

**Prevention of Disqualification (Parliament and Part C States Legislatures) Act, 1953.**

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to amend the Prevention of Disqualification (Parliament and Part C States Legislatures) Act, 1953."

The motion was adopted.

SHRI C. C. BISWAS: Sir, I introduce the Bill.

SHRI K. S. HEGDE (Madras): Could we be informed of the nature of the Bill?

SHRI C. C. BISWAS: It is a one-clause Bill seeking to extend the date from 30th of April to the end of the year.

SHRI RAJAGOPAL NAIDU (Madras): It is not there on the agenda of today.

MR. CHAIRMAN: The motion for introduction has already been adopted and the Bill introduced.

SHRI RAJAGOPAL NAIDU: This Bill does not find any place on the agenda and the hon. the Leader of the House.....

MR. CHAIRMAN: In emergencies we do include items not mentioned in the agenda.

SHRI RAJAGOPAL NAIDU: It is too much for the Leader of the House to do that without putting it on the agenda.

MR. CHAIRMAN: That is all right.

**THE FINANCE BILL, 1954—  
*continued***

MR. CHAIRMAN: Now we pass on to the discussion on the Finance Bill. Mrs. Parvathi Krishnan.

SHRIMATI PARVATHI KRISHNAN (Madras): Mr. Chairman, I rise to

oppose the Finance Bill as it has been placed before this House by the hon. the Finance Minister.

It is today commonly accepted and commonly agreed by leading economists and by leading politicians that in our country unemployment is on the increase. The economic crisis that faces our people is deepening day by day, or I might say that in the countryside today the impoverishment of the peasant is far greater than it has ever been before. Coupled with this there is also today in our country a crisis in the smaller industries. And if one studies the daily newspaper, one will find that small industries, one after the other, are threatening closure because of the economic crisis that faces them.

It is in this context that today we are presented with the problem of deficit financing. And where we expected some relief for the masses of the people, we find that our finance scheme is such that it increases the burden on the majority of our people in this country. The hon. the Finance Minister says that it is necessary for the financial needs of our development schemes to have this deficit financing. I do not propose to go into that in any great detail, although I beg to differ in this respect.

Assuming that this is necessary, we find that the incidence of taxation on the consumers and the public is very high, because in addition to the Central taxation on the consumers there are also the State taxes, for example, the special Sales Tax, with the result that more and more the burden of taxation in our country is thrown on to the shoulders of the majority of our people. The big multi-millionaires, the big landlords and the big monopolistic concerns are all, on the whole, not taxed to the same degree or in the same proportion, and the financial policy of the Government that has been put forward before us only maintains the structure that has been existing in our country for so many years, rather it adds to the rigour of that structure, bringing

[Shrimati Parvathi Krishnan.] very little or almost no relief to the vast majority of our people. We know that this is the fourth Budget which is being put forward before this House by the hon. Finance Minister, and in this fourth Budget we see that tax concessions are given not to the poorer people, not to the struggling lower middle class employees, not to the workers and the peasants, but to the big business corporations and to the higher income groups. I need not go into great detail as regards this, because numerous figures have been placed before this House in this regard and they have been referred to again and again.

The argument that we hear is that indirect taxation brings in only a very small amount. But I would beg to point out that it is not a question of whether it is a small amount or a big amount that we are raising. The point that we raise and that we emphasise again and again is that this indirect taxation must be lowered, and lowered radically, if real, relief is to be achieved for the majority of our people. I do not propose to go into the intricacies of arguing and posing one figure against another to prove or to disprove whether this indirect taxation provides a small or a big amount. The point that I wish to emphasise here is that irrespective of the fact whether it is a small or a big amount, unless and until this indirect taxation is lowered in the context of the economic conditions and the economic crises that obtain in our country today, the relief which we ought to give to the people, the relief which it is the onus and the responsibility of the Government of any democratic country to give to the people, will not be forthcoming. The burden of taxation should not increase, and the fact that it raises a very small sum is indeed very small consolation because we find that the incidence is more and more on the daily necessities of life. The question may be asked, "Is this big?" This is only very small, but we find that this whole policy of

indirect taxation, this whole policy or laying the burden on the majority of the people seems to have a very deep purpose—a two-fold purpose: firstly, the purpose of finding out what the temper of the people is with regard to this taxation.

We find, for instance, that it is imposed on those goods which are daily increasing in use, such as soaps. As the years go by, naturally the consumption of soap is on the increase. As the consumption level is on the increase, a new avenue of taxation is being opened up. If it is possible to keep this system of taxation going, if it is possible to keep the movement of the people that is daily **growing** against such unfair taxation in check by the various means **that our** Government has in its armoury, then, of course, **for** the future **there** is **the** possibility—and if I may say so—**the** probability—of the hon. the Finance Minister steadily increasing the amount that can be obtained by taxing these goods.

Therefore, it is really a two-pronged policy, one of testing the people's reaction and the other of opening up new avenues of taxation, without touching the people who really should be made to bear the burden of taxation in such a country as ours, in such an economy as exists in our country today.

Certain reliefs have been assured by certain proposals, since the Finance Bill was first presented, but we find that these will not really keep down the prices, because, although the smaller concerns might be relieved, to an extent, of the burden of taxation, at the same time it really means that the burden will fall more and more on the shoulders of the consumers. Even though the smaller concerns might be exempted from certain taxation, it will definitely and without doubt be the larger units in an industry that will in the end decide the prices of various goods, because with the financial resources that they have, it is obvious that they will be able to keep down their cost of production and also undersell those

whose cost of production will be higher. By so doing, they will manage to throw the burden of taxation on to the consumer, and, therefore, while on the surface these proposals might seem to give a certain amount of relief, looking a little deeper and a little closely, going further into the problem and trying to see it from the inner workings of the mind of the hon. the Finance Minister, it is quite obvious that it is the same policy of throwing the burden on the consumer that is really at the back of even these so-called reliefs.

It has always been the apprehension of this side of the House that deficit financing will grow. It is a matter for regret to us that indeed our apprehensions were by no means imaginary but were very real and very true, because this heavy deficit financing, which is the bugbear of our people, continues, and continues to the tune of such a vast figure as Rs. 250 crores. According to a leading industrialist of this country, and I might say almost the guiding genius of the financial policy of our Government—Mr. G. D. Birla—we find that in the statement made by him at the annual meeting of the shareholders of the United Commercial Bank he gave us the consolation that this deficit financing is certainly going to continue and he has given an estimate of what this might amount to by the end of the planning period.

This figure is by no means a small one and it is a figure that will make everyone of us in this House sit up and take notice and not be carried away by the sweet words and the gentle manner of speaking of the hon. the Finance Minister. The figure that Shri G. D. Birla placed before the annual meeting of the shareholders was not less than a deficit of Rs. 890 crores at the end of the Plan, a Plan that is supposed to give relief to our people, a Plan which is supposed to bring about flourishing trade and industry, a Plan designed to end all starvation in the country, to end all

poverty in the country, etc., as we are told ad *infinitum*. At the end of this planning period, we are to be faced with deficit financing of Rs. 890 crores. I am sure that there is none in this House who will dispute the financial insight or the ability of Shri G. D. Birla to read very correctly the various financial figures and statistics that our Government publish from time to time. At least more so than such relatively inexperienced people in the financial world as myself.

Therefore, I would beg the House to take notice that this deficit financing is one that is not going to help us to overcome the economic problems that are facing our country, is not one that is going to give any relief to the people but is one that will just mount and mount until we reach this fantastic figure.

We know also that deficit financing inevitably leads to inflation which means a rise in prices and it will be the consumers and the small traders who will be hit. Today, go anywhere in our country to any city, big or small, and you will find in shops after shops smiling salesmen and shelves full of goods to be bought but no people to buy them. Today the purchasing power in our country is at a very low level, and as a result of the system of taxation that is now being imposed upon us, the purchasing power of the people will still further be pushed down and will become miserably low. We find that it is one that will help profiteering on the part of the big business concerns because it is the small traders who will find that in a very short time they will have to close business. It is no accident, therefore, that the spokesmen outside this House and throughout the country for our Finance Minister or the representatives of big business are themselves not very happy about this deficit financing, because they know that today it is someone who is lower down the economic scale, tomorrow it will be they so that by the time the end of the planning period comes, there will be only a few left. It is rather like

TShrimati Parvathi Krishnan.] the ten little niggers in the nursery rhyme who disappeared one after another till only one was left. Similarly, probably only one, perhaps Mr. G. D. Birla himself, may be left, in the end.

So this is the position and in this position the hon. the Finance Minister has put before us various factors which he says will off-set inflation and in spite of all his persuasive manner, in spite of all his arguments that inflation will and can offset, I beg to point out that this is really not convincing and they are not really true because it still remains that in our country today the economy is not in the control of the hon. the Finance Minister or in the control of the present Government. It is, on the other hand, in the control of big monopolists. It is in the control of the big foreign business interests in our country, in the control of the big Indian industrialists and big landlords; and it is they who will dictate whether the prices will rise or will fall. It is not the Finance Minister, no matter how well-intentioned he may be, who is going to be able to control it and, that being the case, unless these interests are controlled—and he does not propose to control any of these things—he cannot convince us nor will we be convinced that inflation itself can be controlled. We know that in this country British banks continue and half a dozen British banks that exist in this country have made more profits last year than the year before and this profit itself amounts to 50 per cent, of the total profit of all the scheduled banks operating in India.

Then we have the eternal British Jute Mills, the Buckingham and Carnatic Mills, the Harvey Mills and so on handled by various British concerns in our country. While we see on the one hand the purchasing power of our people is decreasing, while we see the smaller industries having to close down, on the other hand we see these British concerns minting crores and crores year after

year and their graph is rising definitely with an upward curve but we don't find any intention or any proposal on the part of the Government to control that upward curve and to derive benefit on behalf of the Indian people by taxing those concerns. We find that the hon. the Finance Minister is of the opinion that to try and control those concerns would be a drastic revolutionary measure. We don't ask him to march hand in hand with us along the path of revolution. It can be done without the so-called revolution because under our present Constitution it is possible to control the profits of these concerns. We have seen how even in those countries from which he derives his inspiration they do it. For instance, in the United Kingdom, during the war, even such an undoubted and redoubtable Tory as Sir Winston Churchill followed a policy of controlling profits because it was necessary for the economy of that country. When in that country which is held before the Indian people as a country of constitutional liberalism in whose steps we would do well to follow, when in that country it is done, I fail to understand how the hon. the Finance Minister says or alleges that to try to control profits of these concerns would be far too drastic and far too revolutionary a measure. We think that it is by no means revolutionary but it is a very necessary measure if the economy of our country is to be a stable one. This is one source from which we could overcome our deficit financing. Secondly, there are also .....

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH) : Which profits are to be controlled?

MR. CHAIRMAN: "Profits of big British firms."

SHRI C. D. DESHMUKH: Only the big British firms?

SHRI P. SUNDARAYYA (Andhra): To begin with.

SHRI C. D. DESHMUKH: It is a very valuable addition.

SHRIMATI PARVATHI KRISHNAN: Secondly, we have our princes with their crores and crores of accumulated wealth as yet untouched, accumulated wealth which is far beyond what is necessary for them to meet their daily requirements, no matter how high those daily requirements may be. The Nizam of Hyderabad has got loose cash enough to throw around in order to invest in Pakistan State loans just such a miserable amount as 20 crores of rupees but our Finance Minister seems to think that it is not necessary or it is not possible or it is too highly revolutionary to find out whether those Rs. 20 crores could not be used for the benefit of our country.

SHRI C. D. DESHMUKH: They are already with us in securities.

DR. R. B. GOUR (Hyderabad): Bow much interest are you paying?

SHRIMATI PARVATHI KRISHNAN: I was not referring to that particularly, and I did not say that you have not recovered that particular money. The point that I was making was that he seems to have much loose cash and it is common knowledge in every bazaar in this country that that Rs. 20 crores has behind it any number of crores and crores which it is very difficult to calculate. So I do not think that you really got the point when I said that and laid the emphasis *on* loose cash and not on Pakistan State loan. Apart from the Nizam, we know that many of the other princes have also got similar private accumulated wealth and in addition to this accumulated wealth we are so sorry for them that there is also a privy purse which is being paid to them. It is the ordinary consumer, it is the ordinary worker, the ordinary clerk in the Secretariat, the peons and so on. who are asked to pay just a little here and there in order to keep the economy of this country going. But those with their vast accumulated wealth are given more and more so that they can accumulate more and more and far from denying themselves even that

luxurious life to which they have been accustomed from times immemorial, they are being encouraged to go forward and have even a more luxurious type of living. In the olden days we had them travelling to Kashmir or travelling to Ootacamund or travelling to Darjeeling in the hot weather but today the pattern has changed. It is now to Nice, Monte Carlo and to Paris that they go and much money is being spent by these people who have all this accumulated wealth and who are given more. So, here is another source that we would point out to the hon. the Finance Minister, another source from which the deficit financing which he puts before us can be overcome.

These are just a few points which I would like to place before the House for consideration and it is with these few words that I would like once again to oppose the Finance Bill that has been placed before us, because it is clear that the financial measures of the Government instead of relieving the crisis that today obtains in this country, only adds to it further and further and today in the international and the internal situation that face us, we must have a budget that will at least partially relieve the crisis but far from this relief being assured, we find that instead of more avenues for employment and for industrial expansion being opened up before our people, the budget that is placed before us is one that only seems to place before us also the possibility of increased unemployment and of contraction of our industrial enterprises. This really is the picture, this is the vista that opens before us when we study this Finance Bill and it is for this reason that I have opposed this Bill.

SHRI H. N. KUNZRU (Uttar Pradesh): Mr. Chairman, the hon. the Finance Minister, faced with a deficit of about Rs. 26 crores, decided to leave the deficit uncovered to a tune of Rs. 14 crores and has asked for increased taxation to the tune of Rs. 11 crores. From his point of view, the additional taxation that he asked

[Shri H. N. Kunzru.] for was moderate. But I confess, Sir, that notwithstanding his persuasive arguments and the concessions that he has announced, I do not like the excise duties levied by him on soap and footwear. Indeed, I thoroughly dislike them. I wish that he could have given some relief to those engaged in the footwear industry, because it is not in a very nourishing condition at present.

SHRI C. D. DESHMUKH: But all the cottage-type is free.

SHRI H. N. KUNZRU- Pardon?

SHRI C. D. DESHMUKH: I was saying that all the footwear manufactured from the cottage industries is free.

SHRI H. N. KUNZRU: Yes, that is quite true. I have read the hon. Minister's speech in the other House carefully. But even so, if he were to go to Agra today, which is one of the most important footwear markets, he would see that though he may have realised the additional money that he needs, because the people cannot do without shoes, the market is really not in a flourishing condition. It was in a flourishing condition before the partition of the country. But since partition, I am afraid it has not received that attention from the Centre or the State Government that it should have. Besides, the Finance Minister asks for additional taxation in order to carry out the Five Year Plan. If there were any possibilities of carrying out that Plan, or rather, if it were fairly practicable to carry it out, I for one should have been prepared to support this taxation.

SHRI C. D. DESHMUKH: I am sorry to interrupt the hon. Member. But this is for, more or less, balancing the revenue side of the Budget and not for carrying out the Plan. That, of course, will help; but the point is that when one is indulging in deficit financing of about Rs. 250 crores, I am not assuming that Rs. 10 crores

will enable me to carry out the Plan successfully, but I am distinguishing between the revenue side of the Budget and the capital expenditure.

SHRI H. N. KUNZRU: Sir, this explanation leaves my withers un-wrung. The hon. Minister, when speaking about this taxation and the general opposition in this House and in the other, asked us to look upon it, to consider this additional taxation in the light of the responsibilities of Government. He admitted that the total sum was small, but he asks us to consider its cumulative effect and to bear in mind the responsibilities of the Government during the Plan period. I hope that I have correctly represented his position. That is why I thought he laid so much stress on the balancing of the Budget. But as I shall show, it is scarcely probable that the Government will be able to , carry out the Plan. The progress of the Plan received a great deal of attention during the Budget debate. We knew at that time that the States had failed to fulfil their responsibilities with regard to the provision of additional resources. They were expected by the Planning Commission to increase their resources by about Rs. 232 crores. But I find from the statement regarding the estimated expenditure and resources during the first three years and the estimated expenditure and resources during the next two years, that the resources to be provided by the Central and the State Governments during the first three years have fallen short of what was expected by the Planning Commission by Rs. 135 crores. The Central Government is responsible for a shortfall in revenue of Rs. 45 crores and the States of Rs. 90 crores. But it must be pointed out in fairness to the Central Government that it had to transfer revenue amounting to Rs. 20 crores annually to the States in accordance with the recommendations of the Finance Commission. Again Sir, for reasons beyond its control, the export duties on certain commodities had had to be lowered and the yield expected from them has, therefore, gone down. Apart

from these, there has been a drop in the railway earnings. If we take all these facts into account, I think we shall come to the conclusion that the Central Government has done better than it was expected to.

Now we come, Sir, to the State Governments. They were expected to increase their revenues by Rs. 232 crores during five years. As the Finance Commission's recommendations were to be effective from the 1st April 1952, they got Rs. 80 crores and during the remaining 4 years of the Plan they had really to provide only Rs. 152 crores. But they have actually provided only Rs. 62 crores. Now, we know, Sir, that some of the States have had to face misfortune in the shape of famine or scarcity. Apart from these, Sir, it has not been possible for many of the States to increase the income from land revenue nor have the betterment levies suggested by the Planning Commission been found practicable. I do not know to what extent the State Governments were unwilling to impose these levies and to what extent it was really impracticable to impose them but even when all these circumstances are taken into account, I confess to a feeling of disappointment with the performance of the States. I believe, Sir, that they have spent a certain sum on schemes not included in the Five Year Plan. I should like to know what that amount is and what efforts were made by the Central Government to press the States first to carry out their responsibilities in connection with the Five Year Plan and then to think of undertaking any new scheme.

Sir, it appears from the statement to which I have already referred that at the end of the Plan period the deficit will amount to Rs. 890 crores. Now, I know that the inflationary effect of this deficit can be reduced to the extent of Rs. 225 crores which, according to the hon. the Finance Minister, is the sum that can be withdrawn from the sterling balances. Even so, Sir, the deficit is a very large

one and if it is considered that there is no guarantee that during the remaining two years of the Plan the State Governments will be able to fulfil their responsibilities, the actual deficit may amount to a substantially higher figure. Now, we should like the hon. the Finance Minister to take us into his confidence—those who want to help him in every way to carry out the Plan—and he should think more of the interests of the country than of the susceptibilities of the State Governments. I think, Sir, it is his duty to lay before us the plain, unvarnished tale of the responsibility, both of the Centre and of the States with regard to non-fulfilment of the duties allotted by the Planning Commission to them.

Now, Sir, there is one more fact that I should like to point out. When the Budget was discussed, it was thought that the expenditure in the three years ending the 31st March 1954 would amount to about Rs. 950 crores and that deficit financing in the year 1953-54 would be only to the tune of Rs. 140 crores. But, I understand that the expenditure in 1953-54 has fallen short of what might have been expected from the Revised Estimates. I should like to know what the reduction is. To the extent the expected expenditure has not been incurred, the deficit will be further increased and, consequently, the expenditure that will have to be incurred in 1954-55 and 1955-56 in order to carry out the Plan will be even larger than that estimated in the statements that have been supplied to us.

SHRI C. D. DESHMUKH: Unless there are similar lapses in future.

SHRI H. N. KUNZRU: I have already said, Sir, that there is no guarantee that the States which have for three years in succession failed to carry out their responsibilities will rise to the height of this responsibility in the remaining two years. I am sure that my hon. friend, the Finance Minister, himself is not sanguine on this point.

[Shri H. N. Kunzru.]  
Therefore, Sir, I wish again to emphasise that it would be better for the country if the Finance Minister, instead of trying to make excuses for the States, would tell us what he really feels in his heart of hearts.....

SHRI B. C. GHOSE (West Bengal): If he has any!

SHRI H. N. KUNZRU: ..... and what support he expects from us in the difficult task that he has been called upon to fulfil.

Now, Sir, I should like to refer to the statement made by the Finance Minister in another place in connection with the next Five Year Plan. "He said, "I am not at all dogmatic that we might be able to have a Plan of a far better amplitude. It is for us to determine what its implications in regard to finance are and what should be the safeguards, etc." I should like to know, Sir, the basis of the optimism that characterises this statement. It is not likely anything may happen, Sir, but I take a leaf out of the book of the Finance Minister and say that I do not want to be dogmatic but it seems to me probable that the Five Year Plan will not be carried out in its entirety and then, what reason is there to hope that the next Five Year Plan may reasonably be larger than the first Plan? Are our resources going to be substantially large? Are the prices going to decline substantially or are we expected to receive foreign assistance in a much larger measure than we have done so far?

DR. P. C. MITRA (Bihar): Higher taxes.

SHRI H. N. KUNZRU: If it is possible to have a larger Plan and to fulfil it, we shall all be happy but at the present time we see no indications that would lead us to share the Finance Minister's optimism.

Take, Sir, the general level of prices. The Finance Minister derives satisfaction from the fact that the

level is not higher than it was before the Korean War. While this is true, I think he should also look to the reversal of the trend that started in 1952. Prices began to go down. I admit that the decline was rapid, but even so one might have thought that after recovery, to a certain extent, the prices would be stable at a certain level, but we find there is nothing to show that prices are going to stabilise themselves very soon. I do not want to go into the figures which I laid before the House during the budget debate, but the course of prices, since that debate, though it has shown fluctuations, does not on the whole warrant us to believe that we may be confidently looking forward to a lower level in the future.

Again, Sir, we have to bear in mind that the year 1953-54 has been an exceptionally good year in respect of agricultural production. One may not have this good luck again, and if misfortune dogs our footsteps in the next year we shall be in a very difficult position. This is one more reason why I ask the Finance Minister to tell us today, as he has never done before, what those facts within his knowledge are that incline him to think that we shall be able to carry out the first Five Year Plan and to have a bigger plan for the next five years.

Sir, there is just one more important point that I should like to deal with before I sit down and that is in regard to the relation between direct and indirect taxation. Sir, I am at one with those who think that, as far as possible, we should derive additional revenue from increased direct taxation, but for me the economic goal is not all that should be considered by the Government in considering what methods it should adopt to raise additional revenue. We have to consider in the first place what will be the nature of our policy. Is it to be a democratic policy or a policy of some other kind? I mean, that is the overall factor that must govern our policy. If we come to the conclusion, as I think we must, that our object



is to create a strong and prosperous democratic policy, then we cannot look with favour on measures which would make everybody dependent on the State virtually for his livelihood. Some people and parties may feel happy if the State controls at least all the important industries. But if the net result of this action is that every citizen, so to say, is to depend for his bread card on the Government, I, for one, will deeply regret it.

SHRI B. C. GHOSE: Even in the society as it is, the people are dependent largely on the Government for their employment, whether you have large-scale industrialisation or not, in the sense that Government policy affects all economic activity today.

10 A.M.

SHRI H. N. KUNZRU: But is that any justification that it is so because industrialisation has not gone as far as it should have done? If my hon. friend, Mr. Ghose, accepts the goal of democratic society, then he should join hands with me in reducing the dependence of the people on the Government. On the other hand he uses the present situation as a reason for advocating a further step in the same direction.

MAJ.-GENERAL S. S. SOKHEY (Nominated): But is not the private employer better?

SHRI H. N. KUNZRU: The private employer cannot exercise the same powers that a Government can. If an official today is displeased with a man and deprives him of his bread card, the man will be in a serious position, but no employer consistently with the policy that the Government have adopted towards labour, can deprive the labourer of his means of sustenance.

SHRI K. S. HEGDE (Madras): Are we to understand, Sir, that democracy can exist only under capitalism? It seems my hon. friend goes to another extreme.

SHRI H. N. KUNZRU: That is the difficulty, Sir, in considering issues of great complexity. If we could persuade people to realise that the extremes in terms of which they think are not the only categories of thought but that there are certain other methods that can secure the purposes they have in view and at the same time enable us to retain our prices, I am certain that we shall soon be able to devise proper ways of remodelling our economy consistently with the principle that I have ventured to lay before the House.

Now, Sir, the second principle that I venture to draw the attention of the House to is that what is of supreme importance is increased production and along with it adequate protection of the rights of the workers. These two can go hand in hand and there is no practical reason why this result may not be realised. Now, if in order to secure accelerated production we have to give the go-by to a theory and give encouragement to private enterprise, I shall not be sorry for it. There are certain enterprises which ought to be in the hands of the State. If the State cannot own all of them immediately, they should all be fully controlled by the State. But barring these enterprises, there is no reason why the State at a time like this should try to control all the important industries, if the goal of increased production can better be attained in any other way consistently with the protection of the rights of labour.

Sir, I have come to the end of my time. I shall therefore just refer to one more point, which relates to expenditure, before I sit down. I asked the External Affairs Ministry to throw some light on the deal in regard to the purchase of property in London over which we had lost £ 17,000 and I referred in that connection to the purchase of some property in Dublin. Mrs. Lakshmi Menon chuckled over the mistake that I made with regard to the purchase of property in Dublin but has given information that has

[Shri H. N. Kunzru.] whetted my appetite for further Information.

Sir, she has told us that £17,000 were advanced to a company represented by one Mr. Seba. This company had a paid-up capital of £ 2 only and had no capital assets. Now, Sir, how did it happen that negotiations were carried on with a firm with no resources and which was called 'bogus' by Mrs. Lakshmi Menon? Is there no Financial Adviser in London? Or is his advice never heeded or was he not informed of this transaction? I do not know in what circumstances It took place, but I dare say that it has been fully enquired into. I therefore hope that the Finance Minister will be able to give us full information on this point and we should also like to know something more about the Dublin property which, according to Mrs. Lakshmi Menon, was leased some time ago, probably about three years ago, but has not been occupied yet. There is some dispute about it going on between the Government of India and the owner of the House. I also understand from Mrs. Lakshmi Menon's remarks that some more money is going to be spent on this house. Sir, this is an enigma that I do not understand. The Finance Minister, who has access even to confidential files, can, I am sure, unravel it. I think it is the duty of the Government, on whose behalf he will speak, to place before us full facts in connection with both these matters.

MR. CHAIRMAN: I think we will have to prescribe a time limit now. The Finance Minister will answer at 12 Noon. We have two hours more, less by five minutes, and I have here eight speakers. The maximum time can only be therefore 15 minutes each.

[MR. DEPUTY CHAIRMAN in the Chair.]

SHRI K. MADHAVA MENON (Madras): Mr. Deputy Chairman, the tax-gatherer has never been a popular man at any time in the world. He has been despised and treated very shabbily. All of us know how

unwelcome is the visit of a tax-gatherer, whether it be for a municipal scavenging tax, or *tot* land revenue or for income-tax. We feel them, as the learned Professor says, more as visitations than anything else. It is certainly, therefore, a very unenviable position that the Finance Minister occupies, for if he imposes a tax he is callous and he does not care for the difficulties of the people; if he reduces the tax, the complaint is that he has not sufficiently reduced it. Anyway, it is not a comfortable position that he is in.

Sir, nowadays he is condemned and the Government he represents is condemned because he kills the common man. The most exploited commodity that we have now is this unfortunate common man. Every person and every party takes its stand on behalf of this common man. Even if I feel something wrong, I do not want to say it on my own behalf, but I say it on behalf of the common man. If a particular party feels anything wrong with the other party, they bring in the common man and on his behalf say that the whole thing is wrong.

Many remarks have been made here that the common man is being ground down under the Finance Bill or under the Budget proposals or under the Appropriations that we had before. One friend said that the policy of the Government was to replace men by machines and this charge comes from a member belonging to the party which believes in mechanisation more than in using men. Another friend said, 'they rather treat the men as machines.' And still another friend said that the Government were callous to the interests of the common man and were going to help the rich to become richer. It was said that this was a budget for the rich. These jibes are provoking enough.

SHRI GOVINDA REDDY (Mysore): They are usual.

SHRI K. MADHAVA MENON: May be usual. I am rather new to this House.

SHRI P. SUNDARAYYA: Not new to Parliament.

SHRI K. MADHAVA MENON: I am supposed to make my maiden speech and I am rather a coy maiden today. Sir, it is not really these jibes that have provoked me to speak, but, for instance, at the time of the Appropriation Bill, if I can refer to it, one Member from Bihar said about the Government: "You can fool all people for some of the time"—I am not defending the Government; it is not my business here, but that gentleman said—"you can fool some people all the time, but you cannot fool all people all the time." It was said: "Even now it is not too late; I would request the Government to retrace their steps. In your financial policy, please dance to the tune of the masses who have voted you to power and not to the tune of those who control the purse strings of your party funds."

What does my hon. friend mean? Who are those friends who control the purse strings of the funds of the party to which I have the honour to belong? If he means the landlords or the capitalists, were the various land reform measures that have been passed in favour of those people? I ask, Sir, were the various labour legislations in favour of those industrialists or capitalists? Are the Death Duties in favour of the industrialists or capitalists? To say that the policy of the Government is being framed—to use his own words—according to the tunes of those who control the purse strings of the party funds is a first-class scandal. It is very bad to start a scandal and much worse to give currency to it and still worse to take the forum of this House to do it. Apart from these things which were sufficiently provoking, it is certain remarks from Prof. Ranga and the remedies suggested by him to give up these taxes but at the same time to have sufficient money that have really provoked me to speak on this occasion.

Sir, the learned Prof. Ranga paid a great compliment to the inventive

genius of the Finance Minister. I am sorry he was not here to hear it. He paid a very great compliment to the Finance Minister's inventive capacity in taxing the three S's, as he put it, shoes, *sopari* and soap. He said that they were the most unmoral taxes and that the Finance Minister should have some financial conscience in taxing these things. I know there is no necessity for me—nor am I called upon—to defend the Finance Minister. He is capable of defending himself. I am only touching upon this to warn the Finance Minister and the House not to be misled by the alternatives suggested by Prof. Ranga. "Do not kill the poor man by taxing soap, *supari* and shoes." said Prof. Ranga, "but you can give up prohibition." That may have been good advice to his State Government—I do not mean to say good—but that may have been proper advice to the State Government. He says, "Prohibition has failed and the States have been deprived of huge sums of revenue; corruption has increased." And some Members, forgetting all sense of decency, if I may say so, remarked when Prof. Ranga was speaking that even Congress Members are drinking and one hon. Member went to the extent of saying that we have Ministers who drink like fish. Whatever may be our individual views about prohibition or drinking, there must be a sense of decency and these unfortunate remarks could have been avoided. But I can only say that some people cannot help being indecent.

SHRI K. S. HEGDE: He was only referring to Congressmen who have left the Congress.

SHRI K. MADHAVA MENON: Well, I do not want to make the same blunder.

SHRI B. GUPTA (West Bengal): Shall I be permitted to give the names of those who drink like fish?

SHRI K. MADHAVA MENON: Well, I do not want to say anything more about it. There may be doubting

[Shri K. Madhava Menon.] Thomases who doubt the value of prohibition or the success of prohibition. Prof. Ranga says, 'scrap prohibition', but when did the learned Professor become an anti-prohibitionist, I ask? I am sorry he is not here now. He has stood on Congress ticket for the elections and has often signed pledges in applications and Congress manifestoes where one of most prominent things is that we shall advocate total prohibition of intoxicating liquor. Not only he but also others who echoed him were party to our Constitution. Article 47 of the Constitution says that the State shall endeavour to bring about prohibition of intoxicating liquor. Sir, we have sworn allegiance to the Constitution. Of course, those people who echoed Prof. Ranga's remarks may not care very much for the oath of allegiance which they took to the Constitution. They have no faith in Democracy. They will speak of People's Democracy and they have perhaps come to this House to destroy the very Constitution under which they have come. I can perfectly appreciate and realise their opposition to prohibition "or their opposition to article 47 of the Constitution, but I did not feel, nor do I feel now, that Professor Ranga had taken his oath with any mental reservations.

SHRI K. S. HEGDE: Article 47 refers to intoxicants and not to prohibition.

SHRI B. C. GHOSE: What is the attitude of the Congress towards prohibition?

SHRI K. MADHAVA MENON: Sir, I was amused at this demand for scrapping prohibition, from Professor Ranga and others of his way of thinking. They want this to be done in the name of the common man. They say, 'you scrap prohibition and the common man will be benefited.' Sir, it is the most outrageous irony. Who bears these taxes on intoxicating liquor? I have a little bit of experience of State Governments and I know at least the position in my State very well. Before the introduction of

prohibition we had a revenue of little more than Rs. 16 crores from excise' on intoxicating liquors and drugs of which a little over Rs. 11 crores came from toddy. I ask you, Sir, who drinks this toddy? Is it the rich man who drinks it? Is it the landowner who drinks it? It is the poorest of the poor in the State who drinks-toddy and you want to tax these poorest of the poor in the country for maintaining schools and colleges for educating your children.

SHRI P. SUNDARAYYA: Then do not tax it; give free.

SHRI K. MADHAVA MENON: If you had said that, I could have appreciated it. Prof. Ranga and those who echoed him in this matter did not say that. They wanted these poorest of the poor to be taxed and that money availed of for maintaining schools for 'my children', maintaining roads through which 'I shall drive my car' and things like that. And when I taunt you with it, you come and say, 'Give free'. If you had said that earlier, there would have been some sincerity. Sir, I cannot certainly understand that this is the way to relieve the poor man.

SHRI P. SUNDARAYYA: You have not understood our views on prohibition.

SHRI K. MADHAVA MENON: It may be that you have not understood me. Anyhow, it is not my business to give understanding. I can only say what I feel in this matter.

Sir, the excise is nothing but a direct taxation on the poor. The taxes that are envisaged in this Finance Bill affect both the rich and the poor alike and with the certain changes that the Finance Minister has made, perhaps the incidence may be a little more on the rich than on the poor but in the case of the excise revenue, the incidence of taxation is directly on the poor and poor alone and not on anybody else. And has prohibition failed? I know, Sir, the learned Professor and other people

will hurl at me the Ramamurthi Report. But the less said about it the better. I do not want that report. I come from an area where prohibition is in force. It may be that there is illicit distillation but, was there not illicit distillation before prohibition? As a matter of fact, we know from personal experience that the poorest of the poor in the country are much better off now with prohibition than they were before.

They have sufficient food; and, not only that; you will find some ornaments too on the necks of these women. I am pleading on behalf of these poor people; please do not think of scrapping prohibition. There may be some illicit distillation due to inadequate enforcement; but it is not fair, in the name of the poor people, to ask that prohibition should be scrapped. My request to the hon. the Finance Minister is that he should not take this plea for scrapping prohibition seriously and take it as a remedy to tax soap, shoes and *sopari*.

In spite of these taxes, my State, the Madras State, is not having its due share of Central help in subsidies. I cannot now quote chapter and verse. I But I speak from my experience, and I had considerable experience in the State Government, that the Madras State has been treated in a most step-motherly fashion by the Centre in its aids. I know that the Madras Government is not clever in bullying or begging or bargaining.

SOME HON. MEMBERS: Oh!

SHRI K. MADHAVA MENON: To understand that, you have only to compare the amount of aid the other States have received with that which Madras has received and you will be satisfied that I am not making a rash remark. The Finance Minister has said that he had tried to mitigate the incidence of these taxes on the common man and if anything is done to reduce that incidence still further, of course, none will be happier than I. But I would much rather accept the |

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remedy suggested by Shrimati Farvathi Krishnan than the scrapping of this prohibition.

DR. J. P. SRIVASTAVA (Uttar Pradesh): Sir, I wish to say just a few words on the Finance Bill. First of all, I am glad that we have a Finance Minister of the capability and capacity of the present incumbent of that high office. If he does not care for the poor, perhaps he does not care for the rich either. Above all, he is known for his art of humane killing. He wants to take as much as possible out of the poor and the rich alike and that he does in a very humane way. He takes the best out of a man when he is living; and when he is dead, he takes whatever is left with him. **The** person concerned, when he is dead, does not feel the pain of extraction. Maybe, those who follow him or whom he leaves behind may feel it. Joking apart, Sir, I am glad that Mr. Deshmukh is with us in the very difficult times that we are having. The finances of India form a very difficult proposition in these days. We have so many contradictory proposals and so many contradictory schemes; they sometimes clash with each other and sometimes they are diametrically opposed to each other. The Finance Minister has to satisfy everyone. I was very much perturbed when I read the news some time back that there was a possibility of his leaving us. However, I am glad that that has not come about .....

SHRI B. C. GHOSE: Where is the assurance that he will not desert us in the future?

DR. J. P. SRIVASTAVA: I have been trying to define the word 'poor' and the word 'rich'. I have been looking up many dictionaries for their definition. But it has not been very clear to me. I would like to know as to who really is a poor man or a poor woman. I think all our debates are based on the term 'rich and poor'. And it is, therefore, very important that we should define those two terms. I believe there are only about 2,000 people<sup>^</sup> in the whole country with a

[Shri J. P. Srivastava.] population of 360 millions whose income is over Rs. 1J lakhs.

Then, Sir, my friends have referred to the misdeeds and the vices of the so-called capitalists. I should like to know who those individuals are—the capitalists. (*Interruption.*) Again I looked up the dictionary to find out who that capitalist was. I would very much like to know whether those who are engaged in productive tasks can be regarded as capitalists. I think my hon. friend, the Finance Minister, has got that satisfaction now because there are very, very few people in this country who have got any large sums of money standing to their credit, in banks or elsewhere. And I think I am right in saying that the amount of money which people might have had, say, four years ago or five years ago has now all gone. And that is the reason why you find that no new companies are being started in the private sector, and no new industries are being started. There is the difficulty of raising capital. We **are** depending now more and more on foreign capital. I would very much like the Finance Minister to make it clear here that the castigations which have been cast on the capitalists do not apply to those who are sincerely **and** honestly engaged in productive tasks. They are creating more and more wealth in the country and they deserve well of our country. **You** take any large company; you will find that at least 70 per cent, **of** the **capital** belongs to the public, small people who are shareholders. It may be that there are directors who gather that capital from you, me and everyone. That is how they start industries. But you cannot call them capitalists pure and simple. That, I think, is very wrong. They take the risks; they provide the know-how; they stake their reputation, and they start a private undertaking. And you are trying to run them down. That is very bad. Of course, it is up to you, up to the House, to say whether you want the private sector or not. You can, if you like, nationalise all your

industries, if you think you can carry the burden and if you think you can carry out the task. If you have got that know-how and the men to do it, by all means nationalise them, socialise them.

SHRI B. K. MUKERJEE (Uttar Pradesh): But the capitalists also should be nationalised.

DR. J. P. SRIVASTAVA: If there are any capitalists left, if they exist— I say they do not exist now—by all means get hold of them and do what you like. You have to make an enquiry; you will have to make a regular expert enquiry. But I say that they do not exist now. Let there be no mistake about it. We are labouring under a delusion.

The money situation in India is very tight. There are not many people who have got the money necessary to start new undertakings. There is, no doubt, room in India for a large number of industries to be started, because the main problem before us, as I see it, is to produce more and more wealth. Just by liquidating a few people this way or that way you won't solve the problem of India. If you produce more and more wealth, you will see the difference at once; everybody would be happy, and there would be employment for all. But without more wealth there will be no work for our millions and there will be no money for social services and there will be no money for anything else. So the paramount need of the country, I say, is to produce more and more wealth. If you feel inclined that way, I do not object to it. I am not a politician. I have an open mind on the subject. You can have the communist economy which prevails in the U.S.S.R. if you think that the country is going to benefit by it and it will make us better off. but do something. Let everybody work and let there be more wealth produced in the country. I will not try to lay down the law there. Whatever economy you have, that is for you to decide, but let us produce more wealth. Every country which is prosperous today has done

it. Even the war-shattered countries like Germany and Japan have done it. We must do the same. What do we lack? We have got man-power; -we have got raw materials, and we have got intelligence. I think we are more intelligent than many of those people. We can take pride on that fact, and yet why don't we do something to bring this about? What is the reason? There must be some reason for it.

(Time bell rings.)

If the time is up, I will just only mention one or two things which I wanted to mention.

I want to tell the Finance Minister—speaking on the excise duty—that in my own State of U.P. twelve cotton mills have closed down and labour is unemployed. Out of the remaining ten cotton mills, eight have incurred tremendous losses over the last year, and representations have been made to the U.P. Government. I have got a copy of the representation sent. These mills are in great jeopardy. The sugar industry in U.P. is also in a bad way. Lots of sugar mills have to be shifted to places where there is more cane. We are importing sugar to the tune of about Rs. 25 crores a year or something like that, but that is waste of foreign exchange. We have got sugarcane in our country and we should not do that. Sir, the problems of U.P. are different from those of Bombay. There are various reasons for it, but there is not time enough to go into that here. I would like the hon. the Finance Minister to look into the position in U.P. Perhaps the representation made to the U.P. Government will reach him in due course.

As the time is up, I would not like to say anything more except one thing—I think it was a sinister move on the part of some of us to try and divide U.P. U.P. will not be divided, and it will remain united. I hope that it will remain united and that we shall remain the premier State of India. God willing.

SHRI D. D. ITALIA (Hyderabad): Mr. Deputy Chairman, I wanted to speak at the time of the discussions on the General Budget, but unfortunately due to limited time, there was no chance for me to speak on that occasion. I take this opportunity of congratulating the hon. the Finance Minister for the bold step he has taken to cover the budget deficit of Rs. 260 crores by adopting deficit financing to the extent of Rs. 250 crores. There is no doubt the great danger of inflation in this, and a note of warning was sounded from many quarters. But if we are really sincere and keen that our first Five Year Plan be fully implemented, then we have no other go but to face this danger. We have every faith in the intelligence of our Finance Minister and hope that he will keep a watch on this anticipated danger. While congratulating him on adopting deficit financing, I am really sorry to say that he has not considered carefully the need for excise duties on soap, *sopari* and shoes. These are daily necessities not only for the rich but also for the middle and the poorer classes. We are thankful to him for his assurance that some reliefs will be given, but I cannot help feeling that, when he has adopted deficit financing to the extent of Rs. 250 crores, he could have raised that amount to Rs. 260 crores and thus avoided these excise duties. These new excise duties hit hard the middle, the lower middle and the poor classes. I do not deny, however, that for the development of our vast country we require huge amounts, and so every new source of revenue has to be tackled.

One of our hon. friends, Mr. Madhava Menon, said something about prohibition. I do not agree with him, because I have some knowledge of prohibition. Prohibition has entirely failed. I have my own personal experience. In April 1951 I went to Dehnu, a summer sea-shore resort near Bombay. When I got into a tonga, the tonga driver asked me whether I would require brandy or whisky or any other strong drinks,

[Shri D. D. Italia.] and that he would be able to supply them at very reasonable prices. I am also informed that in Bombay as well as in Madras you can get any quantity of liquor. So, prohibition has been a complete failure. Why not stop it? I am sure that the Taxation Enquiry Commission also will recommend to the Government the abolition of prohibition.

As I come from Hyderabad State, I want to make a few observations about that State. My hon. friend, Mr. Akbar Ah Khan, who talked on the Appropriation Bill wanted to say something about it. but unfortunately for want of time and as the time bell rang from the Deputy Chairman, he had to sit down without completing his remarks. After the financial integration, the revenues of the Hyderabad State have gone down very much. So, I think Hyderabad deserves more help from the Centre. You know that all the income that ' Hyderabad used to get from the Nizam's State Railway, customs duties, postal income, Hali Sicca, currency, income-tax, etc., has now gone to the treasury of the Central Government. No doubt, we have a good many projects to be executed. The Tunga-bhadra project is nearing completion. The canals are nearing completion but we require more money for the development of the land and according to my calculations, one acre of land requires for its development Rs. 200 and the information which we have received is that about 6 to 7 lakhs of acres will be irrigated by I this project and so we will require from Rs. 12 to Rs. 15 crores and unless this is given to the Hyderabad State, | I don't think the construction of that big dam will be of any use to us, if we don't develop the land. There are four other projects. One is Purna in the Marathwada district, which was till now neglected due to financial difficulties. Then, there are the Nandikonda, Godavary and Krishna projects to be taken up and unless the Centre gives subsistent help to them, I do not think the Hyderabad State ,

will be able to construct such important projects. I hope the Finance Minister will see that in the next Five Year Plan at least some amount is given for this construction. I am glad to note that our exports are going up. India has enormous commodities of export such as jute, tea, tobacco, oilseeds, textiles, etc. And I am sure when our huge river valley projects are completed, we will be able to produce more commodities **for** export and thus the economic condition of our country will surely be improved.

I am glad that the hon. the Finance Minister has provided for the improvement of social reforms which is really necessary in every advanced country. I think it is the main duty of every well-wisher of the country to take a keen interest in the development of social reforms and sacrifice some of his income for such good causes. We must not surely depend for social reforms on Government but it is the primary duty of every well-wisher and every citizen to contribute something and take keen interest in it.

I want to say a few words about the common language of Bharat— Hindi. Our Constitution has recognised Hindi as our State language and we welcome it most heartily but I would like to give a word of caution to my friends who are over-enthusiastic in this matter. One request of mine is to let Hindi be the language which the common man of India understands. The simple language understandable to all the people of India will be the *lingua franca* of India.

The o'her request of mine is this. Let us not be impatient and orthodox in the matter of forcing any language. If we proceed slowly, the people will get adjusted to it as they got adjusted to English. If these two principles are not observed, I am afraid it will do a disservice to Hindi.

Lastly, I want to pay my tribute to Pandit Sunderlalji who is doing great service to Hindi through his journal *Naya Hind* which, from the point of



ideas and the language, deserves great admiration and support.

*(Time bell rings.)*

I am sure every hon. Member here will agree with me when I say that the prosperity of our country mostly depends upon the development of commerce and industries. But I am sorry to say that due to the adverse policy of some of our States, the mercantile community is experiencing great hardship due to the introduction of inter-State Sales Tax. Recently, on the 5th February 1954, the Government of Hyderabad had issued a Press *Communique* relating to the levy and collection of Sales Tax on inter-State transactions even with retrospective effect from 1st April 1953 in view of the recent Supreme Court's decision. The mercantile community of Hyderabad is of the opinion that this decision of the Hyderabad Government is most detrimental to their interests as well as to the free flow of inter-State trade. I am sure, when the Sales Tax Act was enacted and brought into force, the Hyderabad Government had no intention of such collection. I am also sure, that it was not even the intention of the framers of our Constitution of such imposition which is clear from Article 286. It would therefore be unreasonable for the State Government to collect tax merely on the interpretation of the word. May I, therefore, request the Finance Minister and through him the Government of India to ask the Government of Hyderabad State not to take a hasty step regarding the levy and collection of Sales Tax on inter-State transactions.

*(Time bell rings.)*

With these few words, I support this Finance Bill.

MR. DEPUTY CHAIRMAN: Shri S. Bannerjee. I regret that I have to place further restrictions on the time. There are still 7 speakers and we have hardly 70 minutes. Please take 10 minutes.

SHRI H. C. MATHUR (Rajasthan): Why cannot we extend the debate and meet again in the afternoon?

MR. DEPUTY CHAIRMAN: That time is over. If you had raised it when the Chairman was here, it might have been possible.

SHRI H. C. MATHUR: The Chairman considered the names.

MR. DEPUTY CHAIRMAN: There is no extension.

SHRI H. C. MATHUR: If it is necessary, the Chairman may be consulted.

MR. DEPUTY CHAIRMAN: The decision has been taken after consulting him.

«SHRI S. BANERJEE (West Bengal): Mr. Deputy Chairman, I am beholden to you, Sir, that you have at long last given me an opportunity to speak. We are at the final stage of the passing of the Budget and this has given us a fresh opportunity of discussing and criticising the tax structure of the Government, its omissions and commissions, its professions and practice. In my student days I was taught that the most fundamental difference that distinguishes a family budget from a State budget lay in this that in the family budget the head of the family frames the budget according to the income that he will have whereas the Finance Minister in framing a State Budget considers the expenditure that he has; to incur and to find out ways and means to meet that expenditure and the taxation should be levied on those whose shoulders are broad enough to bear that burden. I am constrained to say that the Finance Minister has ignored this very fundamental principle of taxation. Tennyson in his own inimitable style, perhaps in his *Princes*, said:

"I find Him in the shining of the stars,

I find Him in the flowering of the fields,

[Shri S. Banerjee.] But in His ways with men, I find Him not."

I find the hon. Finance Minister in his dealings with the British capitalists, in his dealings with the Indian monopoly capitalists, but I am sorry to have to say that I don't find him in his dealings with the common man. That being so, he has found it possible and even necessary and also desirable to tax the common man who has already reached the limit of further taxation and has relieved those whose shoulders are broad enough to bear that burden of taxation. I mean the British capitalists, the monopoly Indian capitalists. We are told that that will prevent them from bringing their money for investment in fresh enterprises. If that is so, that is all the more reason to force them to bring out their money and invest it in fresh enterprises. Has not the Finance Minister that courage, to compel them to produce their money? If he has not, let him say so frankly. It is said that the Taxation Enquiry Commission is holding its sittings and after their report is published, they will consider the matter. What is good for the gander is also perhaps good for the goose. If it was good in the case of British and native monopoly capitalists to maintain the *status quo*, it was also good for the common man to maintain the *status quo*. If you could wait to tax those who are rich till the report is published; you could also have waited to tax the poor, till that report was published. I am afraid, coming events as a result of the recommendations of the Taxation Enquiry Commission are casting their shadows before, in the financial proposals of the Finance Minister of the Government of India. The immediate and daily necessities of life of the common man are being taxed—soap, footwear and betelnuts—and the quantum of revenue that will accrue<sup>1</sup> from that taxation is a very small percentage of the total amount, of the total quantum of the revenue. What is the reason for taxing these poor people? Shall I say that it is to show to the capitalists: "Do not

be afraid, we are not going to touch even a hair of yours, but we shall tax the already too much taxed—the poor common man." And, Sir, how is the expenditure? I ask you, Sir,, and all the Members of the House to look at the expenditure of the revenues that are raised, and you will find that all that expenditure is more-often than not waste. The expenditure on education, which only comes to the tune of Rs. 12 crores, I shall say and definitely say, is all wasted—Why? What is education? Education\* is what prepares a man for earning his living, for living a life and, above all, the most important purpose of education is to enable a man to\* change the society which stands in the way of his or her all-round progress. Viewed from the standpoint of these three tests, the Education<sup>1</sup> Ministry of the Government of India—has miserably failed and the expenditure, therefore, to my mind, is mostly waste.

What about rehabilitation? Up to> this year Rs. 60 crores have been spent, I mean only with regard to the refugees from East Bengal. Rs. 60 crores have been spent for 4 years: upon 32 lakhs of refugees. What does that amount to? Rs. 50 for 4 years, or Rs. 4 per month or 2 annas per day. Is that the rehabilitation which we all want? Is it not a mockery of rehabilitation? The refugees from-. East Bengal have not been rehabilitated at all. The rehabilitation has not yet begun. If it were well-begun, it would have been also half-done. Not to speak of well-beginning, not-even a beginning has been made. The-statistics that have been supplied to us are all wrong. It has been said that 133 squatters' colonies are there. I am intimately connected with the refugees in West Bengal and my-personal knowledge is that not less than 200 squatters' colonies are there and not a single pie from Government coffers has come' to their relief nor' for their rehabilitation. There are camps—transit camps. I know, Sir, my time is up. You are looking at the clock and I am also looking at

it and i know when I should stop. There is a Cooper's camp—transit camp—and you will be astonished to know that even now—I am speaking about a fortnight back—there are about 30,000 refugees there in transit Do you know, Sir, that out of that 30,000, not less than 10,000 have been there for about three years? And the gratuitous relief that is being given to these 10,000 is all lost and no attempt has been made till now for their rehabilitation. That is the problem that I would ask the Ministers concerned to look into.

And last but not the least.....

(Time bell rings.)

MR. DEPUTY CHAIRMAN: Time is up.

11 A.M.

SHRI S. BANNERJEE: Just one word. Today is the 26th of April, the day on which the fate of South-Eastern Asia or for that matter the whole of Asia is being decided in Geneva. Pandit Jawaharlal Nehru, our Prime Minister, expressed the sentiments of the people of this country as also the peace-loving peoples of the whole world when he proposed a cease-fire in Indo-China, when he proposed a standstill agreement on hydrogen bomb, and he has also made out six proposals which have come out in today's paper. As, he has expressed the people's point of view, the people will support him with all their heart.

MR. DEPUTY CHAIRMAN: Begam Aizaz Rasul. You have only ten minutes. Madam.

BEGAM AIZAZ RASUL (Uttar Pradesh):

بیگم اعجاز رسول (اتر پردیش):  
جناب قومی چیرمین صاحب!  
اس وقت ایوان کے سامنے جو فنانس  
بل (Finance Bill) پیش ہے اسکی  
میں تائید کرنے کے لئے کہتی ہوئی

ہوں۔ میں جناب فائننس منسٹر صاحب کو اس کے لئے مبارکباد بھی دینا چاہتی ہوں کہ انہوں نے اس ایوان کے ممبروں کے خیالات اور دوسرے ایوان کے ممبروں کی درخواستوں کو مدنظر رکھتے ہوئے جوتے اور صابن پر جو ٹیکس لگایا تھا اس کو کچھ حد تک چھوٹے پروڈیوسرز (producers) کے خیال سے کم کر دیا ہے اور اسی طرح سلک (silk) کے اوپر بھی دیوٹی (duty) کم کر دی ہے۔ اس کمی کی وجہ سے ان تیلوں انڈسٹریز (industries) کو کچھ فائدہ پہونچے گا اور جو چھوٹے چھوٹے پروڈیوسرز ہیں یعنی موچی وغیرہ (cottage industries) کی طرح کام کرتے ہیں ان کو کافی ریلیف (relief) مل جائیگا۔ مجھے بہت خوشی ہے کہ جناب فائننس منسٹر صاحب نے اس نقطہ نظر کو مدنظر رکھتے ہوئے ٹیکسوں میں کچھ کمی کی ہے

اس طریقے سے میں نے اپنی بجٹ اسپیچ (budget speech) میں ایک اور درخواست کی تھی لیکن مجھے افسوس ہے کہ فائننس منسٹر صاحب نے اس طرف خیال نہیں فرمایا ہے۔ چھالیہ (betel nut) سے متعلق میں نے درخواست کی تھی اور اپنی بجٹ اسپیچ میں عرض کیا تھا کہ چونکہ باہر سے آنیوالی چھالیہ پر ٹیکس لگایا ہے اس لئے جو چھالیہ

[Begam Aizaz Rasul.]

اپنے ملک میں پیدا ہوتی ہے اس کے اوپر بھی کچھ تھوڑا سا ٹیکس لگایا جائے۔ میں نے عرض کیا تھا کہ اس طرح سے ہمارے خزانے کو ۱۸ کروڑ روپیہ کے قریب کا فائدہ ہو سکتا ہے۔ لیکن مجھے معلوم نہیں کہ کس وجہ سے اس طرف توجہ نہیں دی گئی۔ حالانکہ یہ صاف ہے کہ ٹیکس دہ لگانے سے جن لوگوں کا روپیہ بچے گا وہ نہ تو پبلک کے لئے فائدہ مند ہوگا اور نہ ہی ہمارے خزانے میں پہنچے گا بلکہ مڈل میمن (middlemen) کی جیبوں میں پہنچ کر رہ جائے گا۔ میں نے اپنی بجٹ اسپیکر میں یہ بھی عرض کیا تھا کہ - یو۔ پی. (U.P.) سے متعلق کوئی اعداد و شمار نہیں دیا گیا ہے کہ ہر سال میں ڈیولپمنٹ اسکیموں (development schemes) کے سلسلہ میں کتنا روپیہ اسکو ملیگا۔ میں فائننس منسٹر صاحب سے معافی چاہوں گی کہ اس مسئلہ کو دوبارہ ان کے سامنے رکھ رہی ہوں۔ میں یہ نہیں چاہتی ہوں کہ یو۔ پی کو کوئی پریفرینشل ٹریٹمنٹ (preferential treatment) ملے۔ لیکن میں یہ ضرور عرض کروں گی کہ اس کا خیال رکھا جائے کہ جو امداد اور صوبوں کو مل رہی ہے اس کے بموجب یو۔ پی کو نہیں ملتی ہے۔ جناب کو معلوم ہے کہ پچھلے تین سالوں میں سولہ سو کروڑ روپیہ پلنچسٹان پلان

(Plan) میں خرچ ہو چکا ہے جس میں سے یو۔ پی کو صرف ۳۰ یا ۳۲ کروڑ روپیہ ملا ہے۔ یہ سوچنے کے قابل چیز ہے کہ یو۔ پی کے لئے یہ اعداد قابل اطمینان ہیں یا نہیں۔ میں اس سلسلہ میں یہ عرض کروں گی کہ جناب فائننس منسٹر صاحب کو بجٹ کے پریزینٹ (present) کرنے کے وقت پانچ سالہ پلان کا بجٹ الگ دکھانا چاہیئے تاکہ معلوم ہو سکے کہ پانچ سالہ پلان کے ماتحت ہر اسٹیٹ (State) کے اوپر کتنا روپیہ سال خرچ ہو رہا ہے۔ حالانکہ میں مانتی ہوں کہ بجٹ کے تمام مددات کے اندر وہ اعداد و شمار دکھائے جاتے ہیں لیکن اس میں آسانی پیدا ہونا چاہیئے اور صاف طور سے دکھانا چاہیئے کہ پانچ سالہ پلان کے ماتحت اتنا روپیہ بجٹ میں خرچ کیا جائے گا اور اس میں فی صوبہ اتنا ملیگا۔ اس سے ہم لوگوں کو اور تمام ملک کے لوگوں کو معلوم ہو سکے گا کہ کہاں کہاں کیا کیا خرچ ہو رہا ہے اور کس طرح خرچ ہو رہا ہے اس کے علاوہ یہ بھی ضروری ہے کہ ہم لوگوں کو معلوم ہو کہ اس فائیو ایئر پلان (Five-Year Plan) کے اندر یہ کیپٹا (per capita) کیا خرچ ہو رہا ہے۔ میں یہ نہیں کہتی کہ چونکہ یو۔ پی سب سے بڑا پراونس (province) ہے اسکی سارے چھ کروڑ کی آبادی ہے اس لئے وہاں کے لئے زیادہ روپیہ ملنا چاہیئے۔ میرا ہرگز

یہ کہنے کا مطلب نہیں ہے اور میں یہ بھی نہیں چاہتی کہ جو ان ڈیولپڈ ایریاز (undeveloped areas) ہیں ان کو ہی گئی رقم سے کات کر یو۔ پی کو دی جائے۔ لیکن اس کے ساتھ ہی ہمیں یہ امید ضرور ہونی چاہیئے کہ جو روپیہ ڈیولپمنٹ پلان (development plan) میں خرچ ہو رہا ہے اس کا ایک مناسب حصہ یو۔ پی کو ملے۔ اور اتنی بڑی آبادی پر ایک معقول رقم فی نفر خرچ کی جا سکے۔ ایک منسٹر صاحب نے چند روز ہوئے ایک چوہ میں فرمایا تھا کہ قہائی کروڑ روپیہ یو۔ پی کو دیا جا رہا ہے۔ درحقیقت کرنے پر مجھے معلوم ہوا ہے کہ اصل میں وہ قہائی کروڑ روپیہ جو ہے وہ "works of development and improvements in the scarcity areas" کے واسطے ہے۔ اس کے علاوہ ہمیں ابھی تک فائو ایر پلان کے ماتحت یہی نہیں معلوم ہوا کہ اس سال کتنا روپیہ ملے گا۔ اس سال کے بجٹ میں صرف ۷۱ لاکھ روپیہ دکھایا گیا ہے۔ جس کا تذکرہ میں نے پچھلی بجٹ کی تقریر میں کیا تھا۔ میں ابھی حال ہی میں لکھنؤ میں تھی اور آج ہی وہاں سے آئی ہوں۔ مجھے معلوم ہے کہ ابھی تک سینٹر (Centre) سے جو رقم یو۔ پی کو ملی ہے اس سے وہاں کے لوگ بالکل نامطمئن ہیں۔ اس لئے میں ضرور باادب درخواست کرونگی کہ اس طرف خیال کیا جائے اور یہ دیکھا

جائے کہ یو۔ پی کے دھلے والوں کے اوپر بھی اتنا ہی پر کھیپتا (per capita) خرچ ہو جو اور اسٹیٹس (States) کے دھلے والوں کیلئے تجویز کیا گیا ہے یا جو ہو رہا ہے۔

کونسل کو یاد ہوگا کہ پچھلے سال میں نے کچھ اعداد و شمار بتائے تھے یہ بتانے کے لئے کہ نیشن بیلڈنگ ایکٹیویٹیز (nation-building activities) پر ہمارا صوبہ اتنا روپیہ نہیں خرچ کر سکتا جتنا بھلا کی بھلائی کے لئے خرچ کرنا چاہیئے۔ صرف اسی وجہ سے کہ اس کے پاس روپیہ نہیں ہے۔ اس لئے میرا پراونس اس چیز کی امید رکھتا ہے کہ سنٹر سے ہمیں ضروری مدد ملیگی۔

جغاب آخر میں میں اس ایوان کا زیادہ وقت نہ لیتے ہوئے صرف چند باتیں عرض کرنا چاہتی ہوں جن کا حالانکہ فائننس بل سے کوئی تعلق نہیں مگر چونکہ جب ان پر بحث ہو رہی تھی اسوقت میں یہاں موجود نہیں تھی مجھے اس وقت کہنی میں فائو ایر پلان کے مطابق پرائمری ایجوکیشن (primary education) کے لئے ٹیکسٹ بکس (text-books) تیار کرنے کی جو اسکیم ہے اس کے لئے ضرور جلدی کرنی چاہیئے تاکہ ہمارے بچوں کو اس چھڑ کا علم ہو کہ ہماری گورنمنٹ یہاں کے لوگوں کی بھلائی کے لئے کیا تجویز کر رہی ہے۔ اس وقت ملک کے ڈیولپمنٹ کیلئے جو کچھ ہو

[Begam Aizaz Rasul.]

رہا ہے ضروری ہے کہ سکول میں پڑھنے  
والے بچوں کو اس کا علم ہو - اسلئے  
ان کے اچھے ٹیکسٹ بکس جلدی سے  
جلدی چھپ کر اسکولوں میں تقسیم  
ہونی چاہئیں -

[For English translation, see Appendix VII, Annexure No. 216.]

SHRI B. GUPTA: But that will be mlseducation of the children.

BEGAM AIZAZ RASUL: The children should know what is being done under the Five Year Plan for the people of the country. Our children should know that, Sir, and I am afraid this matter has been badly neglected. I see from the literature that has been supplied to us that this is under the consideration of the Government, the bringing in of text books which would show that things are being done to develop the country, to improve the finances and resources of the country and to eradicate unemployment about which a very able speech was made by a lady Member here.

Of course, every section of the House is agreed on that point that everything must be done to reduce unemployment. I think I mentioned it here that when I went to Japan I found out that in a population of 8J crores, the unemployment figure was about fifty lakhs. They were very worried about it. Now, in a country which has very little raw material, but is producing so much by sheer dint of labour and hard work, an unemployment problem of so small a magnitude is causing so much anxiety. I think our country also deserves to think on those lines. It is on account of that that I thank the hon. the Finance Minister for giving relief to the small leather industries and also to the soap industry. I should like to bring to notice that in the case of the cottage and small-scale industries the thing required is nothing but that the already existing small-scale units should be financed as much as possible.

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MR. DEPUTY CHAIRMAN: Shri-mati Chandravati Lakhnapal.

SHRI B. GUPTA: It seems that it is going to be a ladies' day.

MR. DEPUTY CHAIRMAN: You should welcome it.

SHRIMATI CHANDRAVATI LAKHANPAL (Uttar Pradesh):

श्रीमती चन्द्रावती लखनपाल (उत्तर प्रदेश) : उपाध्यक्ष महोदय आज जब कि इस सदन के अन्दर फाइनेंस बिल (Finance Bill) पर विचार हो रहा है, मैं एक अत्यावश्यक विषय की ओर माननीय अर्थ मंत्री जी का ध्यान खींचना चाहती हूँ। वह विषय वनस्पति तेल के उद्योग के सम्बन्ध में है। वनस्पति तेल और उसके उद्योग की ओर हमारी सरकार का इस वक्त जो रुख रहा है उसके परिणामस्वरूप जो भयंकर परिस्थितियाँ आज हमारे समाज को और देश को भोगतनी पड़ रही हैं मैं उन सबकी ओर माननीय अर्थ मंत्री का ध्यान आकर्षित करना चाहती हूँ।

श्रीमान्, अभी तक तो यह समझा जाता था कि घी और वनस्पति तेल के जहाँ तक पौष्टिक तत्वों का सम्बन्ध है या पौष्टिक उपयोगिता का सम्बन्ध है, दोनों बराबर हैं, किन्तु अब तो यह निर्विवाद तय हो चुका है कि घी और वनस्पति तेल, इन दोनों का कोई मुकाबला ही नहीं है। जहाँ तक भोजन की पौष्टिकता का सम्बन्ध है, घी की उपयोगिता कहीं ज्यादा ऊँची है वनस्पति तेल के मुकाबले में। लेकिन फिर भी हम यह देख रहे हैं कि जितनी भी गवर्नमेंट पब्लिकेशन्स (Government Publications) हैं, जैसे कि जर्नल आफ इण्डस्ट्री एण्ड ट्रेड (Journal of Industry and Trade) वगैरा, उनमें हमेशा ही गवर्नमेंट की ओर से वेजीटेबल आइल (vegetable oil) को वेजीटेबल घी कह के पुकारा जाता है। श्रीमान्,

में कहना चाहती हूँ कि यूनाइटेड किंगडम (United Kingdom) में जब बटर (butter) के नकली स्वरूप को बटरीन (butterine) का नाम दिया गया, तो वहाँ बड़ा भारी ऐतराज उठ खड़ा हुआ क्योंकि 'बटर' और 'बटरीन' शब्दों में शब्दिक समानता होने की वजह से यह अंदेश था, यह सम्भावना थी कि 'बटरीन' से लोगों को धोखा हो जायगा और इसलिए उस वक्त कानूनी तौर पर 'बटरीन' नाम को बन्द कर दिया गया और उसकी जगह पर 'मार्गरीन' (margarine) नाम रखा गया। लेकिन यहाँ पर, अपने देश में, गवर्नमेन्ट की ओर से, हमारी ओर से यह देखा जाता है कि हम वेजीटेबल ऑयल को घी का नाम और स्थान दे रहे हैं। श्रीमन्, घी तो क्या मैं तो यह कहती हूँ—मैं क्या, इस चीज को वैज्ञानिक जिन्होंने निष्पक्ष दृष्टि से इस बात पर खोज की है और विचार किया है, वे भी यह बात मानते हैं—कि वेजीटेबल ऑयल का मूल्य, उसकी विटैमिन वैल्यू (vitamine value), घी के बराबर क्या, तेल के बराबर भी नहीं, क्योंकि तेल का विटैमिन वैल्यू, उसके अन्दर का पोष्टिक तत्व, वेजीटेबल ऑयल के पोष्टिक तत्व से कहीं ज्यादा ऊँचा है। यह साधारण जानकारी की बात है, कौमनसेंस (commonsense) की चीज है कि वनस्पति ऑयल मूंगफली के तेल को रिफाईन (refine) करने के बाद और फिर उसको हाइड्रोजनेट (hydrogenate) करने के बाद बनाया जाता है और रिफाईनिंग (refining) और हाइड्रोजिनेशन (hydrogenation) के प्रक्रिया के अन्दर अधिकांश पोष्टिक तत्व उसमें से निकल जाते हैं। इसलिए श्रीमन्, जिस वेजीटेबल ऑयल अर्थात् वनस्पति तेल की पोष्टिक उपयोगिता घी और तेल दोनों से कम है, आज हमारे देश के लोगों

की खुराक के अन्दर वह घी और तेल दोनों के स्थान लेता चला जा रहा है और घी और तेल खत्म होते चले जा रहे हैं। हमारे लिए यह परिस्थिति वास्तव में एक शोचनीय और चिन्ता की बात है। मैं सरकार का ध्यान इस ओर आकर्षित करना चाहती हूँ कि वह ऐसे कदम उठाये जिससे कि इस तरह की परिस्थिति को रोका जा सके।

लेकिन हम आज अपने देश के अन्दर यह देखते हैं कि अखबारों और फ़िल्मों द्वारा वेजीटेबल ऑयल का प्रोपेगन्डा (propaganda) किया जा रहा है। श्रीमन्, इस तरह की परिस्थिति वास्तव में एक आश्चर्यजनक चीज है। यही नहीं, हमारे देश के मुख्य पत्र जिनमें 'हिन्दुस्तान टाइम्स' (Hindustan Times) भी है, दालदा (Dalda) का विज्ञापन बड़े बड़े पन्नों में प्रकाशित करते हैं। हमारे देश के फ़िल्म गृहों में दालदा और दूसरे वनस्पति घी की विशेष फ़िल्में दिखाई जाती हैं जिनमें यह साबित किया जाता है कि इनमें विटैमिन रहता है और ये एनर्जी फूड (energy food) हैं, और ये किसी प्रकार भी घी से कम नहीं हैं। श्रीमन्, क्या इस तरह से प्रचार करके भोली भाली जनता को धोखा देना नहीं है, वेजीटेबल ऑयल को घी के बराबर साबित करके? क्या यह सरकार का कर्तव्य नहीं हो जाता है कि इस तरह के विज्ञापन वालों के ऊपर रुकावट लगाई जाय, इस तरह के विज्ञापनों के ऊपर प्रतिबन्ध लगाया जाय।

यह तो एक छोटी सी बात है, किन्तु मैं यह भी कहना चाहूंगी कि इस वेजीटेबल ऑयल उद्योग ने हमारे देश के असली घी उद्योग को विल्कुल तबाह और चौपट कर दिया है। हमारे देश के अन्दर जो असली घी का उद्योग था, जिसे एक काटेज इंडस्ट्री (cottage

[Shrimati Chandravati Lakhnapal.] industry) के रूप में समझा जाता था, जिस उद्योग द्वारा हमारे देश के हजारों और लाखों जाट और गूजर व्यापार करते थे, आज इस वेजीटेबिल ऑयल के मार्केट (market) में आ जाने के पश्चात् उनका सारा व्यापार खत्म हो गया है, और वे लोग बेकार हो गये हैं। इतना ही नहीं, श्रीमन्, हमारे देश के हजारों और लाखों किसान जो अपने अवकाश के समय में इस उद्योग द्वारा थोड़ी बहुत आय कर लेते थे, उनको भी वेजीटेबल तेल के आने से हानि उठानी पड़ी है। आज इसी वेजीटेबल तेल द्वारा हमारे देश के हजारों और लाखों किसानों को जो थोड़ी बहुत अतिरिक्त आय हो जाती थी, वे उससे वंचित हो गये हैं।

श्रीमन्, आज सबसे बड़ी आश्चर्य की बात यह है कि बाजार में शुद्ध घी देखने को भी नहीं मिलता, किसी कीमत पर भी नहीं मिलता, अगर आप किसी भी मूल्य पर शुद्ध घी खरीदना चाहेंगे, यदि आप सात रुपये सेर भी घी खरीदने को तैयार हैं, तब भी यह नहीं कहा जा सकता है कि जो कुछ बाजार में घी के नाम से हमें मिलता है वह शुद्ध घी है, दालदा नहीं है। श्रीमन्, मैं आपके ध्यान में यह बात लाना चाहती हूँ कि देश के अन्दर जो वेजीटेबल ऑयल और दालदा पैदा किया जा रहा है, उसका ७० और ७५ प्रतिशत भाग एडल्टरेशन परपज (adulteration purpose) के लिए काम में लाया जा रहा है। यही कारण है कि आज देश में शुद्ध घी का नाम निशान देखने को नहीं मिलता। श्रीमन्, आज उस देश में, जिसके अन्दर किसी वक्त घी और दूध की नदियाँ बहा करती थीं, आज उसी देश के अन्दर तेल की भी नदियाँ नहीं, हाँ, दालदा की नदियाँ अवश्य बह रही हैं।

इसके अतिरिक्त, श्रीमन्, आज हम अपने देश के अन्दर काऊ एंड गेट (cow and

gate) का दूध और पोलसन (Polson) का घी ही रिलायबल (reliable) समझते हैं। आज हमारे देश के बच्चों का लालन पालन काऊ एंड गेट के दूध से ही किया जा रहा है क्योंकि उसी को ही हम लोग शुद्ध समझते हैं। हमारा देश जो गोपाल-कृष्ण तथा गोमाता की पूजा करता है क्या हमारे लिए यह शर्म की बात नहीं है कि हम अपने बच्चों को विदेशी दूध और विदेशी घी पर पालें? इस तरह से हम विदेशी सामान को प्रोत्साहन दे रहे हैं और अपने देश के उद्योग को नष्ट कर रहे हैं।

श्रीमन्, मैं श्री अर्थ मंत्री से कहना चाहती हूँ कि घी और दूध की समस्या जो हमारे देश में पैदा हो गई है वह कोई साधारण समस्या नहीं है। वह इस देश की दस बारह आदिमियों की समस्या नहीं है बल्कि हजारों-लाखों की समस्या है, इस देश की छत्तीस करोड़ जनता की समस्या है। इस देश के बच्चे, बूढ़े और जवान की समस्या है। इस समस्या को हल करने के लिए मैं माननीय मंत्री महोदय से जानना चाहती हूँ कि उन्होंने इसको सुलझाने के लिए क्या किया है? देश के अन्दर बांध बनाये जा रहे हैं, बिजली घर खोले जा रहे हैं, और तरह तरह के काम लाखों रुपयों द्वारा किये जा रहे हैं, किन्तु श्रीमन्, घी और दूध के व्यापार को उन्नत करने के लिए, देश के स्वास्थ्य को उन्नत करने के लिए, हमारे माननीय मंत्री जी क्या करने जा रहे हैं, यह मैं जानना चाहती हूँ। यदि आप चाहते हैं कि हमारे देश की जनता का स्वास्थ्य-स्तर उन्नत बने, तो आपको दूध और घी के व्यापार को पुनर्जीवित करना होगा। यह कार्य हम तब तक नहीं कर सकते जब तक कि हम वेजीटेबिल ऑयल की उस जगह को, जो उसने अब प्राप्त कर ली है, जो कुछ मान्यता उसको मिल चुकी है, उसको समाप्त नहीं कर देते। आज वेजीटेबल ऑयल द्वारा ७० और ७५ प्रतिशत



एडलटरेशन देशी घी में किया जा रहा है, और वह शुद्ध घी के नाम से बाजार में बेचा जा रहा है। जब तक हम इस तरह के व्यापार पर किसी तरह की रोक नहीं लगाते तब तक हम देशी घी के व्यापार को उन्नत नहीं कर सकते। मैं माननीय मंत्री जी से कहना चाहती हूँ कि क्लोरोफिल (chlorophyll) एक ऐसी चीज है जिसके द्वारा वनस्पति घी को कलर (colour) भी किया जा सकता है और उसका टेस्ट (taste) भी अच्छा रहता है। अगर वेजीटेबिल ऑयल का कलरिंग (colouring) नहीं किया गया, तो हम एडलटरेशन को जो आज-कल बाजार में बहुतायत में हो रहा है, नहीं रोक सकते हैं।

(Time bell rings.)

अगर हमने वेजीटेबल ऑयल को कलर कर दिया तो शुद्ध घी में मिलावट रोक दी जा सकती है। मेरा माननीय मंत्री जी से कहना है कि वेजीटेबल ऑयल को रंगने के लिए जितनी जल्दी हो सके कदम उठाया जाना चाहिये। अगर इसमें कुछ इन्वेस्टमेंट भी होता है तो वह देश के फायदे के लिए ही होगा। श्रीमन्, इन शब्दों के साथ, एक बार मैं फिर वेजीटेबिल ऑयल को देश से बाहर निकालने के लिए प्रार्थना करूंगी।

[For English translation, see Appendix VII, Annexure No. 217.]

SHRI S. C. KARAYALAR (Tranvancore-Cochin): Sir, at this final stage of the discussion I wish to make only a few observations. The Finance Bill is intended to give effect to the financial proposals of the Government for this year. The Bill covers certain amendments of the Income-tax Act, the Tariff Act, the Central Excise and Salt Act and finally the Estate Duty Act. In so far as the first three Acts are proposed to be amended, I have no very serious quarrel, but with regard to the Estate

Duty Act, I wish to make a preliminary objection. It will be remembered, Sir, that when this Act in its Bill form came up before this House for discussion, it was treated as an ordinary Bill and not as a Money Bill or Finance Bill so that this House had full opportunity of discussing the Bill proposing amendments to the clauses of the Bill but that privilege has been now taken away indirectly by the hon. the Finance Minister. I wish to register my protest against this. I wish that the amendments to the Estate Duty Act were brought forward separately so that this House could have an opportunity of discussing the clauses of the amending Bill.

Now, coming to the speech made by the hon. the Finance Minister on the budget estimates, I wish firstly to refer to what he stated regarding the economic situation in the country during the year 1953. Reviewing the economic situation, he stated that the industrial production in the country had registered a big increase over the production in the previous year. He came to this conclusion from the general index figure of industrial production. I say, Sir, that no significant inference can be drawn from the mere index of industrial production. The real criterion for judging whether industrial production has gone up or not during the period should be made from an assessment of the real position of the industries in the country and not merely from the index figures for industrial production. For instance, there are several industries, particularly in the South, which are struggling for existence. All the same they continue to exist. They continue to produce.

I will refer particularly to one or two industries in the South, especially in the State of Travancore-Cochin from which I come. There is a sugar-producing concern in that State which has been in existence for over 12 years. All the same, it has not been possible for the concern to declare

[Shri S. C. Karayalar.] any dividend for several years. It is now on the verge of collapse. I say that the production of this particular industry cannot be taken into calculation in assessing the industrial growth of the country. That is one instance.

I will also refer to another instance, namely, the glass industry in the State of Travancore-Cochin. It has been in existence for over 12 or 13 years and it has also not declared any dividend for the last six or seven years. All the same, it is in existence and it is supposed to produce glass articles. It is also on the verge of collapse. Now, can you take the figure of production of this particular industry into calculation for the purpose of appraising the general industrial growth of the country? I am referring only to two specific instances to show that the general index number of industrial production alone ought not to be the criterion for judging whether the industrial growth had improved.

I will also refer to one other industry in the State, namely, the cashew-nut industry. It was a very thriving industry employing about 50,000 workers. Only recently, about 75 per cent, of the factories in existence have been closed down all of a sudden. This industry, besides employing a large number of people—about 50,000 in number—was a big source of dollar exchange also. It is not merely the closing down of these factories that is serious but it is the repercussions that have got to be looked into. They are very serious. It will have repercussions on the employment situation in the country; it will have repercussions on the earning capacity of the people; it will have serious repercussions on law and order situation. My point is to show that the hon. the Finance Minister ought not to draw inferences from mere index figures of industrial production. He ought to have a machinery for finding out the real state of the industries and also to take proper measures, if they are on the point of collapse, to remedy the

situation. He ought not to draw inferences merely from the industrial production figures. That is my point.

SHRI C. D. DESHMUKH: May I know what inference has been drawn from the figures of industrial production?

SHRI S. C. KARAYALAR: It has been said that the general economic situation has improved. That is the point you have made.

SHRI C. D. DESHMUKH: It is true even if certain industries in certain parts of the country, in certain sectors of the economy, are not doing well.

SHRI S. C. KARAYALAR: If this state of affairs is allowed to continue there may be a sudden collapse of the economic structure.

My next point is to make a reference to the effect of the fiscal policy and its administration on the general economic situation in the country. I wish to draw the attention of the hon. the Finance Minister to certain facts which have come to my notice. It is now generally understood that in this country the percentage of public deposits in the banks in the country in relation to the total volume of currency in circulation is very low compared to what obtains in other countries, in Europe or in Great Britain. Let us examine why this phenomenon has occurred in India. The volume of the currency in circulation in India is supposed to be in the neighbourhood of Rs. 1,300 crores.

Only a small percentage of the total volume of currency is kept as deposits in banks. It may be due to the fact that banking facilities are not available in the rural areas of the country; it may be one of the reasons why we have a very small percentage of the total amount of currency in deposit with the banks. For my part, from my personal knowledge, I may tell you that large sections of the people are not inclined to put their savings in the banks. This is due to

a psychological reason; it is the reaction of certain sections to the administration of our fiscal law. The common people are rather inclined to keep their money idle at home than put them in the bank. This is a serious matter which has got to be carefully looked into. It is a very serious matter from the national point of view. The Government of India are straining every nerve to find resources for financing our development schemes. It is not merely by taxing, it is not only by tax revenues that you can find resources; you should also think of finding the money for our development schemes by drawing out these idle funds, which is also one means of finding the resources. I think this is a matter which ought to engage the attention of the Finance Minister and he should find out the causes why several large amounts are being kept idle and should meet them.

Sir, coming to the excise duties, the Finance Minister rightly pointed out that there should be a shift of emphasis from the revenues from customs to the revenues from excise. This is a very safe and sound principle in view of the fact that our industrialisation has been progressing and the shift should be naturally from revenues from customs duty to revenues from excise duty which I welcome. The coverage of this tax is rather narrow at present. Now, the principle should be to extend this coverage so that all sections of the people may bear the burden of the cost of development in proportion to their capacity.

Lastly, I should like to say a few words about the structure of taxation. (*Time bell rings.*) I shall finish in two or three minutes.

MR. DEPUTY CHAIRMAN: Your time is already up.

SHRI S. C. KARAYALAR: Only one sentence. The structure of taxation should be uniform; there is a disparity in the tax structure in different States; my plea is that it should be more or less uniform.

MR. DEPUTY CHAIRMAN: Mr. Ma-thur.

(*Mr. Mathur was not in his seat.*)

MR. DEPUTY CHAIRMAN: Mr. Bhanj Deo.

SHRI P. C. BHANJ DEO (Orissa):

**श्री प्र० च० भंजदेव : (उड़ीसा) :** माननीय उद्ध्यक्ष महोदय, सरकार द्वारा यह वित्त विवेक हमारे सामने १९५४-५५ में ११॥ करोड़ रुपये के नये आगम मंजूर करवाने के लिये पेश किया गया है। इसका कारण यह है कि हमारी आय-व्यय की गणना में आगम लेख के सिरे में २६ करोड़ का घाटा दिखाया गया है। चालू कर निर्धारण से आगम की राशि ४४१ करोड़ रुपये दिखाई गई है और आगम पर जो व्यय लगाया गया है उसका परिमाण ४६७ करोड़ रुपये है। इस तरह यह २६ करोड़ की कमी हमारी आमदनी और खर्च में दिखाई गई है। परन्तु, महाशय, मेरा कहना यह है कि "सत्यमेव जयते" के रास्ते में सत्य क्या है। क्या यह २६ करोड़ की कमी इस "यमद्वारे महाचोरे तप्ता वेतरणी नदी" का वास्तविक विस्तार है। इस आगम अर्थात् रेवेन्यू (revenue) खर्च के कितने अंश अभी तक लेखा के पूंजी सिरे में परिवर्तित होकर छिपे बैठे हैं?

उदाहरणस्वरूप, मैं यह कह सकता हूँ कि असल में राज्यों के अनुदान, अर्थात् ग्रांट्स (grants) के रूप में जो रकम दी गई है और जिनकी पूर्ति आगम हिस्से से, हमारे लेख के आगम हिस्से से अर्थात् रेवेन्यू साइड (revenue side) से होनी चाहिये वह सब कर्ज और उधार में, लॉन्स एण्ड एडवांसेस (loans and advances) के रूप में दिखाई गई है और पूंजी खर्च अर्थात् कैपिटल ऐक्सपेंडिचर (capital expenditure) के

[Shri P. C. Bhanj Deo.]

रूप में दिखाई गई है। ऋण परिशोध-निधि (लोन सिंकिंग फंड) (loan sinking fund) के लिए बहुत कम रकम मुकर्रर की गई है जिससे कि हमको यह घाटे का यवार्थ रूप कभी मालूम नहीं हो सकता। इससे यह स्पष्ट है कि आगम (रेवेन्यू) पर जो लागत है वह अत्यंत संकुचित (deflated) रूप में दिखाई गई है। अतएव इस दृष्टि से यह २६ करोड़ रुपये के घाटे का रूप, जिसे वित्त मंत्री जी हमारे सामने पेश किये हैं, हमारे आर्थिक घाटे का अत्यन्त संकुचित (deflated) रूप है। महोदय, यदि यह भदन थोड़ा सा गम्भीरता से विचार करेगा तो इस घाटे का वास्तविक रूप करीब करीब ३०० करोड़ रुपये से अधिक होगा, कम नहीं। इसी तीन सौ करोड़ से अधिक के घाटे को पूर्ण भरने के लिए हमारे वित्त मंत्री महोदय ने हमारे सामने इस साठे ११ करोड़ का विधेयक आज पेश किया है। मैं जानना चाहता हूँ कि इस तप्त वितरणी को पार करने के लिए इस डगमगाती हुई कागज की नौका के निमाण से हमारा कौन सा स्वार्थ सिद्ध होगा। जैसे भी हो, हम इन साठे ११ करोड़ कायों को मंजूर करें या न करें, हमें तो घाटे की अर्थ नीति अर्थात् डेफिसिट फाइनेंसिंग (deficit financing) की शरण लेनी ही पड़ेगी, और अमेरिका से, कोलम्बो योजना से सम्बन्धित देशों से, फोर्ड फाउंडेशन (Ford Foundation) इत्यादि की विदेशी सहायता से और बढ़ते हुए उधारों की छत्रछाया में हमको अपना आर्थिक जीवन बिताना ही पड़ेगा; साथ साथ ही इस देश में हमें बड़े से बड़े कर्जों के जालों में उत्तरोत्तर फँसना ही पड़ेगा और ये सब धूणों की रकम अनुत्पादक कारोबार तथा राज्यों के अपरिशोधनीय ऋण के रूप में हमको खर्च करना पड़ेगा, यह हमारी कुछ नियति ही मालूम होती है। आप लोगों

को मालूम है, उप सभापति महोदय, इस सदन को मालूम है कि इसके पहले एक माननीय सदस्य बहुत व्यूरेवार तथ्य इसके बारे में दे चुके हैं कि यह ऋण शायद कभी हमारे पास वापस नहीं आने वाले हैं। जब तक इस अजस्र व्यय की नीति को सरकार आमूल परिवर्तित नहीं करेगी, तब तक मेरे ब्याल से हमारे सामने आर्थिक सत्यानाश के सिवाय और कोई भी भविष्य नहीं है। जितनी भी वह अपनी आमदनी में बढ़ती करने की कोशिश करें, वह उसके लिए कभी पर्याप्त नहीं होगा।

इसलिए, महोदय, विनियोजन-विधेयक (Appropriation Bill) पर मैंने यह बात कही थी कि हमारी सरकार लोकप्रिय होते होते लोकिक सरकार में परिणत हुई और लोकिक सरकार में परिणत होते होते लोकप्रिय सरकार में परिणत हुई है, और इसलिए उसका यह सिद्धान्त रह गया है :—

‘यावज्जीवेत् मुखं जीवेत् ऋणकृता घृतं पिबेत्, भस्मभूतस्य देहस्य पुनरागमनं कुतः।’

इसके बारे में मैं और भी कह चुका हूँ, महोदय, कि हमारी सरकार ने इस घाटे की अर्थ नीति को केवल आज के लिए ही लागू न करने, बल्कि उसे इस घाटे की अर्थ नीति में, और अपभ्रष्ट में, कुछ आनंद सा अनुभव होता है; क्योंकि जब हमारा यह दिवालियापन अभी हमको भारे डाल रहा है, हम इस दिवालियापन के प्रयाद के कितारे पर डगमगा रहे हैं, तब भी हम यही सोचते हैं कि हमारे कर्जदारों का जितना सूद है उसको सब उन्हीं को छोड़ दें। मैंने यह भी उल्लेख किया था कि वर्मा से ७२ करोड़ रुपये के कर्ज का १७ साल का ब्याज छोड़ कर हम अपने यहां दान-धर्म करते हैं जब कि घर में दिवालियापन का अग्निभय मुख हमारे सामने खुला दीखता है। इसके बारे में मैं माननीय उप वित्त मंत्री महोदय से, जो यहां उपस्थित थे, कुछ प्रकाश

डालने के लिए प्रार्थना कर चुका हूँ। पर इस साम्राज्य में प्रकाश कहाँ है? महोदय, यहाँ तो सिर्फ चूप्पी साधी "मौनम् सम्मति-लक्षणम्" दीखता है। चारों तरफ, उपमंत्री महोदय, ने प्रकाश तो नहीं डाला बल्कि यह प्रमाणित कर दिया कि इस अंधेर राज्य में चारों तरफ अंधेरा ही अंधेरा है। इसीलिए मैं माननीय वित्त मंत्री महोदय को भी, जो, कि आज यहाँ स्वयं उपस्थित हैं और जिनके प्रकाश से हम सब लोग अपने को प्रफुल्लित समझते हैं, प्रार्थना करूँगा कि इस बारे में वे अपने भाषण में थोड़ा प्रकाश डाल कर हम सब को आभारी करें और उस "मौनम् सम्मति-लक्षणम्", जिससे कि उप मंत्री महोदय ने दोषों को स्वीकार कर लिया, उस कलंक को मिटाने की कोशिश करें। महोदय, यह कहकर मैं अपना भाषण समाप्त करता हूँ।

[For English translation, see Appendix VII, Annexure No. 218.]

SHRI A. S. KHAN (Uttar Pradesh): Sir, I wish it were possible for me to congratulate the Finance Minister for his Finance Bill. I am afraid that I am not in a position to do so. I would like to remind my friend, the Finance Minister, that while discussing the Five Year Plan here, I made it quite clear to him that in my opinion the States would not be able to fulfil the expectations that he had about the Plan. I am sorry that that has come true and he has now complained that the States have not been able to make the necessary savings which he was expecting. Sir, I also said then that his expectations about small savings would not be fulfilled. I do not know, whether he is convinced or not about that now, but if he is not, I can assure him that by the time the remaining two years of the Five Year Plan period are over, he will get convinced that all those expectations about small savings were not to be realised. That is quite obvious, because first of all, our people are not bank-minded. Secondly, if the income of some people has gone up a

15 C.S.D.

little, their mode of living is so low that instead of making a saving they can just spend it on raising their mode of living. Savings are possible only where the standard of living is high. But in a country like India where the standard of living is so low savings (are not at all possible.

Now, Sir, there is one other question that I would like to ask about this deficit Budget. Does he expect more help or at least as much help as he got in the past, from outside? I do not think he can give any definite reply to that question also. The result is that he is embarking on further deficit financing. Now he is taxing things like soap and footwear. Sir, I am sure that if we really wish to raise the standard of living of our people, taxation on the necessities of life will not help. On the other hand, it will make it more difficult for people to raise their standard of life.

Further, Sir, we know that for the defence of our country we may have to spend more and more money. In fact, we would like to have more people in our territorial forces, we want to have a big scheme of auxiliary and territorial forces for the whole of the country. I can assure you, Sir, that I for one, if the Defence Ministry comes for more money in this respect, will vote for it. And how is the Government of India going to provide for that money? Is the Finance Minister going to do all this by deficit financing? And if he does so, what will be the result? Will it not affect the index of prices? Will it not make things more costly? I am afraid, Sir, that if he continues to follow this line, he may find himself in a difficult financial position in future. I would like to warn him again that by taxing these necessities of life and by indulging in deficit financing to that great extent, he may find himself in a very difficult financial position, and he may have to say "Let us control this, that and the other." The old policy of controls will have to be resorted to again and that will not be good for the country. I do not want to take much time and I finish.

SHRI KISHEN CHAND (Hyderabad) : Mr. Deputy Chairman, we are really concerned here with the taxation policy of the Government. In this Finance Bill, Sir, the hon. the Finance Minister has thrown a challenge to the Opposition to suggest ways and means for collecting Rs. 400 crores. It is a well-known fact, Sir, that some sort of indirect taxes will have to be levied, but we have got to consider very carefully this question as to what is going to be the burden of indirect taxes on the common man. It is not only the Centre that collects taxes from the common man, but almost all the taxes levied by the State Governments are really collected from the common man. It may seem that the amounts derived from the direct tax and the indirect tax are more or less equal to each other, because from the direct tax the Central revenues are getting about Rs. 140 crores, while from the indirect taxes they are getting over Rs. 250 crores. There is thus a difference of Rs. 100 crores. But he can make these indirect taxes a little more palatable by changing the methods of collecting them. I submit, Sir, that a large number of indirect taxes lead to administrative harassment of the poor trader. In this connection, Sir, while the Appropriation Bill was being discussed, I suggested to the hon. Finance Minister that instead of our having various numbers of excise duties, sales taxes and other things, if we had one turnover tax or the production tax at the source, *i.e.*, at the factory level, this unnecessary harassment caused to the small trader could have been avoided. These taxes like multiple-point sales tax and excise and export duties are causing real harassment to the small trader.

Further, Sir, I would like to tell the hon. the Finance Minister, that today we have got a buyer's market. We are finding that in our export trade we are sending larger and larger quantities of goods from our *country*; we are exporting larger quantities of tea, jute goods, manganese ore, etc., and yet we are getting smaller and smaller amounts. I can

quote figures here to show that in the export trade the money value of our export trade is going down though quantitatively we are exporting larger quantities. The reason is that it is a buyer's market and the prices are coming down. I will give a simple example.

Supposing there are half a dozen shops in one street selling the same goods and there is a small number of buyers. A man goes to one shop; the shopkeeper offers his goods for a certain price; but another shopkeeper may offer the same goods for a slightly cheaper price; and in this way they go on competing and reducing their prices. Due to this unhealthy competition we are offering prices to foreigners for the sale of our goods which are becoming cheaper and cheaper. The result is reduced income from export trade.

For instance, we find that the tea trade is entirely in the hands of foreigners. They are the producers and they sell at lower prices in order to transfer some part of the profit from India to the U.K. where those companies are registered. Therefore, I would submit, Sir, that in a buyer's market it is always in the interest of our country that we should have • State trading, and the Government should take up this export trade, which has, during the last two years, fallen from Rs. 700 crores to Rs. 450 crores. We have lost Rs. 250 crores, *i.e.*, 30 per cent, of our export trade in spite of the fact that we are sending larger quantities of goods. It will, therefore, be better if the State takes up that export trade and quotes its own monopolistic prices. When we are exporting our tea, we can get much better prices than the prices at which it is being sold by individuals-

Similarly in the case of manganese ore. On account of unhealthy competition by private exporters, they are reducing the prices unnecessarily. We have a world monopoly in manganese ore and we can dictate our terms provided it is done through State trading. I submit, Sir, that we are

getting only Rs. 40 crores as export duty, and that export duty also is principally obtained from jute goods—Rs. 10-5 crores. Similarly, we are getting Rs. 12 crores from tea. So if the State does this export trade, naturally not only will this amount come to the State, but when the prices go up, it will get a much larger amount from this source. In this way, I submit that by bartering the principal export commodities—I am not saying that the entire export trade should be done by the State but if the export of the principal commodities like jute, tea, manganese ore and oil seeds is done by the State and also ' the import trade in machinery and other principal articles is done by the State on a barter system,—we will be able to get larger quantities of machinery for the same quantity of articles exported by us. This is one point.

The second is the question of direct taxes. At present, the corporation tax is levied at the rate of 2½ annas. The total tax paid by corporations is seven annas in the rupee—four annas in the rupee as income tax with surcharge of 5 per cent, and 2½ annas as corporation tax. I will submit to the hon. the Finance Minister that if the corporation tax is increased by one anna to 3½ annas, he will get an additional Rs. 15 crores from the corporation tax only. It is far easier for him to get more money from the corporation tax. You will find that at present the corporations are paying Rs. 38 crores by way of corporation tax and Rs. 52 crores by way of income-tax, making a total of Rs. 90 crores. Sir, when it has been estimated that the profits of the corporations are over Rs. 250 to Rs. 300 crores, I think it is very easy for the hon. the Finance Minister to get another Rs. 15 crores by adding one anna to the corporation tax. I am sure that he is going to reply that the matter has been referred to the Taxation Enquiry Commission and that it is not advisable to take any action till its report is received. I submit that he may now increase the

corporation tax and then later on when the Taxation Enquiry Commission make some other recommendation, he may have this matter revised.

Further, Sir, by the policy of the Finance Ministry that the profits must be distributed to the shareholders up to 60 per cent. I think the Finance Minister is encouraging industry to fritter away its resources. I submit that with this addition to the corporation tax, the Finance Minister should remove that restriction and leave it to industry to distribute or not distribute any part of its profit. If he gives industry this concession, it will be able to keep a large part of its profits in reserve and carry forward this reserve for building up new industries in the country.

SHRI C. D. DESHMUKH: Mr. Deputy Chairman, I have always found that the Finance Minister is at a considerable disadvantage in replying to debates of this kind, either in the general debate or in the debate on the Appropriation Bill or in the debate on the Finance Bill. The reason is that the number of points that are raised are so many and the field covered by the speakers is so large that it is almost impossible to do justice to all the observations made by hon. Members in the sense of replying to them. If you had noticed yesterday, you would have seen that certain hon. Members were not satisfied with the reply given by my colleague, but<sup>1</sup> these difficulties are always there and one has to pick and choose, and that is what I propose to do. To the best of my judgment, I shall try and deal with the more important aspects to which attention has been drawn by hon. Members.

12 NOON:

The other difficulty is that in this context of the contrasts and clashes in ideologies and of the wide variations in one's assessment of facts that are often pressed into service, within the time at one's disposal, it is very difficult to deal with these—so to speak—fundamental matters. It was

tShri C. D. Deshmukh.] because of this that, when speaking in the other House, I appealed to Members of all parties to leave aside for the moment the extremes of their ideologies to which reference was made by Mr. Kunzru. and to concentrate attention on what could be practicable and could, therefore, form the basis of a common programme. I was hoping that there would be an encouraging response to this idea, but I find that that has not appealed to hon. Members, and, therefore, I am impelled to say with the poet—

“हवा जहां तेज़ थी वहां चिरागों बका  
जलाया, शिकायत नहीं है किसी की  
इसने शिकार है अपनी सादगी का॥”

which means:

"Where the wind was blowing very hard

That was where I kindled the lamp of my faith.

But I do not complain against anybody;

I am the victim of my own simplicity."

Well, Sir, coming to some of the small points, on which I do not propose to spend much time, one hon. Member complained that whereas the Estate Duty Bill last time was not regarded as a Money Bill, I have smuggled into the present Bill some provisions in regard to the Estate Duty Act and that it is not quite fair. In the first place, it is not for me to certify any particular Bill as a Money Bill. That is given to another constitutional authority. I would also point out to him that the reason is that we are now dealing with what might be called substantive taxing provisions and not with various adjunctive or ancillary matters. The two amendments contained in the Bill are not in regard to procedural sections but they are in regard to the specific scope of the charging section and to the question of exemption in a particular case, and therefore they have a direct effect on the quantum of the duty to be levied.

Then, with regard to vanaspati, all I can say is that this is a question on which there is a wide divergence of views and that the matter has, I believe, been discussed in the other House and that Government' is well seized of the variety of views expressed on this issue. I only wish to add that it is under the consideration of Government and that the only reason why colouring has not been introduced is that so far it has not been possible to find a colouring material which is both harmless to health and also incapable of being decolourised. Laboratories have been asked to work on this problem. The hon. lady Member suggested chlorophyll. I do not know exactly what the verdict of the laboratories is on the merits of chlorophyll for this particular purpose.

Then, another hon. lady Member complained that U.P. had not received adequate assistance. She was not satisfied with the reply that I had given last time. The facts are these. The planned expenditure in Uttar Pradesh in the first three years was Rs. 61'8 crores and towards this, the Central assistance to that State was Rs. 10-4 crores as against Rs. 15 crores for the five-year period. Now, to this Rs. 10-4 crores is to be added the sum which the (hon. Member mentioned—I think Rs. 2-50 or 2-70 crores or something like that—and that I suggest is a very well-phased programme of assistance to that State. In addition to this, of course, financial assistance has been provided on community projects, tube-wells and so on in addition also to the loan assistance that I have mentioned. It is also in addition, of course, to the share in the transfer of Rs. 20 or Rs. 21 crores of resources that U.P. received in common with the other States and.....

SHRI K. S. HEGDE: Eating improves appetite.

SHRI C. D. DESHMUKH: .....being allegedly the premier State in India, it must have received a fairly large portion of that assistance.



So far as factual statements of the third lady Member are concerned, I am again very confused because she has made several somewhat conflicting statements. I don't know if she takes any interest in culinary matters but if she does, I should imagine that she would prepare a most appetising dish containing all the flavours that are known. The only trouble would be that that dish would be indigestible. She has complained here in the first place of my having raised—she will correct me if I am wrong—the taxes on the poor and having given progressive reliefs to the higher-income groups. I think this is what she has said, "We know that this is the fourth budget which is being put forward before this House by the hon. Finance Minister and in these four budgets....." I believe that is what she said, unless she said in this fourth budget, which would be entirely wrong because there is nothing except this indirect taxation which we are considering but there is no relief to the rich in the fourth budget. She said, "We see tax concessions are given not to the poorer people, not to the struggling lower middle class employees, not to the workers and peasants, but to big business corporations and the higher-income groups." Now the trouble here is, Sir, as Shri Jwala Prasad Srivastava said, about the definition of who is rich and who is poor. He looked into the lexicon. My advice to the hon. Member is to look in the looking-glass. That may apply to the hon. Member. It might also apply to the hon. lady Member.

SHRI J. P. SRIVASTAVA: Lady Member?

SHRI C. D. DESHMUKH: Actually I have got statements here of what I have done and I cannot discover that I have given any relief to the rich. The only thing that I am guilty of having done is to raise the exemption limit for other than Hindu undivided families from Rs. 2,000 to Rs. 4,200, then for joint Hindu families from Rs. 7,200 to Rs. 8,400. That is about all that I can discover and in 1951 I put a surcharge of 5 per cent.

in respect of income-tax and supertax in each slab and the company rate was raised from Rs. 0-2-6 per rupee to Rs. 0-2-9 per rupee after rebate. I don't know if the hon. Member regards families with an income of up to Rs. 4,200 as plutocrats or if she regards a surcharge and an enhancement of the rate as a relief. Therefore, I fear, she has not got her facts aright, but apart from that, I do think that she has somewhat painted a mixed and, therefore, a confusing picture. For instance, she objects to deficit financing. She has not mentioned foreign aid and therefore she rules it out by implication. She does not want any indirect taxation, i.e., she wants it to be continuously reduced.

SHRI K. S. HEGDE: Except in ideas.

SHRI C. D. DESHMUKH: Therefore her remedy for the evils of the country is to go on taxing the rich till they are eliminated. That may be, in the short run, a very good escape for people who don't wish to face up to their long-term responsibilities. Now, if she has read the first four chapters—I refer not only to her; some other hon. Members also seemed to share these views—if she and other hon. Members have read the first four chapters of the report of the Planning Commission, they will find that the Planning Commission, and following them, the Government, have taken a long-range view as to what is to happen to us, say, over a generation, what is the long-term objective towards which we shall be formulating our plans. And we came to the conclusion that we shall have done enough for our generation if we succeed in doubling the national income in, say, 21 or 25 years, and it is towards that goal that we are trying to progress. Now, as you know, the size of each plan is about Rs. 2,200 to Rs. 2,500 crores. In the context of that, the sums that you could derive by first socking the rich and later on by eliminating them would be, I suggest, a bagatelle, and you must

[Shri C. D. Deshmukh.] face your main problem, *i.e.*, what is that we all can do to advance the economic status of this undeveloped country which, as I said, belongs to the poor and where the poor predominate, because once the rich are eliminated, there will be no more question of capital formation through the rich; you may have Rs. 5 crores from the Princes, you may have another Rs. 20 crores from profits and so on. Now, is that going to help you to develop the country?

SHRI P. SUNDARAYYA: Why not fix the dividend level?

SHRI C. D. DESHMUKH: This interruption is precisely characteristic of what I am complaining. The hon. Member is asking me "Why don't you do this first? It is only then that we shall think of a common programme." That may be a point of view—I am not denying it. What I said was that that was a short-term and a shortsighted policy.

SHRI P. SUNDARAYYA: Not at all.

SHRI C. D. DESHMUKH: The hon. Member, I hope, will never be able to find it out but I can assure him that that is going to be the result. Even for argument's sake if we were to deal with the rich and foreign interests, as he has suggested—and I don't deny that we shall be in possession of Rs. 100 or Rs. 200 crores and so on—what I was submitting is that that is not going to help us to implement this plan—may be this plan might be implemented because half of it is completed—but certainly not the next plan and not the plan after that and that is why in the U.S.S.R., where only the poor exist, shall we say, in the sense in which hon. Members mean the term, about 90 per cent, of taxation is indirect taxation and 10 per cent, is direct taxation only from the small incomes which are permitted to be enjoyed.

SHRI B. GUPTA: The hon. Minister is confusing taxation there with our taxation.

SHRI C. D. DESHMUKH: That is right in the sense that I have only referred to it as taxation. I don't wish to criticise the arrangements made in other countries but a large part of the resources required for the State are derived by price differentials in the U.S.S.R., *i.e.*, we have not yet .....

MAJ.-GENERAL S. S. SOKHEY: They are derived by producing more wealth.

SHRI C. D. DESHMUKH: That is what we are trying to do, Sir. But what I am saying is, we are not dealing with production now. I am quite sure that all hon. Members are agreed that we should increase production. All I say is this. When production goes up, we have to absorb some of it back for development purposes. And here we are dealing with the *modus operandi*, that is to say, what form the taxation takes and all I am saying is that in those countries taxation takes the form not only of indirect taxation as the hon. Member suggested, but also of price differential.

Now, quoting from memory, at one time a pair of shoes cost Rs. 135 in the U.S.S.R. The reason was that they wanted the shoe-maker to enjoy the same standard of living as anybody else—quite a commendable aim. But the only point I am making is that in a country which is predominantly poor, there is no way of raising the resources in the long run, except by taxing or levying indirect taxes, and therefore it does not do, in my opinion, to direct over-much attention to what is being done for a short period of one year or so. I have repeatedly explained why we have been driven, so to speak, to this indirect taxation here, rather than take recourse to direct taxation such as increase in corporation tax or increase in the rates on certain slabs of income. We have remitted this whole matter, which is complicated in all conscience, to the Taxation Enquiry Commission.

I think I can assure the House that by the end of the year, the report of that Commission will be in the hands of Government and I also believe that we shall be in a position to take decisions on their recommendations and to embody the implementation of those recommendations in the next year's Budget. So all I ask of hon. Members is to hold their souls—if they have any, I mean—because an hon. Member said I have no soul.....

SHRI B. GUPTA: Dr. Radhakrishnan, our Chairman, said the Government has no soul.

SHRI C. D. DESHMUKH: The hon. Member said the Finance Minister is without a soul, and I thought just like myself there may be other Members who have not got any.

All I am saying is that they may hold their souls in patience. I have made again this point in this House that it is for the purpose of balancing the revenue Budget. One hon. Member had certain remarks to make on that. In making them he asked me how I was going to cross this *tapta vaitarani* ( तप्त वैतरणी ) by means of this paper boat. I may say there have been examples in the past where even oceans have been crossed. He will remember, the scholar that he is, that Kalidasa, when he started describing the doings of the race of JRaghus, says:

तितीर्षुर्दुस्तरं मोहादु डुपेनास्मि सागरम्

My point is that he succeeded and it may be that I shall succeed, that the Government will succeed.

Sir, then Shri B. C. Ghose gave figures to prove his contention that the trend during the last few years has been unmistakably in the direction of more and more reliance on indirect taxation. I have already made a few observations which show that if the last few years mean the years since the burden fell on me, that is not strictly correct. But I do not want to split hair over this. He has taken certain figures. I believe they are

from the Finance Commission's report. But some of his figures require a certain amount of correction, that is to say, for the reliefs allowed, the figures transferred to the States' share of income-tax revenue and so on. I should like to give the correct figures here. In the Central Budget of 1943-44, the import duties and land customs amounts were Rs. 26-06 crores, that is to say, Rs. 26 crores and 6 lakhs. In 1946-47, the figures was Rs. 85' 50 crores and in 1954-55 it is Rs. 134.50 crores. I am talking in crores—I think that is easier. Then, central excise amounted to Rs. 24.70 crores in 1943-44 and Rs. 38.45 crores in 1946-47 and Rs. 96.70 crores in 1954-55. This is the estimate and that will exclude the taxation relief that has already been allowed. It also excludes the coal cess. The income-tax figures are for 1943-44, Rs. 129.15 crores; for 1946-47, Rs. 160.58 crores; and in 1954-55 our estimate is Rs. 165 crores.

SHRI B. C. GHOSE: I may inform the hon. the Finance Minister that these figures were taken from the *Eastern Economist*; but apparently they are wrong, judging from the figures now given by the Finance Minister, about the Central revenues. I took them from the Budget Number of the *Eastern Economist*.

SHRI C. D. DESHMUKH: Maybe, but I am giving them from the Budget, which is slightly better. I am not blaming the hon. Member. I said the Budget figures might have been available to him.

Now, the above figures include the States' share of income-tax revenue. So far as customs and Central excise revenue figures go, they are exclusive of export duty and coal cess respectively. Referring to customs duty in 1943-44, hon. Members will admit that things were exceptional during those years since it was impossible to import any goods because there were no goods available and because of lack of shipping, and to a certain extent

[Shri C. D. Deshmukh.] this also applied to exports. Now, he stated that the tax revenue of the Central Budget has gone up from Rs. 171 crores in 1953-54 to Rs. 379 in 1954-55, and according to the estimates, the income-tax revenue has remained the same, namely, Rs. 109 crores in both the years. That is where I said my figures differ from his, because the figures that he quoted refer only to the Central share of the income-tax revenue and not to the gross collection. The actual gross collections for 1943-44 I have already given and also those for 1954-55: one is Rs. 129 crores and the other is Rs. 165 crores. Of course, one must remember that 1943-44 was a year of war profits and I do not see why we should shed tears if war profits show a declining trend.

SHRI B. C. GHOSE: What is the figure for 1951-52?

SHRI C. D. DESHMUKH: The hon. Member is sure to ask for just the figures that I do not have here.

SHRI B. C. GHOSE: To see how it stood during the Finance Minister's stewardship.

SHRI C. D. DESHMUKH: There were certain arrears of excess profits tax and business tax collection which were to be made in 1950-51. And hon. Members should also remember that the year of assessment is different from the year in which the actual profits are made. So till the last year we were dealing with retarded assessments of excess profits and other taxes.

As regards the number of assessees, here again confusion is caused because sometimes the reference is to the number of assessees in our General Index Register and sometimes to the number of assessments which may include more than one year's assessment of a particular assessee and may not include all the assessees. Anyway, I shall not take up much time of the House because the point is not

a particularly big one. The hon. Member may ask me why it was there in one year and not in the previous year, but I am quite sure that matter can be satisfactorily explained.

The principal point that I wish to make is this. The proportion of direct taxation, no doubt, is less in India than in other countries. But there are reasons for it and I myself believe that they are convincing reasons. The number of income-tax payers in India is one quarter of a per cent, of the population of the country, as against 40 per cent, in the United Kingdom and 45 per cent, in the United States of America. Agricultural income-tax, to the extent it is levied in the States, is not included in our figures. The full rates of income-tax have not yet been enforced in all the Part B States.

Then, so far as the import duties are concerned, they are bound to be higher in India than in the U.K. or in the U.S.A. for the reason that we generally import manufactured goods on which the rates of duty are generally higher against the U.K. and the U.S./.. which import mostly raw materials on which there is no duty or there is very little of it.

Now, Sir, in 1952, the Planning Commission worked out the incidence of direct taxation on the various income groups and came to the conclusion that in each of the income groups, up to those earning Rs. 25,000, the relative position of the group since 1938-39 improved after taxation while only income groups earning Rs. 40,000 and above suffered a relative deterioration in their position. The same thing can be expressed in a different way by stating that whereas the rate of direct taxation on income of Rs. 5,000 is less than half of what it was in 1945-46, that is to say, it has gone from 4.7 per cent, to 2.3 per cent., that on the income groups of three lakhs has actually gone up from

66-4 per cent, in 1945-46 to 70 8 per cent, at the present moment. Now, Sir, I do not object—and I cannot object—to hon. Members raising this issue; I think it is very important and that we ought to satisfy ourselves as we go along that we are taking active and positive measures for reducing the inequalities in wealth. I can only assure hon. Members that this is the intention of Government. They may not have the equipment for measuring the changes; it may be that the time that has elapsed is not long enough to enable us to make a proper appraisal; but the only thing I would ask hon. Members is not to suspect the *bona fides* of others when they do not wish their own *bona fides* to be suspected. One hon. Member seemed to be pursued by the phantom of capitalists and she suspected the same phantom was pursuing Government. I can assure the House that nothing can be farther from the truth and that we are trying to grapple with the problems that are facing the country to the best of our ability and certainly in all good faith. (Interruption.)

Well, that is a matter of judgment. I cannot claim that and I can only say that I am doing it to the best of my ability.

SHRI B. GUPTA: And to the fullest satisfaction of big money.

SHRI C. D. DESHMUKH: On that there may be difference of opinion, but I do not admit of any difference of opinion in regard to our faith and it is no use hon. Members opposite saying that so and so are my friends. I have never referred to their friends; I never even consider who it is that holds the purse-strings. I have not referred to it. That was a matter which was referred to by other hon. Members. I have scrupulously kept away from these things because I do believe that the *bona fides* should not be suspected because it is a double-edged weapon. Any accusation like that is a double-edged weapon.

SHRI B. GUPTA: It is not a question of *bona fides*. It is a question of judging you by your policy. Probably you are acting in very good faith **but** that faith relates to serving the cause of big money and the capitalist class.

SHRI C. D. DESHMUKH: Well, Sir, the Party which has been given the responsibility of governing, at any rate, is certainly more vulnerable than a party which has not got that responsibility.

Now, Sir, I shall pass on to other points in regard to taxation. There was a small point made by Dr. Radha Kumud Mookerji. He said that I should exempt from Estate Duty property which gives an income of Rs. 4,200 because that is the present exemption limit for taxation of income. I am afraid, Sir, I cannot accept that argument. A certain level of current income is exempted partly because that level is supposed to be necessary for supporting a certain minimum standard of living and partly because taxation of lower incomes involves little proportionate return, that is to say, it involves a great deal of administrative operations with not proportionate results. Now, Estate Duty is levied because basically the person who inherits the estate has not earned it except by the accident of birth or of inheritance.

DR. RADHA KUMUD MOOKERJI: I was trying to find out some principle on the basis of which.....

SHRI C. D. DESHMUKH: That is right. I sympathise with the hon. Member's search for principle by saying that the principle he has found is not a correct one. Now, therefore, Sir, I think he cannot claim exemption on the ground that it will give him only so much income, for the assumption is that in the main he must earn his living. Now, under the Estate Duty Bill, property worth below Rs. 50,000 governed by the *Mitakshara*, *Marumakatayum* and the *Aliya Santhana* law and below

[Shri C. D. Deshmukh.] Rs. 1,00,000 in the case of properties of any other kind is exempted on practical grounds. The point is that the principle governing taxation of unearned accretions of wealth cannot be the same as for the taxation of current earned incomes. The former deserves the special attention of the Finance Minister because it may give an unequal start to the favoured few, and the reduction of inequalities of income and of wealth is, as I have said, part of our accepted policy.

Now, Sir, I proceed to the detailed points made in regard to our taxation because, after all, that is our main purpose here. One hon. Member said—I think it was Prof. Ranga—that betel nut is a necessity in South India and that I should not look, in any case—I think it was Shri D. Narayan who said that—at what the wholesale prices are but at what the retail prices are. Now, Sir, as I said, the incidence of this is very very small indeed and it is precisely for tapping the profits of middlemen, to which another hon. Member drew attention, that we have imposed this duty. It is true that the growers might profit by it but I think it is a very long drawn out business, this business of growing arecanut. I think it takes about ten years before a tree starts bearing and, therefore, again it is too early to judge whether the grower has profited or not. but if it is a fact that we have to take years for our cultivation of betel nut and if foreign betel nut comes in as it is grown, in a state of nature, so to speak, then it is a desirable thing that incidentally our growers should be benefited. I think it is a kind of contribution which the common man makes to the culture of arecanut in this country and in this connection it all depends, I should say, on how you look at matters. One hon. Member said that every time he wears his shoe and every time he washes his face, he will commiserate with himself and say "What a hard-hearted Government this is". Well, I look upon it this way: every time I put on a shoe

and every time I wash my face I have the full satisfaction that I am helping forward the implementation of this Plan and that I am now a partner in Tania Ltd.'.

DR. P. C. MITRA: In the case of the betel nuts, who are the sufferers? Not the Ministers; they are not touched.

SRI C. D. DESHMUKH: Although the betel nut is a hard nut, the more I think as to who are the sufferers, in this case, the more I am convinced that the common man does not suffer very much.

NDW, I do take notice of this point because initially when a tax is imposed because of the constitution of our society, every one who can make a profit tries to make it and, therefore, it is quite possible—I have never bought betel nut in the market—that the increase in the retail price is out of proportion to what the Finance Minister has done in the way of increasing the duties, but I am a believer—I have to be because of my profession—in the law of supply and demand and I do not know .....

SRI K. S. HEGDE: Other things being equal. That is very important.

SRI C. D. DESHMUKH: That is right; and I thank the hon. Member for his assistance but I forget what point I was making.

DR. P. C. MITRA: One rupee per pound which means two rupees a seer.

SRI C. D. DESHMUKH: I say that as additional quantities of betel nut come into the country, if there is anything in the law of production, in the law of supply and demand.....

SRI B. GUPTA: But there is the law of monopoly control and profiteering.

SRI C. D. DESHMUKH: Sir, I am not aware of the law of monopoly

control in so far as betel nut is concerned because we are dealing with retail traders. The matter we are considering is why retail prices have increased.

SHRI B. GUPTA: But the retail prices are determined by the wholesale prices. Don't you see it?

MR. DEPUTY CHAIRMAN: Order, order.

SHRI C. D. DESHMUKH: What I am trying to explain is that whereas the wholesale prices ought to have increased by Rs. 36—which should have been the price rise—prices have risen only by Rs. 15. Hon. Members have complained that in the retail prices the rise is very much higher and I am trying to answer. Sir, that this is not due to the wholesale prices. We admit that there must be a rise of 15 per cent.

DR. P. C. MITRA: Rs. 80 per maund.

SHRI C. D. DESHMUKH: That is right.

But so far as the retail dealers are concerned, obviously there is a little bit of profiteering there while supplies have not percolated through all the markets and that situation is sure to be remedied in course of time.

Professor Ranga contended that the present was not an opportune time for levying the new excises and he said that I should have fully exploited the existing sources of revenue. He also made one suggestion of prohibition. His points were replied to by an hon. Member from Madras and in any case Prof. Ranga was drawing my attention to a source of revenue which had nothing to do with the Central revenues.

As I have, on more than one occasion, pointed out either here or in the House of the People, it is impossible to raise revenue in a country like India without taxing articles of general consumption, but we have to take care to see only that the burden plac-

ed on me poor and middle-class consumer is a small fraction of his normal family budget. So this is the answer that I can give to hon. Members, although I myself consider that the suggestion made that administrative harassment should be avoided is important, and I have reason to believe that the Taxation Enquiry Commission is devoting its attention to this particular aspect of taxation.

SHRI B. GUPTA: That is what we contest—that theory.

SHRI C. D. DESHMUKH: Unless hon. Members stand up and make their comments I cannot deal with them.

Then, there was a complaint made by Shri Kunzru that the new excise duty had made conditions in the Agra shoe trade difficult. I find, Sir, that out of 17 factories in Agra, only 4 are liable or were liable before the last changes were made in the House of the People regarding the excise duty on footwear, because they were power-operated. As a result of the last change only those factories which were using more than two h.p. will be liable to pay the duty. The total value of their production is estimated at Rs. 12 lakhs per annum and the excise duty will not exceed about Rs. 1 lakh. Of these four factories, some may also benefit from the recent amendment under which, as I said, only those using more than two h.p. in all will have to pay the excise duty. So I do not believe, Sir, that Agra has been hit hard after this concession and I see no reason for any further complaint from Agra. But if there are any complaints I am always prepared to listen to them and to see if I can find out a remedy.

Then, Sir, another hon. Member thought that the soap excise should have been levied only on soap made out of edible oils, so that more quantities of such oils could be made available for consumption as food. I have had some enquiries made in this matter and my information is that the

[Shri C. D. Deshmukh.] trade in non-edible oils in the country is in an unorganized state and the supply available is very small. The only non-edible oil which is available in some quantity is *mahuva* oil. In this connection, I may say that in one of the stalls that I visited while I had been to the Khadi Exhibition I saw that people were encouraged to collect ?ieem seeds which might prove to be a very large source of non-edible oil for purposes of soap-making. These are certainly lines of advance which one should encourage. Now about 15,000 tons of *mahuva* oil are produced and a good part of this quantity goes into the manufacture of soap already. In order to relieve pressure put upon supplies of edible oils for home consumption as food and for export by demands for indigenous soap manufacture, imports of palm oil have been freely allowed for the manufacture of soap. I think hon. Members are already aware of that.

Then, Sir, I come to cotton textiles. There were of course many points made but I cannot deal with all of them. There was some point about basing the classification of fine and superfine cloth, not on the counts but on whether Indian or foreign cotton is used and it was stated that this would help the growth of long staple cotton in India. Now that is a suggestion which perhaps has to be examined. We examined it once and we came to the conclusion that it would be a source of confusion if we have one definition of cotton textiles, of fine and superfine and so on for textile control and another for excise purposes, but that, of course, remains as long as the control on cotton textiles lasts. We shall always have an opportunity of reviewing this matter if textile control abates or is eliminated at some future stage.

Then, some hon. Member was of the view that the system of graded match tariff based on the scale of production should be extended to other commodities in the excise tariff. Now, wherever possible, the object that the

hon. Member has in mind, namely, preferential treatment to cottage and small-scale units, has already been laid down in the Central excise tariff itself or by executive exemptions. The Bill before the House itself contains provisions for relief to some units in art silk, soap and footwear. In the cotton cloth industry there is already an exemption for handloom cloth and also for cloth produced in power looms without spinning plant. For tobacco, Sir, it is not practicable—I think some hon. Member suggested it—to base the tariff on the scale of production, but the tariff makes a distinction between quality and quality to the extent possible. In sugar again we have an exemption for *khandsari*. There is no occasion for preferences of any kind in excise taxation of other commodities like motor spirit, kerosene, tyres and tubes vegetable products, which are all produced by large organized units.

Now, the same hon. Member was criticising about the decision taken last October to reduce the duty on superfine cotton cloth from Rs. 3-3-3 to Rs. 0-2-0 per yard. Now, it is possible that we were perhaps over-influenced by certain factors, but that is not to say that we knew that we were doing something wrong. Really, the factor that influenced us very much was the threatened closure of many mills which naturally involved the interests of labour itself. In any case, Sir, it certainly had a very good effect on the output of not only superfine but also of the fine and medium varieties. In cases like this it is always very easy to be wise after the event. Herein lies the advantage which the historian has always over the administrator. The average monthly clearances of all categories taken together, which had amounted to 315 million yards until October 1953, immediately improved during November 1953 to 420 million yards and has kept at more or less the same level since.

Then, there has been other criticism on the structure of the cotton cloth



excise tariff on the ground that the incidence of the rate of duty on superfine used normally by the rich was lower than the incidence of the rate on coarse cloth usually used by the poor. Now, it would always be possible to establish some kind of case in this by saying that in one case it is 3 annas whereas in the other it is Rs. 0-2-9 and so on, other things being equal, so to speak. But it is not correct to pick out prices at random and base one's calculations thereon when hundreds of qualities and varieties of different widths are produced. I have already said that the annual production of coarse cloth is barely 600 million yards—I said that in the other House—or less than 12 per cent, of the total production of cotton cloth, amounting to 4900 million yards. It also consists mostly of fabrics, such as furnishings, tapestry cloth, bed-sheets, etc. Dhoties and saris of the coarse category, for instance, are only about 1 per cent, of the total production of all dhoties and saris. Prices of coarse dhoties are not readily available but the incidence of duty on an average medium dhoti is about 6 per cent, against 11 per cent, on a superfine dhoti. Further specific rates of duty, that is to say, rates based on quantity, are adopted because they are administratively convenient and the House will appreciate that where hundreds of varieties exist as in the case of cotton cloth, it is impossible to provide for specific rates the incidence of which would be ideally even for all.

In fact, the House will remember that the *ad valorem* duties on superfine and fine cloth were changed to specific duties as a measure of convenience both to the trade and the administration.

Then, Sir, there was a suggestion, I think, by the same hon. Member that we should impose the tax on square yard basis because tax on linear basis hits the poor. Of course, we have adopted this principle for art silk and he has suggested that the same principle should be adopted for J cotton textiles. That is a far more

complicated and difficult issue and I cannot say at this moment whether it will prove to be feasible or not, but the matter would be borne in mind and would certainly be examined from time to time. That is all that I have to say in regard to the structure of taxation.

Now I shall have to come to some general points, that is in regard to the Plan. Shri Ghose complained that there was a shortfall in the fulfilment of the Plan and this meant that the resources were not being generated<sup>1</sup> at the pace required or were being wasted or diverted into non-developmental expenditure and the hon. Shri Kunzru also asked me for detailed figures in these matters. Now, I have not got all the figures especially of the diversion into non-developmental matters, or what is more often the case, of spending money on developmental items which are not included in the Plan. It is only recently that these instances are coming to our notice but we have as yet no conspectus of all these. When we do get the information, certainly there will be no lack of frankness in placing them before the House.

SHRI H. N. KUNZRU: Have not the Government been aware of this, since the report of the Planning Commission was placed before Parliament long before? That report itself refers to these.

SHRI C. D. DESHMUKH: Either that report gives the details or it does not give the details. Qualitatively, we are aware that this is happening. All I am saying is, if the details are not in the report, it is for good reasons. We have not got all the details and we are trying to collect them. It is our business—and I am now speaking for the Planning Commission—to find out whether there is any diversion of this kind and to use our influence with the State Governments in putting a stop to it. That is our intention.

So far as shortage of resources is concerned unfortunately, I think it is true that some State Governments—it

[Shri C. D. Deshmukh.] is not right that I should name them— were probably over-optimistic in regard to their power to raise resources and in regard to their administrative as well as financial capacity to undertake works of development. We found, for instance, that there was perhaps an understandable emulation in this matter. One State compared itself with another. Bombay compared itself with Madras; Madras compared itself with U. P. and U. P. with West Bengal. Then, I think some States made up their own mind that out of the Finance Commission's award they were to get certain massive transfers and it was on that basis that they produced the Plan. Now, as the procedure goes, all these Plans were discussed<sup>1</sup> by the Planning Commission with the State Governments concerned but it is not always possible to arrive at an accord in regard to future raising of resources for as long a period as five years. There is a great deal of optimism in this and a great deal of over-confidence. So the shortage that we are finding now reflects all those factors. I am not quite sure whether they will continue but since they have been noticed, I myself believe that they will be seen less and less markedly, so to speak, in our dealings with the States in future. We have never been complacent about the progress made by the Plan now or about its possible progress in the future but I still submit that we must look into this problem in its proper perspective. After all, in the three years ending 1953-54 expenditure on the Plan was about Rs. 940 crores or Rs. 945 crores. About Rs. 600 crores of this was found from domestic budgetary resources including taxation and loans, Rs. 120 crores was met from external assistance and Rs. 225 crores was met by drawing down of cash balances, short-term borrowing and sales of securities. This last item is not a measure of inflationary financing. When we took the decision, it had to be treated as potentially inflationary but in the light of events, as I have explained on an earlier occasion, the net effect of these transactions has not been to add

to the money supply. In other words, the shortfalls in taxation receipts have been to some extent neutralised by absorption of securities by the public.

And then hon Members asked me what made me believe that the next Plan would be larger. I said that it might have, without trying to be dogmatic, a larger amplitude than the present one.

AK HON. MEMBER: Same optimism.

SHRI B. GUPTA: And also greater platitudes.

SHRI C. D. DESHMUKH: Well, the hon. Member still wants to be dialectical and not co-operative.

On 2 reasons is, I think we are finding our feet so far as planning technique is concerned. We believe that last time we had to take many things as they were. Many schemes were already in progress and we had to take it with whatever material came to our hands. The statistical foundation for the Plan was not, and could not have been, very good. But I believe there have been great many improvements in that field. The National Income Committee has suggested a series of items of which investigation could be made and I am sure that within the next two years it will be taken in hand. Therefore when we are formulating the next Plan we should have a far more adequate statistical foundation. Also, continuous thought is being given, as I said, to the technique of planning and we shall have had some experience of deficit financing. I am sorry to use that word but that is the only term one uses or, we may say, *consuming* money for productive work, that is one way of giving a label to it, otherwise all kinds of views gain currency. I myself feel that a certain amount of credit creation for purposes of development in an undeveloped country is very necessary and that even if it leads to a small and controllable increase in prices, one must not be deterred and one must go on, because, as I can see, there is no other alternative.

SHRI B. C. GHOSE: May I ask a question? Can the Finance Minister give us any information as to whether savings are increasing from Ave to seven per cent, as was estimated in the Plan and whether his plan for national income statistics is complete and we can have the data before we embark upon the second Five Year Plan?

SHRI C. D. DESHMUKH: Within the short time that has elapsed between the announcement of the final edition of the Plan and now, I do not believe we have statistics which would lead us unerringly to a conclusion in the matter, that is to say, whether the rate of savings has increased, I cannot yet say. I think the unpublished figures of national income for the last year will show that there has been definitely a real increase in national income and it may be that the proportion of savings also has gone up.

SHRI B. C. GHOSE: Which year?

SHRI C. D. DESHMUKH: Last year —the year not covered by the published figures of the National Income Committee. It is about to be published but we have information that there is a real increase in national income and so far as savings are concerned, if savings do not grow, of course one has to induce savings. All that I am saying is that one learns more and more about the technique of encouraging savings and generally of planning. And, as I said, the defects in our administrative machinery are being studied with far greater care and one might hope that as we get into our stride there will be notable improvement in this respect also.

So far as foreign aid is concerned, I can't say that its amplitude, compared to the amplitude of the Plan, will increase. On the other hand, one is aware of certain physical facts that there are very large surpluses in other countries which have to be used and utilised and we have an indication of the directions in which they can possibly be utilised for purposes of development in other

countries. Hon. Members are aware that trade missions are visiting other countries to find out how it can be done and they go into the details. I feel that there may be a way of securing mutual interest!, that is to say, the embarrassment of riches might be lowered in one country and the inadequacy of resources might be made up in another country. What the order of that will be, it is not possible for me to say. But there is a possibility there of additional resources being available on trade terms, shall I say, when entering into .....

SHRI K. S. HEGDE: According to your own words, they are only vague potentialities. How are you going to use these potentialities for planning?

SHRI C. D. DESHMUKH: We have not yet started formulation of the plans; we are dealing with the future. We have just issued a letter to the State Governments. The hon. Member is asking me for precise information as to what credit I have taken for that possibility. This is only the dawn for the second Five Year Plan and we have not gone very far. But I do make the point that one need not write off entirely any possibility of the injection of physical resources from outside into our system in order<sup>1</sup> to enable us to reach a higher level of investment effort so that we approach<sup>1</sup> nearer and nearer what might be described as the optimum level of development in this country.

Now, the other point raised by many hon. Members was about unemployment. Of course, we cannot apprehend both unemployment and deficit financing either the one or the other; they will co-exist both cannot be dangerous. Nor have I ever said that deficit financing is a permanent or long-term cure for unemployment. Gradually, as the country develops, it uses up its resources and marches towards fuller employment, there might be greater and greater danger in deficit financing; and by the same token, there might be less and less need for deficit financing. That is why, Sir, I

[Shri C. D. Deshmukh.] have always stressed, in dealing with that problem, the need for viewing the chronic problem of unemployment as a somewhat long-term one. One hon. Member complained that nothing was being done for meeting this problem. I shall say if you raise Rs. 10 crores in taxes on the one hand and, on the other, provide for Rs. 250 crores of capital expenditure you are doing something to provide for unemployment.

But, so far as unemployment is concerned, it is a very big issue; and it is not easy to co-ordinate that with various things that we are doing like aid to cottage industries, the pace of industrialisation, rationalisation, and so on and so forth. I believe, although it is a subject for research, it would be right to say that the course of industrialisation in this country has been somewhat indiscriminate over the last fifty years and that had the choice been open to us, in the beginning of this century, we might have taken different action. 11 P.M. I believe, on a proper investigation and research, it will be found to be true that we have, by our industrial progress, perhaps added to the unemployment problem; and it has come to the surface today, not only because of the accumulation of the unemployed, so to speak, but also of our awareness of the problem. And, it is only right that we should be vividly aware, we should be very much alive to this particular problem. I have no easy solution to suggest for this problem. For one thing, I would certainly give far more thoughtful attention to the possibilities of cottage industries absorbing the unemployed<sup>1</sup>.

DR. R. B. GOUR: Excuse me, Sir; I would like to understand the hon. the Finance Minister when he states that there was indiscriminate industrialisation; there I could not follow that point.

SHRI C. D. DESHMUKH: What I meant to say was that people with capital chose certain industries and

ordered certain machines and they thought that what was being done by ten thousand people could be done by one thousand people plus the latest machine lines. There was no one to take an overall economic view of that choice; and, in the private sector which was then more dominant than even today, it was not possible to impose a choice on anybody. It is only now, with independence, that there is a significant public sector which can perhaps correct inequalities. As the hon. Member is aware, before the advent of independence there was hardly any conscious expenditure on development, and, therefore, it was open to any one to choose a nice, juicy, consumer industry and replace the labour which was turning out the same article perhaps at the same economic cost. So, what I mean is that there was no study of this matter, and, therefore, it is quite conceivable that this has happened that we have, unwittingly, aided to the unemployment problem. The lesson of that is that we must not repeat that mistake now. And, therefore, as I have said, I have a great deal of sympathy with hon. Members who said that. I do not believe either in the extreme of village selfsufficiency, or in the extreme of quick and speedy industrialisation and of rationalisation one is capable of. I believe with the Chinese in this that there is not only one side to a question, not two sides to a question, but three sides to a question; I am a believer in the third side.

SHRI B. GUPTA: And that is the wrong side!

SHRI C. D. DESHMUKH: The hon. Member is very wrong-headed; he can think of nothing but wrong.

I do make this point very seriously. One has to face all these things. As I said, the *bidi* industry is employing about fifty thousand workers; now people are thinking of manufacturing *bidi* in this country by machines—not from outside, but manufactured in this country—which will require only one thousand people. Certainly, there

are certain social costs which one should not incur and the burden is then cast on society, and what are we to do with these people? Therefore, a great deal of care is required in the further field of rationalisation. The next Five Year Plan will have to be of a greater amplitude in another sense—not platitude—and that is, that must be an over-all Plan in a far more real sense than the present Plan. In other words, I cannot conceive of the private sector being left to look after itself. I am not committing the Planning Commission to this. I am only one out of five.

AN HON. MEMBER: You are two.  
(Laughter.)

SHRI C. D. DESHMUKH: Not now, I am only one now.

I do think that the next Plan will be a total Plan. And one must not confuse between the amplitude of a plan and the means at hand for its implementation. I see my friend at one with me in considering that we should have a total plan, but I do not believe we are at one when it is said that one does need to have overall socialisation for the implementation of the plan. At least for the next five years let us agree that there might be scope for the existence of both, the private sector as well as the public sector. And why not concentrate our attention on the plan that we have got? Let us see what are the safeguards and what are the requirements for the execution of that plan. It is only by addressing ourselves to that task that we would be able to secure what we want, namely, a rapid increase in the national wealth of our country.

Now, Sir, there is another point in regard to unemployment, which I should just briefly refer to. The idea has been thrown out by some writers that in every country where there is unemployment, there are also the resources for development. And it might be that we might be able to give practical shape to this idea in the rural areas, in such a way as to be able both to advance our development projects and also to see that the problem of

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unemployment is abated. One could promote a system by which revenues are raised locally for local development works, and the most practical step would be to increase the districts council cesses, because it is through such taxes that the inhabitants of particular locality will be able to see the fruit of what they are spending, and of course, in a sense they might be able to supervise the works. The supervision work would be easier and the people themselves would have a live community interest in it. and therefore. I believe, they would be enthusiastic about it. We have received evidence that this is already appealing to people, and we have already introduced what hon. Members know as the system of local development works. Now, this year, for instance, there is a provision of Rs. 6 crores in the Budget, provided that Rs. 6 crores are put in by the localities concerned. Usually it is a village or a group of villages. Now, to that might be added something by the State Governments and something by the District Councils. And from experience we find that work for Rs. 15 crores is done if we put in Rs. 6 crores ourselves. Now, that kind of system, I think, is capable of being extended in the rural areas and I believe that that will be a pointer to the solution of this problem of unemployment.

Now, Sir, our essential problem is the problem of turning our labour into capital. And I think it is to that task that all of us should devote our attention. I think this was what was said to me by the poet Member. In that, direction he said to me:

“कहते हैं कुछ ही वर्षों में दुगुनी होगी  
अपनी आय ।

इसका क्या विश्वास चीगुना हो न जायगा  
कर समुदाय ?”

My reply to the hon. Member would be this: , ,

“ध्यय दुगुना कर आय बढ़ायें,  
दुनिया का यह न्याय ।”

[Shri C. D. Deshmukh.] ,You must first spend in order to increase your national wealth.

“कर समुदाय सैयिलीकरण का,  
बानर समुदाय सहाय । ”

In other words, the wealth of our country is our own and we must see how best we can utilise it.

MR. DEPUTY CHAIRMAN: The question is:

"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."

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now we take up the clause-by-clause consideration.

Clauses 2 to 12 and the First, Second and Third Schedules were added to the Bill.

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

SHRI C. D. DESHMUKH: Sir, I now move:

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: Motion move:

"That the Bill be returned."

SHRI B. GUPTA: Mr. Deputy Chairman, smiling, joking, citing verses, and at times even getting a little excited, the Finance Minister has made his final speech in reply to the many points raised here. Sir, if ever the advocacy and upholding of the interests of big money were raised to the level of a fine art, it has been done so by the Finance Minister of India, Sir, the more I hear his speeches, the more I listen to his financial discourses, the more I feel that he is the dearest possession of big money in India. Sir, it is not a question of attributing any motives. He is doing it with all his conscience and intention as far as these big people are concerned!. Therefore, it is not

a question of having good or bad faith\* as such. Sir, how can his conscience be explained when he is allowing huge privy purses to the multi-millionaire Princes! and allowing crores of rupees to go out of the country for paying pensions to the British officials? I do not know how his good conscience will explain it. Now, Sir, this is a matter for him to explain.

He has mentioned that certain ideological and other differences are there. We know that there do exist differences. But what we proposed in our speeches was to get some measures against those sources of wealth whereby we could easily get more money. We submitted that the profit of the British firms should be made available for the benefit of our own country. But he has not done it. We submitted that the accumulated wealth of the Princes should be secured for service of the country. But he would not do it. Now, Sir, instead of doing what we have suggested, he supports indirect taxation, and, unfortunately, in his own way he brings in question the Soviet taxation policy. But he forgets to mention here that there have been severe price reductions since the end of the last war. (*Time belt rings*.) Sir, I will finish very soon. Now I will ask him to know from the daughter of the hon. the Prime Minister whether any one in the Soviet Union goes without nourishing food, without clothing or without the necessities of life. Sir, that should be found out before any suggestion is made about the Soviet tax system.

Then, of course, comes the question of creation of money. We do say that this money will create inflationary pressure. It would have been perhaps somewhat understandable if alongside this creation of money he had taken measures for mopping up the idle money, for mopping up the profits of the higher income levels, for controlling the prices of food and clothing and of other bare necessities of life and also some measures for

removing unemployment. Now, Sir, the whole deficit financing.... (Time bell rings.) Now, Sir, it is no use trotting out certain statistics which may have some meaning *in* our economic survey but no meaning in terms of the life of the people. I hope the Finance Minister will live a long life to realise the mischief, and I hope he will be privileged with an opportunity to see how other people try to *undo* the mischief that they have done and set the country's economy on the right path.

SHRI C. D. DESHMUKH: Yes, Sir; I wish to be here for 25 years during which period the U.S.S.R. was able to

increase' the consumption standards. We are only in the first five years now.

Mf. jDEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion adopted.

MR, DEPUTY CHAIRMAN: The House now stands adjourned till 8-15 A.M. tomorrow.

The Council then adjourned till a quarter past eight of the clock on Tuesday, the 27th April 1954.