेदन है कि वे इस बारे में अवश्य ध्यान रखेंगे और ऐसे आदेश जारी करेंगे जिससे इन लोगों को कुछ मुविधा मिल सके ।

आनरेबिल फाइनेंस मिनिस्टर साहब ने अपनी स्पीच के अन्त में देश के लोगों से त्याग करने की अपील की है । उन्होंने अपने भाषण में कहा कि जब तक देश के लोग त्याग नहीं करेंगे तब तक हमारे देश की स्थिति ठीक नहीं हो सकती है । यह बिल्कुल उचित बात है और मैं इसका समर्थन करता हूँ । हमारे देश में साधन सम्पन्न लोगों के मुकाबले में छोटी छोटी आमदनी वाल गरीब लोगों की कोई कमी नहीं है । लेकिन मेरा यह निवेदन है कि जिन लोगों की आमदनी ५०० रुपये से अधिक है उन पर टैक्स लगाया जा सकता है और इस तरह से देश की जरूरत को पूरा किया जा सकता है । जैसा कि मैंने ऊपर जिक्र किया है सम्पन्न लोगों पर टैक्स लगाया जाना चाहिये तो इससे हम कोई ऐसी चीज नहीं कर रहे हैं, कोई ऐसे रास्ते पर नहीं जा रहे हैं जो कि गलत हो । बल्कि मैं समझता हूँ कि राष्ट्र हित की दृष्टि से हर एक मनुष्य का कर्तव्य है, हर एक नागरिक का कर्तव्य है कि वह अपने दूसरे भाथियों, दूसरे नागरिकों के लिये कुछ

न कुछ सैक्रिफाइस करे, कुछ न कुछ त्याग करे ताकि हम सारे देश की हालत को सुधार सकें । अगर इस सम्बन्ध में हम कोई कदम उठाते हैं तो कोई नामुनासिब चीज नहीं होगी ।

इसके साथ ही साथ मैं यह भी निवेदन करना चाहता हूँ कि हमारे देश में जिस तरह से कार्य हो रहे हैं उन पर भी हमें अवश्य विचार करना चाहिये । मिसाल के तौर पर मैं अर्ज करूंगा कि जब कही पर मड़क बनानी होती है तो मड़क के किनारे की मिट्टी खोद ली जाती है । इस तरह से पी० डब्लू० डी० को आर्थिक लाभ तो होता है लेकिन इससे देश को कितनी हानि होती है, यह कोई नहीं समझता है । इस तरह मिट्टी खोदने से लाखों बीघा आराजी काश्त का नुकसान हो जाता है जिसकी ओर किसी का ध्यान नहीं जा रहा है । मैंने देखा है कि सड़क के किनारे किनारे नालियां बनाई जाती हैं और खेती का सारा रेया उनके द्वारा बह जाता है । इस तरह से हमारे उत्पादन की क्षमता कम हो जाती है और साथ ही साथ अनाज का लक्ष्य भी पूरा नहीं हो पाता । मेरा इस बारे में यह निवेदन है कि पी० डब्लू० डी०, रेवेन्यू डिपार्टमेंट और सब लोगों को इस बात के ऊपर विचार करना चाहिये और जहां कहीं भी ऐसे मौकों पर, खेतों के आस पास में मिट्टी लाने का मवाल हो उसे नहीं करना चाहिये । (Time bell rings.) कुछ मिनट और मिलेंगे ?

**श्री उप सभापति :** १५ मिनट हो गये हैं ।

**श्री राम सहाय** पांच मिनट और चाहियें । इसलिए मेरा निवेदन यह है कि हमारे देश में बाज बाज जगहों पर मिट्टी के पहाड़ बने हुए हैं और बाज जगहों पर जहां लेबिल एक सा है वहां हमने मिट्टी खोद कर ईंट बनाने का कार्य शुरू कर दिया है । इस तरह के कार्यों में थोड़ा सा आर्थिक लाभ तो

[श्री राम सहाय]

होता है लेकिन इसका नतीजा उल्टा होता है तो मेरा निवेदन है कि इन सब बातों पर विचार करने के लिये सब डिपार्टमेंटों की एक कमेटी बैठनी चाहिये जो इन सब बातों पर विचार करे कि इस तरह की समस्या को किस प्रकार से हल किया जा सकता है। एक जगह तो हम गढ़ा करते हैं और दूसरी जगह हम गढ़ा भरते हैं, इस तरह की चीज नहीं होनी चाहिये। इससे तो धन जन दोनों का ही नुकसान होता है।

इसी प्रकार मैं खेती की पैदावार बढ़ाने, अनाज उपजाने के लिए, मोरना और भिड़ का जो बीहड़ इलाका है उसके संबंध में कुछ कहना चाहता हूँ। इन इलाकों को रिवलम करने के लिये हमें ध्यान देना चाहिये। सैन्ट्रल और स्टेट गवर्नमेंट की ओर से वहाँ पर इस संबंध में कुछ कार्य भी शुरू किया गया था लेकिन वह पूरा नहीं हो सका। इस संबंध में मेरा यह निवेदन है कि जब तक हमारे देश में मैकनाइज्ड फार्मिंग की पद्धति ठीक तरह से लागू नहीं की जायेगी तब तक अनाज का उत्पादन अच्छी तरह से नहीं बढ़ सकेगा। इसलिए मेरा तम्र निवेदन है कि सी० टी० ओ० को वाइन्ड अप करने का जो विचार किया जा रहा है, उसके बारे में फिर से विचार किया जाना चाहिये क्योंकि इसमें जो अमला है वह ट्रेन्ड अमला है और अगर हमें फिर इन आदमियों की आवश्यकता पड़ी तो उनको जुटाना मुश्किल हो जायेगा। इसलिए इस सस्था को बिल्कुल खत्म करने से पहले इन सब बातों पर विचार किया जाना चाहिये।

मैं चाहता था कि बेथूबा वैली स्कीम को विदशा के इलाके में रखा जाता तो अच्छा था मैं माननीय मंत्री जी का ध्यान इस ओर

आकर्षित कराना चाहता हूँ कि इस स्कीम के सर्वे पर दस और ग्यारह लाख रुपये खर्च किया जा चुका है और अगर इसका कार्य इस साल शुरू हो जाता तो बहुत ही मुनासिब होता। इसी प्रकार मेरा यह भी निवेदन है कि बिहार और उत्तर प्रदेश के एलाके में जहाँ पर गंगा में पुल बनाया जा रहा है अगर उसको बक्सर पर बनाया जाता तो बहुत अच्छा होता। मेरा यह कहना है कि इस स्थान में आवागमन के साधनों की बहुत कमी है और बरसात के मौसम में तो यह तकलीफ और भी ज्यादा बढ़ जाती है। मेरा निवेदन तो यह है कि अगर यह पुल बनाया जाना है तो ऐसे स्थान पर बनाया जाना चाहिये जहाँ पर आवागमन के साधन नहीं हैं और जहाँ पर लोगों को बहुत तकलीफ होती है। अगर इस जगह पर पुल बनाया जायेगा तो ज्यादा मुनासिब होगा।

जैसा कि फ़ाइनेंस मिनिस्टर साहब ने अपनी स्पीच में कहा कि ऐसे आदेश जारी कर दिये गये हैं कि भविष्य में जितनी भी सरकारी जगहें खाली होंगी उन्हें भरा न जाय। अगर इसी तरह से और भी ऐसे कदम उठाये जाते जिससे हमारी आर्थिक स्थिति को सुधारने में मदद मिलती है तो ज्यादा मुनासिब होगा। मुझे आशा है कि माननीय फ़ाइनेंस मिनिस्टर इस ओर कुछ न कुछ अवश्य कदम उठायेगे इन शब्दों के साथ मैं बजट का समर्थन करता हूँ।

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

The House then adjourned at five of the clock till eleven of the clock on Friday, the 4th March 1960.