

COLLECTIONS UNDER THE SMALL SAVINGS DRIVE

•13. SHRI J. H. JOSHI: Will the Minister of FINANCE be pleased to state:

(a) the amount collected under the Small Savings Drive during the period from April 1957, to January 1958; and

(b) how it compares with the amount of savings for the corresponding period during the previous year?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): (a) and (b). The total net collections during the period April, 1957 to January, 1958 amount to Rs. 37.6 crores approximately, as against Rs. 44.8 crores during the corresponding period of the preceding year.

SMALL SAVINGS DRIVE

♦14. SHRI V. C. KESAVA RAO: Will the Minister of FINANCE be pleased to state whether any State has exceeded the target fixed for collections under the Small Savings Drive so far during the year 1957-58?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): A net collection of Rs. 80 crores was assumed for Small Savings during the year 1957-58. No State-wise targets were fixed and the question of any State exceeding such target does not, therefore, arise.

SHRI J. H. JOSHI: It shows that there is a slight fall in the small savings compared with the previous year. May I know the reasons for that?

SHRI B. R. BHAGAT: It is true that this year's net collections are lower than the corresponding period of last year, and the decline is mainly in postal savings. It is very difficult to state precisely the reasons for this decline but broadly speaking, they can be described as due to continued rise in prices and cost of living with

consequent reduction in the capacity to save particularly by the smaller people, then increased propensity for investments in commodities instead of in securities as a result of rise in prices, then shift in income from urban to rural areas and also diversion of investments to commercial banks which are offering higher rate of interest. These are some of the reasons.

SHRI J. H. JOSHI: May I know how much of this has been drawn from the investments of provident fund contributions?

MR. CHAIRMAN: He asks: How much of this collection has been drawn from the investments in provident funds?

SHRI B. R. BHAGAT: I am sorry I am not in a position to give these details.

SHRI V. C. KESAVA RAO: Which is the State that has made the maximum collection and which the minimum collection?

SHRI B. R. BHAGAT: I don't know. Maximum with reference to what? After all, the capacity and sizes of the States differ. For example, Bombay's collections during the year 1957-58, that is to say, up to December are Rs. 8 crores. This, Bombay has been contributing, because it is in a position to contribute.

SHRI H. D. RAJAH: Is it true that consequent on the Tahsildars and other subordinate officers under the direction of the Collector engaging themselves in the collection of small savings from people, the normal work of the Tahsildars and others is suffering very much and therefore, people are not able to get things done quickly? Secondly, is it true that owing to the coercion being used on villagers there is much resistance and there is incapacity to pay to the small savings?

SHRI B. R. BHAGAT: Normally small savings is a concern of the

State Governments and it may be that some of the officers referred to by the hon. Member may be engaged in this work. But I think it is primarily for the State Governments to see whether it results in diversion from their normal work. So far as the question of any compulsion is concerned, it is never implied in these savings; and if the hon. Member has any specific allegation and if he will bring it to my notice, I will look into it.

श्री.मती चन्द्रावती लखनगल : माननीय मंत्री महोदय ने अभी बताया कि प्रदेशों के लिए कोई रकम या कोई लक्ष्य निर्धारित नहीं होता, लेकिन मैं मंत्री महोदय से जानना चाहती हूँ कि क्या वे यह ठाँक नहीं समझते कि प्रदेशों को दृष्टि से हर प्रदेश के लिए यदि एक खास रकम निर्धारित कर दी जाय तो उनको आगे बढ़ने में और अपनी जिम्मेदारी को पूरा करने में एक खास उत्साह मिलेगा ?

श्री. बी० आर० भगत : परिस्थिति यह है कि पिछली कांग्रेस में जिसमें सब प्रदेशों के वित्त मंत्री आये थे यह फैसला किया गया था कि अधिक से अधिक रकम छोटी बचत से वसूल की जाय क्योंकि इसमें जो वसूली होगी उसका दो तिहाई भाग स्टेट्स को मिलेगा इस लिए यह उचित नहीं समझा गया कि कोई खास लक्ष्य हर प्रदेश के लिए रखा जाय क्योंकि प्रत्येक प्रदेश के वित्त मंत्री ने और सरकार ने यह फैसला किया था कि अधिक से अधिक रकम वसूलें ।

SHRI SHRIYANS PRASAD JAIN: May I know whether the fall in collections is uniform or proportionate in every State or whether the fall is much more in a particular State than in others?

SHRI B. R. BHAGAT: It is very difficult for me to give an evaluation of this thing.

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SHRI KISHEN CHAND: Is the hon. Minister aware that at the Finance Ministers' Conference it was decided that if these small savings come up to nearly Rs. 80 crores it will be helpful for financing the Second Five Year Plan? In view of the fact that collections are much lower than in the previous year, may I know from the hon. Minister whether the Government is thinking of an increase in the rate of interest or any other such inducements for carrying on this small-savings drive?

SHRI B. R. BHAGAT: Sir, this problem of raising resources through small savings is a continuous problem and in our economy we attach very great importance to raising internal resources. But as I have said, as a result of several factors in our economy, there has been pressure on this and there has been some difficulty in raising these resources through small savings. The Government, from time to time, have not only gone into this but have examined it and also adjusted the rates of interest and taken various other steps. For example, recently . . .

MR. CHAIRMAN: That will do. Don't give very long answers.

DR. P. C. MITRA: What are the targets for Bihar and what was the amount collected?

MR. CHAIRMAN: He has no idea.

SHRI B. R. BHAGAT: There was no target, but I can give the figure of collection for Bihar.

SHRI SHRIYANS PRASAD JAIN: Can we have the break-up for all the States, not for Bihar only?

SHRI B. R. BHAGAT: I will lay it on the Table of the House.

SHRI JASPAT ROY KAPOOR: Has Government fixed any over-all target for the whole country? Or is it that they have no targets? At least, can the hon. Minister give us an idea of their expectations?

SHRI H. D. RAJAH: Yes, Rs. 80 crores.

MR. CHAIRMAN: He has answered it—Rs. 80 crores is the target for the whole country.

SHRI JASPAT ROY KAPOOR: Exactly, but on what basis has this target been fixed? What is the basis for this expectation? Have they any valid basis?

SHRI B. R. BHAGAT: The basis is past performance.

श्री ब्रज बिहारो शर्मा : ये जो स्माल सेविंग्स ड्राइव में कमी आ गई है उसका कारण यह तो नहीं है कि साधारण जन समूह की आमदनी का स्तर बहुत नीचा हो गया है ?

श्री बी० आर० भगत: थोड़ी देर पहले मैंने एक कारण यह भी बताया था ।

SHRI SONUSING DHANSING PATIL: How many institutions have subscribed and how many individuals, to these savings? What has been their respective subscription to this small-savings scheme?

SHRI B. R. BHAGAT: Institutions? Mostly they are individuals and I am not in a position to give the details.

SHRI MAHESWAR NAIK: What was the collection during the last fortnightly observance of the small saving drive and how does it compare with the collections for the rest of the period?

MR. CHAIRMAN: It is impossible to give now fortnightly collections.

SHRI AHMED SAID KHAN: Is it not a fact that the target fixed when the Budget was presented was Rs. 100 crores and not Rs. 80 crores?

SHRI B. R. BHAGAT: The average for a year is Rs. 100 crores because it

was Rs. 80 crores for a five year period. But in the Budget the target was Rs. 80 crores, in the expectation that it may be raised in the later years.

EFFECT OF REPLACEMENT OF SALES TAX BY THE EXCISE DUTY

•15. SHRI MAHESWAR NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government have by now assessed the effects of the replacement of the sales tax by the excise duty on the general level of prices of sugar, cloth and tobacco; and

(b) if so, to what extent, if any, the ultimate consumer has been afforded relief as a result of this replacement?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): (a) and (b). As the additional excise duty in replacement of sales tax is being levied only with effect from the 14th December 1957, it is as yet too early to assess the effect of this replacement on the general level of prices of these commodities.

SHRI MAHESWAR NAIK: May I know, Sir, whether the Government are aware that the prices of those commodities on which there has been this imposition of an additional sales tax have been increasing recently, particularly sugar and tobacco?

SHRI B. R. BHAGAT: Although it would not be fair to draw any conclusion, yet very generally I can say that the price of sugar has slightly increased subsequent to 24th December. But the prices of textiles as well as of tobacco and its products have generally remained steady.

SHRI MAHESWAR NAIK: May I know, Sir, whether the hon. Minister knows that the price of cigarettes has gone up by at least two pice per packet of ten?