

THE APPROPRIATION (NO. 2)
BILL, 1954.—*continued*

MR. DEPUTY CHAIRMAN: We now take up the Appropriation Bill. Mr. Shah.

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): Mr. Deputy Chairman, I have listened with close attention to the speeches made by the hon. Members of this House on the Bill moved by me. I am happy, Sir, that by and large Members of this House have accorded their support to the Bill excepting one Member who opposed the Appropriation Bill and the other Member who, in an irresponsible way, termed it as a Misappropriation Bill.

Sir, during the debate lasting for twelve hours, thirty-one Members have spoken on the Bill. My colleagues, two Deputy Ministers and two Parliamentary Secretaries, have intervened in the debate. They have lightened my task about certain points raised by some of the hon. Members on the Ministries concern ing them. Still, there remain

SHRI H. N. KUNZRU (Uttar Pradesh) : Would the hon. Minister kindly speak out?

PROF. G. RANGA (Andhra): A little louder, please.

MR. DEPUTY CHAIRMAN: Please speak into the mike.

SHRI M. C. SHAH: Sir, my two colleagues, two Deputy Ministers and two Parliamentary Secretaries, have replied on various points raised in the debate concerning their Ministries and, therefore, I am grateful to them for having lightened the burden on me. However, Sir, there are many points raised in the debate which require some reply from me.

PROF. G. RANGA: Also another Deputy Minister? All Deputy Ministers and Parliamentary Secretaries?

SHRI M. C. SHAH: I am sorry, Sir, my hon. friend Mr. Ranga has interrupted. I may inform him that the Finance Minister was very anxious to come here and to reply to the debate and to be present during the debate but perhaps the hon. Member is aware that the Finance Bill was going on in the House of the People and the Finance Minister was very busy in connection with it.

PROF. G. RANGA: Not today.

SHRI M. C. SHAH: But I may assure him and I may inform the House that the Finance Minister is going to attend the discussions on the Finance Bill and he will reply. My friend, Mr. Ranga, has perhaps reserved his speech for the Finance Minister and so he need not have any apprehension about the reply that he may receive from the Finance Minister.

Now, Sir, there are many points raised by the hon. Members which require a reply from me but unfortunately within the short space of time allotted to me, about fifty-five minutes or so, I cannot reply to all those, about fifty important points raised in the debate, and so I would try to reply to as many points as possible and as shortly as possible.

In the beginning, Sir, I will just reply to certain points or certain complaints made by some Members with regard to their States. Firstly, Sir, I will take up the points raised by my friend Mr. Mathur. He took almost about forty-five minutes in speaking on the question of assistance to Rajasthan. He made certain caustic remarks on the statement made by the Finance Minister and he went on at great length and sometimes with rather very much of vehemence. It is very difficult for me to reply to all those points that were raised by him during his speech but I must say that he was rather under a very serious misapprehension. What the Finance Minister stated in

the other House was that when there were persistent demands to reopen the question of financial assistance to those Part B States, he stated certain factual matters and said that when the Federal Financial Integration came into existence Rajasthan was rather a surplus State and thereby he meant that as a result of the transfer of their heads of revenue and expenditure from the State to the Centre the State saved expenditure greater than the revenue lost. This was on the date of the Federal Financial Integration and with reference to the immediately preceding period. Thereafter there were deficits but those deficits were in the field of the State and, so far as the Centre was concerned, as I have stated just now, there was no deficit and when the Finance Commission awarded a very good sum of nearly Rs. 3 crores a year, that met more or less the deficit of that State even in the next years after the integration. The Finance Minister mentioned that there were other grants also given to the State of Rajasthan and, therefore

SHRI H. C. MATHUR (Rajasthan): Sir, may I say

MR. DEPUTY CHAIRMAN: Mr. Mathur, there is hardly any time left now.

SHRI H. C. MATHUR: I want only to clarify.

MR. DEPUTY CHAIRMAN: He is meeting your points.

SHRI H. C. MATHUR: He is not, Sir. Will you please allow me, Sir?

MR. DEPUTY CHAIRMAN: Order, order.

SHRI M. C. SHAH: in accordance with the agreements entered into with them, in four Part B States, a Committee under the Chairmanship of Shri N. V. Gadgil was appointed. Now, I was rather surprised to hear the insinuations against the person-

nel and the working of that Committee. I am really very sorry that my friend forgot that there were three members on that Committee; one was Shri Gadgil, an ex-Cabinet Minister and a man holding a very important position in the public life of India, and then there was one hon. Member from this House whose ability to look into all such matters is well-known to this House; and there was an able administrator. After going very carefully into the question referred to them, they came to certain conclusions and certain assistance was given to the Part B States. Now, the Finance Minister's point was that after having gone through all these things, this matter must be now kept at rest.

It is no use every now and then pleading for assistance on account of certain deficits that may occur in the State field. As a matter of fact, the Centre has been always—if I may use the word 'generous'—rather generous in giving grants to these States which have got these backward areas. He also just enquired what are these 9 crores of rupees of which one and a quarter crores was given. I think that the nine crores is the sum provided for in the Plan and these nine crores are to be given as a loan. Instead of that 1*25 crores was given as a grant. I may inform him that even with regard to other matters we have been very considerate. So far as the sales tax is concerned the Central Government has adopted a certain uniform policy, but very recently we received] a proposal from the Rajasthan Government to show some consideration so far as the essential goods for the use of the community were concerned and we relaxed that policy in favour of the Rajasthan Government.

Again for use during the next two years an additional grant of Rs. 10 crores has been sanctioned by the Planning Commission for constructing roads in the backward areas of the States and also in those areas

[Shri M. C. Shah.] where there are no railway links or there are very great shortfalls in respect of communications. Those ten crores also are to be distributed among those States where there is absolute necessity for having roads and all other communication amenities. So that Rs. 10 crores is for the remaining two years of the present Plan. Also there is a provision of Rs. 10 crores for two years in the second Five Year Plan, and we have already invited schemes from the States and I am sure that in that Rajasthan gets a good sum.

SHRI H. C. MATHUR: It was not a charity.

SHRI M. C. SHAH: We never say that it was a charity. What we say is that that is the factual position. It was very unfair for him to say that it was not a charity. We never give any charity to any State. We consider the claims of all these backward States in a rather equitable and considerate manner and therefore what the Finance Minister stated there was that the matter must be put an end to and I reiterate the same thing, Sir, and I must say that it must be treated as finally settled or finally closed.

SHRI H. C. MATHUR: After all this assistance does it still continue to be a backward State?

SHRI M. C. SHAH: Now it is no use arguing with my friend. He had spoken for about fifty minutes and I do not think you will, Sir, allow me fifty minutes to reply to each of his points raised in his speech and therefore I can only be brief in my reply.

Then he criticised in a very bad way the working of the Gadgil Committee and therefore I think it is my bounden duty to protest against such caustic comments made by any Member from Part B States which have been treated very equitably and considerately.

Now there was again the other point raised by the Member from Hyderabad. There too, perhaps, he is under a misapprehension. That State has also considerably benefited from the recommendations of the Finance Commission. Against a revenue gap of Rs. 116 lakhs only, as a result of the federal financial integration, the State Government is now getting a little over Rs. 4 crores from the findings of the Finance Commission. I do not think that that can be considered to be inconsiderate. In addition the State receives Rs. 10 crores from the Centre as assistance under the Five Year Plan and I may assure the hon. Member from Hyderabad that that sum is likely to be exceeded, rather that sum will, in all probability, be considerably increased very soon. Further the State has been promised a sum of Rs. 3 crores as was given to the Rajasthan Government also to be spent during the last two years of the Plan on works in the scarcity affected areas of the State which is likely to make a permanent contribution towards a solution of the difficulties in regard to famine. It will be seen therefore that there too there is no cause for any grievance by the hon. Member. It is natural for the Members coming from the States to plead the cause of their States and I appreciate that. But at the same time they must take into consideration the factual position with regard to the limited resources.

Then one Member complained about the development projects in Andhra. He said that there was party politics there and as a result the progress may be impeded; he said all such things. At the same time perhaps he meant to say that the Centre is not giving Andhra very generous assistance. I had stated in reply to one question that we had already agreed to Rs. 3-75 crores for certain schemes in the year 1953-54. Rs. 7 crores have been offered for those schemes in the year 1954-55 There are already there five im-

portant schemes for which Central financial assistance has been given and these are the Tungabhadra Hydel Irrigation Project, Machkund Hydel Project, Romparu Drainage Project, Rallapad Project and Upper Pennar Project. Then he mentioned about Nandikonda, and he wanted the Centre to take over this project. He must realize the limited capacity of the Centre so far as experts are concerned and so far as the financial resources of the Centre are concerned. That scheme is a scheme which will give good revenue to the State and so it will be in the interests of the State itself to take up that work. It is a part of the Krishna River Project and I am sure that the State will take that up in right earnest and it is also unnecessary that the Centre should intervene.

Then my friend—I think it was Mr. Mahanty—referred to certain reports in pigeonholes. I am not now sure whether there are pigeon holes in the Secretariat. But for his information I may tell him about the two reports that he had mentioned. One was with regard to Damodar Valley Project and it was the Rau Committee's Report. He may be aware—I am sure that he is very diligent and he must be knowing it that that committee was appointed on the recommendation of the Estimates Committee. That report is to be placed on the Tables of both the Houses, but since that committee was appointed on the recommendations of a certain parliamentary committee, the convention is that that report must go first to that committee and after the committee has gone through that report, that report is to be placed on the Tables of both the Houses. So this report was received by the Government and thereafter it has been sent to the Estimates Committee and it will be placed on the Table of the House as early as possible, the moment we receive it from the Estimates Committee.

Then there was another enquiry and that was with regard to the Mahanadi Project. About that too I am sure Mr. Mahanty must be knowing very well that that committee was appointed on the recommendations of the Public Accounts Committee. That committee has already reported and that report before being placed on the Table of the House, has to go to the Public Accounts Committee and that report has gone to the Public Accounts Committee through the Comptroller and Auditor-General. He will place it before the Public Accounts Committee with his remarks thereon and the Public Accounts Committee will look into that. We have already accepted the recommendations of that committee. The report will be placed on the Table of the House as early as possible.

SHRI S. MAHANTY (Orissa): May I know when they were received by the Government?

SHRI M. C. SHAH: Yes. The Rau Committee submitted its report in June 1953 and the report of the Champekar Committee was received on the 10th October 1953. After receipt of these reports the Ministries concerned and the Government of India as a whole considered the recommendations made therein and they were just going to place both these reports on the Table of the House, but in the meantime this point was brought to their notice and therefore they have gone there.

Then, Sir, one hon. Member from Bihar complained about the location of the steel plant. He did not complain really about the location of the steel plant but he complained that the Bihar representatives were not consulted.

There too there is a misunderstanding on the part of the hon. Member. The position is that the German experts, after enquiring into the feasibility of having that steel plant located in one of the four States.

[Shri M. C. Shah.] submitted a memorandum to the Government of India. That memorandum was sent to the four State Governments and they were requested to offer their comments but the Bihar Government did not offer any comment and therefore it was assumed that the Bihar Government had nothing to say. Therefore only the Madhya Pradesh, West Bengal and Orissa Government representatives were called when the matter was finally decided. These-fore this complaint has come from rather a misunderstanding of the factual position.

Then, there were points raised about the Central Social Welfare Board. Professor Wadia was kind enough to say a word of appreciation. He said that this was one of the finest jobs done after independence. I am grateful to him for his appreciation but at the same time he rather feared that a good deal of precious money might be wasted and he cautioned the Social Welfare Board to be very careful on that account. I may inform the House that this matter has been referred to many a time in the House. The Social Welfare Board was constituted very recently *i.e.*, in the latter half of the year 1953. A provision of Rs. 4 crores has been made by the Planning Commission to be spent during the Plan period on social welfare work. Now there is a full-time Chairman. They have got ten members some of whom are well-known social workers of the country and then there are some representatives of the Ministries concerned on the Board. Then there are rules and regulations and bye-laws which are to be approved by the Government; also at the same time there is a condition imposed "that they cannot give more than Rs. 15,000 to any single institution and there is another condition that whatever sum is allotted by the Social Welfare Board will have to be matched by a similar sum by the organisation receiving that help.

There is a Standing Committee and they invite applications from all the social welfare organisations of the country. There is a form which requires all the necessary information in order to ensure that the moneys may not be mis-spent or may not be wasted or the full value for the moneys granted may not be had. Those applications are considered by the Standing Committee and are then placed before the General Body where all these things are carefully scrutinised. Last year during 1953-54 there was a Budget provision of Rs. 25 lakhs but as the organisation reached its tempo only during the last few months of 1953-54, only Rs. 21 lakhs were spent in that year. This year there is a provision of Rs. 1,50,00,000 and I may inform the hon. Member and the House that the Board is taking very keen interest in these matters and is quite alive to see that not a farthing is wasted. They have got the following special functions—to cause survey of the needs and requirements of the social welfare organisations, to evaluate the programmes and projects of the aided agencies, to co-ordinate the assistance extended to social welfare activities by the various Ministries in the Central and State Governments, to consider the setting up of social welfare organisations on a voluntary basis in places where no such organisation exists, and, lastly, to consider giving financial aid when necessary to deserving organisations or institutions on terms to be prescribed by the Board. I may also inform the hon. Member and the House that they are not entitled to give any non-recurring grant; only recurring grants are to be given and that too only up to the extent of Rs. 15,000 on condition that the institution receiving the aid also raises an equivalent sum.

There will be three categories of institutions—institutions for the welfare of women, institutions for the welfare of children and institutions for the welfare of handicapped and

delinquent children. Now, Sir, the Board has very recently, that is, at its last meeting, decided to launch a Social Welfare Extension Project Scheme. The scheme envisages each project to cover a population of about 15,000 spread over 10 to 15 villages. The cost of each project for the Plan period is estimated to be Rs. 50,000 of which Rs. 25,000 will be given by the Board as a grant after the Government have approved the scheme. The Board's programme is to launch 300 such projects during the Plan period out of which the Board hopes to implement 150 such projects having a population of 15,000 each spread over 10 to 15 villages during the current year. It will thus be seen that, these moneys are very well spent and it is very necessary and the Planning Commission also consider it necessary that public cooperation and the enthusiasm of the voluntary workers in particular have a very large part to play in the fulfilment of the welfare programme under the Plan.

A point was raised by my friend Mr. Bodra about Scheduled Tribes and Scheduled Areas. He complained that sufficient attention was not being paid to them. I may inform the hon. Member and the House that we are doing our utmost in this respect and that would be seen from the factual position that I am going to give just now. Under article 275 of the Constitution we have to make provision for a programme for the social and economic welfare of the Tribal population living in Scheduled Areas. The Central Government have made a provision of Rs. 12 crores for the period of the Plan and the various States also have provided another Rs. 11 crores for the development of Tribal Areas. Their programmes include schemes for the building of roads, the improvement of water supply, the provision of irrigation, the development of agriculture, animal husbandry and cottage industries and increased educational and medical facilities.

Against this provision of Rs. 12 crores, a sum of Rs. 556-30 lakhs has already been paid during the years 1951 to 1954. In 1951-52 we spent Rs. 257-50 lakhs; in 1952-53 Rs. 158-50 lakhs and in 1953-54 Rs. 240-20 lakhs; making a total of Rs. 556-30 lakhs. In 1954-55 a provision of Rs. 356 lakhs has been made making a total of Rs. 9-12 crores as against the Budget provision of Rs. 12 crores.

Now, as regards scholarships allowed to the Scheduled Castes, Scheduled Tribes and Backward Classes, we have made bigger and bigger provisions during the last three to four years. In 1950-51 we spent about Rs. 12 lakhs in scholarships to Scheduled Castes, Scheduled Tribes and Backward Classes; Rs. 15 lakhs in 1951-52, Rs. 30 lakhs in 1952-53, Rs. 62 lakhs in 1953-54 which is double the amount spent last year and this year we have made a provision of Rs. 75 lakhs for the purpose of giving scholarships to these people. I will not tire the House by giving figures about the number of scholarships given to students of these classes but it is expected that this year about 14,000 scholarships will be awarded under the scheme. Therefore I beg to plead that the hon. Member has no cause for complaint with regard to the provisions made by the Government for the welfare of the Scheduled Castes, Scheduled Tribes and Backward Classes.

PROF. G. RANGA: What is the break-up for Scheduled Tribe students out of these 14,000?

MR. DEPUTY CHAIRMAN: Let him go on.

SHRI M. C. SHAH: I have got it here.

MR. DEPUTY CHAIRMAN: You can pass it on to the hon. Member late,

SHRI M. C. SHAH: Yes. I have to deal with many other points. I will just say.....

PROF. G. RANG A: Now that you are on it, you can give the figures.

MR. DEPUTY CHAIRMAN: Give him the figures for Andhra.

SHRI M. C. SHAH: Now, Sir, regarding certain observations made by hon. Members on the Education Ministry, my hon. friend Dr. Shrimali, Parliamentary Secretary, has replied to the points raised by several Members yesterday. I would, however, like to add to it by giving the factual position as regards the provision made during the last three years so far as Education is concerned.

The total expenditure, it will be interesting to the House to know, incurred by the Ministry of Education in 1952-53 on their different activities comes to about Rs. 5i crores. According to the revised Budget for 1953-54, this has gone up to about Rs. 7£ crores while in the Budget estimates for 1954-55, provision to the extent of Rs. 15J crores has been made. This will show that more and more funds are being made available to the Education Ministry from year to year. My hon. friend, Prof. Kane has taken only Rs. 12-5 crores and if he has included the expenditure on social welfare which is also under the Ministry of Education, it will come to Rs. 17-K5 crores.

Again, I may say, Sir, that in the Plan there is a provision of Rs. 20 crores for Basic and Social Education, about Rs. 7i crores for Technical Education and Rs. 1 ■ 2 crores for University Education. Against this provision, funds were made available *to the* Education Ministry to the tune of about Rs. 84 lakhs in 1951-52, Rs. 258 lakhs during 1952-53, Rs. 372 lakhs during 1953-54 and Rs. 1017 lakhs during 1954-55.

Again, there was something said about archaeological monuments »no their maintenance. My friend, perhaps, is not there. There too I may say that we are increasing our expenditure every year.

In 1952-53, we have spent Rs. 35-35 lakhs;

In 1953-54, we have spent Rs. 44-3 lakhs;

In 1954-55, we will spend Rs. 48-8 lakhs.

The hon. Member had complained about the liability of the Central Government for expenditure on archasological monuments in Part 'C States. The difficulty is that under the present Ancient Monuments Preservation Act, the Central Government is liable for all monuments in the States whether part A', 'B' or 'C which have been declared to be monuments of national importance under the Ancient and Historical Monuments Act. The Central Government is not incurring any expenditure on monuments in part 'C States which have not been so declared. The position is that every time a monument has to be declared to be a monument of national importance, the approval of Parliament is necessary. The Education Ministry are considering the steps to be taken for altering the Schedule in such a way as to enable monuments to be declared monuments of national importance without having to go to Parliament on each occasion.

Now, Sir, my hon. friend, Shri Mazumdar, raised various points about the pay scales of clerks, their conditions of service, the medical facilities and the housing accommodation and their service associations. With the very limited time at my disposal I will not be able to go into the whole history of the pay scales of clerks and peons. But I may assure him that though I am not a trade unionist and I know very little about trade unionism, I have

lived all along with labour and the lower middle-classes. I can assure him and the House that their interests are as dear to us as they are to the Members on the other side. I have always tried to take a sympathetic view where questions relating to the amelioration of their lot is concerned, but there are, as you are aware, Sir, certain limitations even to this. And we shall provide as many amenities as possible to these people.

I will now come to some factual information with regard to housing accommodation about which a point has been raised. I will just inform the House as to what has been done by the Government during the last two or three years.

I am speaking about Delhi—accommodation for Government employees here. In 1952-53, we have spent Rs. 90.77 lakhs; in 1953-54, it was 184 • 75 lakhs, and we have programmed to spend during 1954-55, Rs. 5,34,78,000. Recently, I have issued sanction for the construction of houses, more particularly for the lower classes. I have sanctioned very recently, a month before, 3,400 houses for clerks in the pay-range of Rs. 55 to 149, and the expenditure will be Rs. 2,18,47,000. For the peons also, some 2,000 houses have been sanctioned costing Rs. 60 lakhs. I have laid down that the percentage of people having accommodation today is from 79 to 49; and in the lower grade, the percentage of the housing accommodation is 62 to 53. We have decided that this percentage of residential accommodation must be raised to 70 within the next two years and we feel that if we leave out 30 per cent, for future years, this 30 per cent, accommodation will be found easily within the city. My idea is that there must be one hundred per cent, accommodation so far as the lower income groups of government employees are concerned, and therefore, instead of Rs. 184 lakhs that has been sanctioned this year, we

have sanctioned a sum of Rs. 534 lakhs for 1954-55. And, I am sure all this construction will be done in the course of this year, and expenditure sanction has already been given to this amount.

Coming to the medical facilities, there also, I may inform hon. Members that for the Central Government servants residing in Delhi, a new scheme of medical treatment has been approved called the Contributory Health Scheme and it is to begin operating from May onwards.

SHRI S. N. MAZUMDAR (West Bengal) : But that is only for Delhi at present.

SHRI M. C. SHAH: At least I wanted to give you the factual position that we are just progressing. I would like to have it all over India but this is a beginning to redress the grievances of our people. At present the Willingdon and Safdarjung Hospitals have been taken over by the Government and doctors have been debarred from private practice so that they can devote their whole time to Government servants. Government servants and their families will be entitled to free treatment and there will be no necessity of obtaining forms, filling them and getting reimbursement. No fee will be charged and all medicines will be supplied free of cost. Even the poor people who cannot afford to spend on their medical treatment will be given free treatment. Then again the definition of the term 'family' has been enlarged. Even dependants of a Government servant have been included! in the definition, and that will apply to Class IV servants also. All Government servants, irrespective of the class to which they belong, will be entitled to the same standard of service, including Ministers also.

Now, Sir, he had raised a point about peons' allowance when on tour. I admit that it was 10 annas, but some time back, possibly some eight months

LShri M. (J. Shan.) back, that matter came to my notice and immediately I moved the matter and¹ now the rates sanctioned are from Re. 1 to Rs. 1-10-0.

SHRI S. N. MAZUMDAR: But the decision has not reached the spot.

SHRI M. C. SHAH: Must have reached, or it must be on its way. However, I shall find it out.

Now, Sir, there are so many other points on which I can satisfy my hon. friends as regards the steps taken to ameliorate the service conditions of these people. About the temporary services also we have already agreed that 80 per cent, of those temporary employees who are likely to be retained indefinitely should be made permanent. About the remaining 20 per cent, also we have already decided that if those posts are likely to be retained, then those posts may be made permanent, and I am sure that these orders are being implemented. Now I have got to reply to so many points, but I do not know whether it would be possible for me to do so

MR. DEPUTY CHAIRMAN: There are only ten minutes left now.

SHRI M. C. SHAH: I am sorry, I had 30 points to be replied to.

श्री प्र० च० भञ्जदेव (उड़ीसा) : वर्मा के बारे में भी कुछ कहिये ।

t [SHRI P. C. BHANJ DEO (Orissa): Please say something about Burma also.]

SHRI M. C. SHAH: There are more important points than that.

Now, Sir, a point was raised about the sales tax. One friend drew attention of the Government to the difficulties experienced by non-resident traders. That is correct. After the Supreme Court judgment the matter was brought to our notice and we made enquiries in the matter and we found that there was a good deal of inconve-

fEnglish translation.

nience caused to the non-resident traders. Some traders of Saurashtra were being taxed by Bihar, some traders of U.P. were being taxed by Bombay or Madras, and so on and so forth. The States rather got a windfall

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' from the interpretation by the Supreme Court. As we are all aware, the States always want more resources so far as their budgetary position is concerned. And we could not ask them to forego the tax. But there were certain hardships. They proposed to levy the tax retrospectively, i.e., from time when the Constitution came into effect, say the 26th January 1950. We took up the matter with the States and we explained to them the difficulties, and we requested them to consider those difficulties from a humanitarian point of view. And almost all the States have agreed that they will not levy this tax retrospectively. Some State Governments have agreed that they will tax from 1st April 1953; some States have agreed that they will levy it from 1st January 1954. And also we have had some interim arrangement about these traders' books to be shown and their returns to be filed in order to alleviate as much as possible their difficulties in this respect. And then we are just considering how to solve the problem of inter-State trade. There is real difficulty so far as the inter-State trade transactions are concerned. But that matter is now before the Taxation Enquiry Commission and we are awaiting their recommendations in the matter. It was suggested that Central legislation may be passed or the Constitution may be amended. It is quite all right to make a suggestion of that kind. But as the House is aware, there are so many difficulties in amending the Constitution. And the paramount difficulty is whether the States will agree to have Central legislation for sales tax. Thus there are so many difficulties involved in such a proposal. But I can assure the House that the Government of India are quite alive to the difficulties experienced by the non-resident traders so far as the inter-State trade transactions are concerned, and¹ the moment we get the report of the Taxation En-

quiry Commission, we shall see what we can do in the matter.

Then, Sir, my friend referred to the loans to corporations. Perhaps he was referring to the amount of Rs. 12 crores provided for loans to corporations and municipalities. A part of this amount has been earmarked for the Vaitarna Water Supply Scheme in Bombay. And a decision has already been taken that the balance will be utilised for urban water supply schemes of municipalities. The total provision in the current year amounts to Rs. 4 crores. The assistance will be provided to the State Governments and we expect that suitable schemes will be sponsored by them for the amount "being utilised fully. Then, Sir, there is also another provision of Rs. 15 crores for local works provided for in the Plan. Of this amount, Rs. 11 crores were spent last year and the provision of Rs. 6 crores has been made for the year 1954-55. This will be in the form of grants for small works such as construction of school buildings, extension of roads etc. on which the Central share will be restricted to a maximum of Rs. 10,000. The State Governments can take advantage of this provision of Rs. 6 crores and if they are prepared to spend 50 per cent., then the Central Government will give these grants.

Shri Bisht submitted last May a scheme costing more than one lakh for water supply in Nainital Municipality. That scheme did not come through the State. The Central Government considers only those schemes which come through the States and at the same time the other condition also should be fulfilled that 50 per cent. of the money should be raised by that municipality. So, I will advise the Member to approach the State Government and to send the scheme through the State.

Much was said about small-scale and cottage industries. My friend, Mr. Parikh, was rather very critical of the Government of India and said that the recommendations of the Planning Commission were not implemented by the Central Government. He said that,

if only they were implemented¹, there would be fuller employment and so on and so forth. Perhaps he is not aware of the factual position.

SHRI C. P. PARIKH (Bombay): I am fully aware.

SHRI M. C. SHAH: If the hon. Member is aware of the factual position, he will be knowing what we did during the last three years. During 1950-1952, the assistance given on the recommendation of the late Cottage Industries Board set up in 1948 was on a somewhat restricted scale. It was only to-

{ wards the end of the year 1952 that the Central Government intensified its activities in the field of cottage and small-scale industries as an integral part of the overall economic development of the country under the first Five Year Plan. The Plan contemplates expenditure on this account in the State field to the extent of Rs. 12 crores and further Central assistance to augment this to the extent of Rs. 15 crores. The Government have estab-

| lished a number of Boards which are entrusted with the task of developing

I the different branches of cottage and small-scale industries, viz., the All India Khadi and Village Industries Board, the All India Handicrafts Board and the All India Handloom Board. The Central Silk Board was also reconstituted and the Coir Board has also been set up recently. A separate Small-Scale Industries Directorate has been set up in the Development Wing of the Ministry of Commerce and Industry. Perhaps the House is aware that the Finance Minister has already suggested that an All India Board should be set up for small-scale industries also. I agree that more and more importance should be given by the Central Government and the State Governments to encourage development of small-scale industries thus providing better and fuller employment. If only hon. Members are aware of the factual position, they will see that we have not only implemented the recommendations of the Planning Commission but are actually going farther than that. In 1953-54

[Shri M. C. Shah.] we had provided for khadi only Rs. 96 lakhs as grants and Rs. 91 lakhs as loans. This year we have provided for grants Rs. 110 lakhs and for loans Rs. 150 lakhs. In the same year for handloom we provided Rs. 160 lakhs by way of grants and Rs. 140 lakhs by way of loans. This year we are providing for Rs. 3 crores for grants and Rs. 2 crores for loans. In 1953-54 for village industries we provided only Rs. 20 lakhs, but this year we are providing for Rs. 66 lakhs as grants and Rs. 53 lakhs as loans. That means Rs. 119 lakhs. For small-scale industries in 1953-54 we had provided for Rs. 36 lakhs but this year we have provided for Rs. 83 lakhs. For silk and sericulture this year we are providing for Rs. 40 lakhs as against Rs. 16 lakhs in 1953-54. For handicrafts the expenditure last year was only Rs. 13 lakhs but this year we are providing for Rs. 50 lakhs. For 1954-55 it will therefore be seen that the provision for the development of cottage and small-scale industries including khadi and handloom is Rs. 10.7 crores i.e., practically double the expenditure of 1 the previous year and almost two-thirds of the total provision made under the Plan as the Centre's share. On this basis, it is expected that the target for Central expenditure set out in the Plan will be exceeded before the Plan period.

Again, Sir, the Central Government is giving assistance to other specific village industries like soap-making with neem oil, leather tanning, paper-making by hand, bee-keeping, hand-pounding of rice, village oil industry, cottage match industry, hand-propelled *ntta chakkies*, and palm oil. It will be seen that the expenditure for these, which was only Rs. 20 lakhs in 1953-54, will increase six-fold in 1954-55. While the Handicrafts Board spent only Rs. 13 lakhs in 1953-54, their expenditure this year will be Rs. 50 lakhs, i.e., nearly four times.

SHRI K. S. HEGDE (Madras): They are all pious wishes.

SHRI M. C. SHAH: After all, they are autonomous bodies. We are giving them grants and loans and it is for these Boards to spend these monies. We are making more and more provisions for these Boards, and I am sure that the Boards are very keen to spend all these monies. Therefore, Sir, the criticism that the Central Government is not implementing the recommendations of the Planning Commission has no feet to stand upon.

MR. DEPUTY CHAIRMAN: Your time is up.

SHRI M. C. SHAH: I have got so many points still to answer like deficit financing, convertibility of sterling and so on. If there is no time, I am sorry. My hon. friends should not take it amiss that I have not been able to reply to the points that they have made.

SHRI B. GUPTA (West Bengal): We are having greater unemployment today.

SHRI M. C. SHAH: I have got replies here for all the points here.

SHRI B. GUPTA: A bunch of papers cannot help us.

SHRI M. C. SHAH: So, at the proper time whenever these questions are again raised, I will try to convince my hon. friends if they are open-minded and show that the Central Government is doing its best to bring a Welfare State into existence as early as possible.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55, as passed by the House of the People, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

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

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

SHRI M. C. SHAH: Sir, I move:

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be returned."

SHRI B. GUPTA: What the hon. Minister has said makes no sense either to ourselves or to the people at large. I do not know whether, when the hon. Minister was speaking, he remembered the fact that his statistics and the number of officers in the Secretariat convey nothing to the people of India. Sir, many great problems are there and many questions were raised, but he has not cared to answer many of them. He says that all the answers are there. What is the use of those sheets of paper to us? We cannot eat them! If there was no time, he could have prepared a small summary and could have given it to us here. The hon. Minister has done nothing of the sort. I expected that he would touch on the allotment for rehabilitation. A large number of refugees are coming from Orissa to West Bengal and the West Bengal Government is taking up a very hostile attitude.

SHRI M. C. SHAH: He did not raise this point. What is the use of being so eloquent about it now?

SHRI B. GUPTA: He is talking of points.

Large numbers of refugees are returning from Orissa and other States to West Bengal where they had been sent for rehabilitation. The Central Government is doing nothing and are also ignorant about these. Even

if they know, they are not doing any thing

(Interruptions.)

.....and the Minister is happy about it. He is smiling.

M|R. DEPUTY CHAIRMAN: You have given notice for papers.

SHRI M. C. SHAH: He spoke for one hour and he spoke of Acts and hydrogen bombs. He did not speak about this, as if it did not interest him.

SHRI B. GUPTA: If you answer our points, I shall speak for 5 hours.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

THE FINANCE BILL, 1954

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH) : Sir, I move:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1954-55, as passed by the House of the People, be taken into consideration."

Clause 2 of the Bill deals with the rates at which income-tax and supertax are to be imposed. It continues the existing rates and there is no change for the reason that I have already referred to in my Budget speech. *viz.*, that until we receive the recommendations of the Taxation Enquiry Commission, we do not consider it appropriate to make any changes in the existing structure of income-tax and super-tax.

Now clause 3 contains amendments of a minor nature that are proposed to be made in the Indian Income-Tax Act. Four of them are intended to extend by two years up to the 1st April 1956 the concessions which expired on the 31st March 1954, and when we receive the report of the Commission,