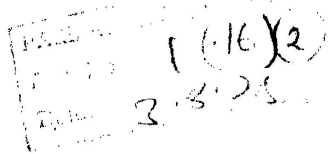


Sixth Series, Vol. XIV—No. 47

Saturday, April 29, 1978
Vaisakha 9, 1900 (Saka)

LOK SABHA DEBATES

(Fourth Session)



(Vol XIV contains Nos. 41—50)

**LOK SABHA SECRETARIAT
NEW DELHI**

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CONTENTS

No. 47, Saturday, April 29, 1978/Vaisakha 9, 1900 (Saka)

| | COLUMNS |
|--|---------|
| Papers Laid on the Table | I |
| Message from Rajya Sabha | 2 |
| Insolvency Laws (Amendment) Bill— | |
| As passed by Rajya Sabha | 2 |
| Calling Attention to Matter of Urgent Public Importance— | |
| Recovery of bombs near Gulbarga Railway Station and also under Railway Bridge | 2—10 |
| Shri Rajshekhar Kolar | 2, 3—5 |
| Shri Dhanik Lal Mandal | 3, 5—6 |
| Shri Ram Vilas Paswan | 7—10 |
| Business of the House | 10—11 |
| Finance Bill, 1978— | |
| Motion to consider | 11—65 |
| Shri Mrityunjay Prasad | 11—18 |
| Shri Amrit Nahata | 18—22 |
| Shri Ram Lal Rahi | 23—28 |
| Shri Ram Sewak Hazari | 28—30 |
| Shri Jyotirmoy Bosu | 30—42 |
| Shri Rajendra Kumar Sharma | 42—45 |
| Shri K. Lakkappa | 45—47 |
| Shri C. N. Viswanathan | 48—53 |
| Shri H. M. Patel | 53—65 |

(ii)

| | COLUMNS |
|--------------------------------------|---------|
| Clauses 2 to 40 and 1 | 65—114 |
| Motion to pass, as amended | 114—34 |
| Shri C. M. Stephen | 114—18 |
| Shri M. Kalyanasundaram | 118—20 |
| Shri Vinodbhai B. Sheth | 120—21 |
| Shri Roop Nath Singh Yadav | 121—25 |
| Shri Govind Ram Miri | 125—29 |
| Shri H. M. Patel | 129—134 |

Deposit Insurance Corporation (Amendment and Miscellaneous Provisions) Bill—

Motion to consider—

| | |
|--------------------------------|--------|
| Shri H. M. Patel | 134—36 |
| Clauses 2 to 9 and 1 | 136 |

Motion to pass—

| | |
|----------------------------|--------|
| Shri H. M. Patel | 136—38 |
|----------------------------|--------|

LOK SABHA DEBATES

2

LOK SABHA

Saturday, April 29, 1978/Vaisakha 9, 1900
(Saka)

*The Lok Sabha met at five minutes past
Eleven of the clock*

MR. SPEAKER in the Chair

श्री सुरेन्द्र विन्ध्य (शाहजहापुर) :
अध्यक्ष जी, ग्वालियर में बिड़ला ग्रुप के 8
हज़ार मजदूर हड़ताल कर रहे हैं, आन्दोलन
चला रहे हैं. . . .

MR. SPEAKER : As I have already
mentioned, there is no zero hour as such.
You must take my permission before
you say anything. Unless you give
me in writing, I will not allow. Papers
to be laid.

श्री सुरेन्द्र विन्ध्य : मैंने आप का
नोटिस दे दिया, लिख कर भी दे दूंगा।

11.06 hrs.

PAPERS LAID ON THE TABLE

NAVAL CEREMONIAL, CONDITIONS OF
SERVICE AND MISCELLANEOUS
(AMENDMENT) REGULATION, 1978

THE MINISTER OF STATE IN THE
MINISTRY OF DEFENCE (PROF.
SHER SINGH) : On behalf of Shri
Jagjivan Ram, I beg to lay on the Table
a copy of the Naval Ceremonial, Conditions
of Service and Miscellaneous
(Amendment) Regulations, 1978
(Hindi and English versions)
published in Notification No. S.R.O. 106
in Gazette of India dated the 13th April,
1978, under section 185 of the Navy Act,
1957. [Placed in Library, See No. LT-
2212/78].

847 L.S.—1

MESSAGE FROM RAJYA SABHA

SECRETARY : Sir, I have to report
the following message received from the
Secretary-General of Rajya Sabha :—

"In accordance with the provisions
of rule 111 of the Rules of Proce-
dure and Conduct of Business in
the Rajya Sabha, I am directed to
enclose a copy of the Insolvency
Laws (Amendment) Bill 1978,
which has been passed by the
Rajya Sabha at its sitting held
on the 26th April 1978."

INSOLVENCY LAWS (AMENDMENT) BILL

AS PASSED BY RAJYA SABHA

SECRETARY : Sir, I lay on the Table
of the House the Insolvency Laws (Amend-
ment) Bill, 1978, as passed by Rajya
Sabha.

11.07 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORT- ANCE

RECOVERY OF BOMBS NEAR GULBARGA
RAILWAY STATION AND ALSO UNDER
A RAILWAY BRIDGE

SHRI RAJSHEKHAR KOLUR
(Raichur) : Sir, I call the attention of
the Minister of Home Affairs to the following
matter of urgent public importance and
I request that he may make a statement
thereon :—

"The reported recovery of four
bombs with army markings
near the Gulbarga railway
station and also under a railway
bridge on Central Railway,
last week."

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI DHANIK LAL MANDAL) : Sir, the recovery of four grenades in the vicinity of Gulbarga Railway Station on 18th and 19th April, 1978 has come to Government's notice. According to a report received from the Karnataka Government, on the morning of 18th April a watchman of a private textile mill noticed two hand grenades by the side of godown towards the east of the Gulbarga Railway Station. The Railway Police seized the grenades and a case was registered under Section 5(3) B of the Indian Explosives Act 1884. Similarly on the morning of 19th April a coolie noticed two grenades near a railway bridge close to the eastern end of the platform. These grenades were also seized by the Railway Police and another case was registered under the Indian Explosives Act.

While further investigations are in progress in respect of both these cases, the Ministry of Defence have confirmed that the recovered grenades are of military origin intended for simulation purposes during training and are harmless. However, patrolling in the area has been intensified by the local police.

श्री राजगोपाल कोलार : अध्यक्ष महोदय, जो कुछ भी मंत्री महोदय ने अपने बयान में बताया है, वह सब कुछ पेपर्स में आया है। कोई नई चीज बताने की कृपा नहीं की है, मेरा मेव उद्देश्य सवाल पूछने का यह था कि वह जो आर्मी माफिग के बम थे, ये गुलबर्गा स्टेशन के करीब कैसे आए क्योंकि वहां कोई इन्फेन्ट्रि ब्रेकडर नहीं है जो आर्मी के लिए बम बनाने बनाए जाते। दो जगहों पर दो दो बम मिले। एक 18 तारीख को मिले और दूसरे 19 तारीख को मिले। तो इन बमों के वहां पर आने की वजह क्या है, कैसे लाए गये, इस के बारे में गृह मंत्रालय इन्फेन्सिवन कन्सल्ट कराने में असफल रहा है। यह सब को मालूम है कि बम मिले हैं और केस रजिस्टर किये गये हैं और यह दुर्भाग्य की बात है कि जो दो बम दो जगहों पर रखे गये थे उन को दूसरे ही लोगों ने देखा। एक का पता टैक्सट्राइल के वाचमैन ने ढूँढ कर लगाया और दूसरे का रेलवे कुली ने लगाया और जो रेलवे के करीब था, वह दूसरे दिन मिला।

हमारे रेलवे मंत्री महोदय ने बताया था कि हमारे पास 14 हथियार बेचपन है और 11 हथियार प्रोटेक्शन फोर्स है जो एक लाख रुपये के इस पर प्रति दिन खर्च करते हैं। गुलबर्गा डिबीचनल हेडक्वार्टर है और वहां पर काफ़ी फोर्स भी रहती है और हाल ही में जो साऊथ रेलवे पर गड़बड़ हुई थी, तो उस के लिए काफ़ी स्टाफ़ भी पोस्ट किया गया है। तो मैं यह जानना चाहता हूँ कि उसको ढूँढने में एक दिन क्यों लगा? कुछ पेपर्स में यह भी आया है कि पुलिस वालों का अन्दाजा है कि ट्रेन में जाते वक़्त ये चिर गये होंगे, इस के बारे में मैं आप से पूछना चाहता हूँ कि जब कभी ऐसे मिमलट्री एक्सप्लोसिव रेलवे बैगन्स पर ले जाए जाते हैं, तो काफ़ी अच्छे डिब्बे इस्तेमाल करते हैं और उनको लोड भी आर्मी के लोग करते हैं और उस पर एस्कोर्ट भी होती है और वे जिन सब रेलवे स्टेशनों पर नहीं सकती हैं बल्कि कुछ खास खास बड़े बड़े स्टेशनों पर ही सकती हैं पानी लेने के लिए या इंजन को कुछ ठीक करने के लिए, इस के बावजूद भी ये बम कैसे चिर गये, मैं वह भी जानना चाहता हूँ कि ये बम कहां से दिये गये थे, क्यों दिये गये थे और कहां ले जाए जा रहे थे और कहां मिस हुए, इस सब का जवाब न डिफेंस वालों ने दिया है और न ही इसके बारे में गृह मंत्रालय ने कोई खास जानकारी दी है। बड़ी आसानी से और सरल भाव से ही इस चीज को लिखा गया दिखाई देता है। मात्र यह कह दिया गया कि हार्मफुल नहीं है। कहां से ये आए, किस एकाउंट में से आए कुछ भी नहीं बताया गया है। यह केवल कह दिया गया है कि केस रजिस्टर हो गया है। इसका छोटी सी बात कह कर आपको नजरंदाज नहीं कर देना चाहिये। यह एक चिनगारी है जो कल को भड़क कर आग बन सकती है। इस वास्ते इस तरह की घटना को नजरंदाज करना गलत है। बम कहां से आए कहां से मिस हुए क्या इसके बारे में आपने डिफेंस वालों से पूछा है। अगर ये हार्मफुल भी थे तो भी

किस एकाउंट से में गए हैं। आप ने कहा है कि ट्रेनिंग के लिए इनका इस्तेमाल होता है। जब इनका किस तरह से उपयोग होना है वह भी उनको ऊपर लिखा गया होगा। डिफेंस फोर्स का कोई भी मैटीरियल अगर इस तरह से गायब हो जाता है तो क्या सरकार कोई कड़े कदम उठाएगी या नहीं ताकि वह गायब न हो। बेग रिप्लाय देने से कोई लाभ नहीं है। उससे समस्या का समाधान नहीं हो सकता है। आप ठीक ठीक बताएं और पता लगाएं कि ये कैसे वहां पर आए। दो दिन ये वहां पर पड़े रहे, न रेलवे प्रोटेक्शन फोर्स वाले इनको ढूंढ पाए और न ही पुलिस के लोगों ने इनको ढूंढा। लोगों ने खुद बताया कि वे वहां पर पड़े हुए हैं। इतनी लापरवाही नहीं होनी चाहिये। देश में ऐसे हालात पैदा हो रहे हैं कि भारत की जनता आजकल रेलों से सफर करने से बच रहा है। नवम्बर 1977 में मुरादाबाद के करीब एक इंसीडेंट हुआ था। रेल कर्मचारी वहां काम कर रहे थे। बंदूकधारी लोगों ने उनको आकर डराया घमकाया और कहा कि उनको गोली का निशाना बना दिया जाएगा। आपने बहुत ही सरल भाष से इस का उत्तर दे दिया है। आप यह बताएं कि ठोस कदम आप क्या उठा रहे हैं इस तरह की घटनाओं को रोकने के लिए। क्या आप जो दोषी पाए जाएं उनको कड़ी से कड़ी सजा देंगे? बम कहां से आए और कहां जा रहे थे यह भी आप बताएं? कहां से ये मिस हुए और किस एकाउंट में से गए यह भी आप बताएं।

श्री धनिक लाल मंडल : सरकार किसी घटना को निजरंदाज करना नहीं चाहती। यह मैं आपको विश्वास दिलाता हूँ। केवल सरकार किसी घटना को तूल भी नहीं देना चाहती। जितना किसी घटना का महत्व है उतना ही महत्व उसको दिया जाना चाहिये, न ज्यादा और न कम। मैंने बताया है कि वे ग्रेनेड ट्रेनिंग परपज के लिये थे। इनका काम सिर्फ आबाज करना होता है।

इन से कोई खतरा नहीं होता। रिपोर्ट यह है कि गावामी को से नहीं खतरा सकते। केवल आबाज होती है इन से। सिबेटिव करने का किसी का इरादा होता तो सिबेटिव इनका इस्तेमाल नहीं करते। फिर भी जांच हो रही है, पुलिस विभाग की ओर से और डिफेंस विभाग की ओर से भी। अब वह पूरी हो जाएगी तभी कुछ डेफॉनिट कह पाना सम्भव होगा।

माननीय सदस्य ने कहा है कि सफर करना रेलों से खतरनाक हो गया है। उस दिन रेल मंत्री जी ने सम्यक इसका जवाब दिया था। मैं भी विश्वास दिलाता हूँ कि रेलों से सफर करने में कोई खतरा नहीं है। जो दुर्घटनाएँ हुई हैं एक आध को छोड़ कर जिस में आशंका है कि सिबेटिव हुआ है, और किसी में ऐसी आशंका नहीं है। स्थिति पर पूरा नियंत्रण पा लिया गया है।

MR. SPEAKER : You have not answered his question, how did it come about, how was it found out ?

श्री धनिक लाल मंडल : जब तक पूरी जांच नहीं हो जाती है पुलिस विभाग तथा डिफेंस विभाग की ओर से तब तक कुछ भी कहना सम्भव नहीं हो सकता है। इस तरह के ग्रेनेड जो देश के एक हिस्से से दूसरे में ले जाए जाते हैं हो सकते हैं कि केम्बरलैसनेस के कारण वे रहे गए हों। मुझे यह जानकारी दी गई है कि ट्रेनिंग के काम में इस तरह के ग्रेनेड दिए जाते हैं मिलिटरीमैन को। वे जब घर जाते हैं तो एक आध वे ले भी जाते हैं। इनका मछली पकड़ने में बड़ा इस्तेमाल होता है। पानी के अन्दर रख देने पर मछलियाँ ऊपर चली आती हैं और घासानी से पकड़ी जा सकती हैं। यह भी कारण हो सकता है। यह भी हो सकता है कि केम्बरलैसनेस की वजह से किसी के बैग से बगिर गए हों।

भी रात बिनास पासवान (शाहीपुर) : अध्यक्ष जी, मंत्री महोदय ने कहा कि इसे हल्के ढंग से नहीं लेना चाहिए, और मैं भी मानता हूँ कि किसी चीज को हल्के ढंग से नहीं लेना/चाहिये। लेकिन मैं इसको गम्भीरतापूर्वक ले रहा हूँ और इसलिये मंत्री महोदय से आग्रह करूँगा कि वह भी इसको गम्भीरतापूर्वक लें। इसलिये कि यह बम विस्फोट होना यह कोई आडिन्गरी बम नहीं है जिसको लोग वेहाताओं में नाजायज तरीके से बनाते हैं, जिनके हम लोग प्रतिनिधि हैं उनमें से कुछ लोग बनाते हैं। तो वैसा बम नहीं था बल्कि वह मिलिटरी का बम था, और मिलिटरी के बम के सम्बन्ध में जहाँ/सि हम आते हैं और हमारे गृह राज्य मंत्री आते हैं इनके घर के बगल में ही 1975 में भयंकर कांड हुआ, ठीक इसी तरह का कांड हुआ। अन्तर केवल इतना ही है कि यह मछली मारने वाला बम था। और वह स्वर्गीय ललित नारायण मिश्र को मारने वाला बम था। लेकिन ठीक इसी तरह रेलवे लाइन के बगल में प्लेटफार्म पर बम विस्फोट हुआ था और वह मिलिटरी का बम था। लेकिन भयंकर घटना घट गई। 22 को बम फटा और 23 तारीख को ललित बाबू की मृत्यु हो गई। इसलिये जब तक कोई घटना घटती नहीं है तब तक उसको हल्का माना जाता है, लेकिन जब भयंकर रूप से घटना हो जाती है तो वह देश के लिये शर्मनाक बात हो जाती है। और इस घटना का तीन विभागों से सम्बन्ध है, ला एंड आर्डर के बारे में गृह मंत्रालय से इसका सम्बन्ध है, डिफेंस का यह बम था इसलिये सुरक्षा मंत्रालय से इसका सम्बन्ध है और चूंकि रेलवे लाइन पर बम फटा है इसलिये रेल विभाग का भी यह मामला है।

आपने कहा कि नेगोशिएस है, कहीं न कहीं कुछ न कुछ जापरवाही बरती गई है क्योंकि आप यह तो नहीं कह सकते कि कोयले का आधा टुकड़ा था जो इधर उधर गिर

गया। वह बम है, वेनेड है, और एक आधवी उसको लेकर चलता है तो निश्चित रूप से उसकी जिम्मेदारी है। आपने कहा कि कुछ लोगों को अनुमति दी जाती है। मेरी समझ में नहीं आता कि कैसे इस प्रकार की अनुमति दे दी जाती है। सुरक्षा मंत्री जी बताएँगे कि क्या मछली पकड़ने के लिये वह किसी को बम ले जाने की अनुमति देते हैं? तो तीनों मंत्रालयों से इसका सम्बन्ध है। और जो हाल की घटनाएं घट रही हैं, कहीं रेलवे लाइन पर बम का पाया जाना, मैंने उस दिन भी कहा था कि आप स्थिति को गम्भीरता को देखिये, कहीं रेलवे लाइन पर बम रहता है, कहीं रक्षा कार्यालय में आग लगती है, कहीं रेलवे ऐक्सीडेंट होता है, कहीं विदेशी बूतावास में आग लगती है। रेलवे में ही उसी दिन मंत्री महोदय ने आश्वासन दिया, हम खोब आश्वस्त हैं, और मैंने कहा कि हमारे मंत्री जी जब कहते हैं तो हम लोग आश्वस्त हैं। लेकिन किसी घटना की कोई सीमा तो होती है। उसी के दूसरे दिन बरीनी में 5 आधवी मर गये रेलवे ऐक्सीडेंट में। जब स्वर्गीय लाल बहादुर शास्त्री रेल मंत्री थे तो उन्होंने रिजाइन किया था। हम लोग भी जब विरोध में थे तो मांग करते थे कि कोई शर्मनाक घटना घटे तो मंत्री महोदय को अपने ऊपर उसकी जिम्मेदारी लेनी चाहिये। मंत्री महोदय बिल्कुल जवाबदेही के साथ कहते हैं जब हरिजनो का मामला आया था कि यही हमारे विभाग में हरिजनो को पूरा प्रतिनिधित्व नहीं दिया जा रहा है तो उसके लिये मैं जिम्मेदार हूँ। उसी तरह से चाहे रेल मंत्री हों, गृह मंत्री हो, या रक्षा मंत्री हों, मैं तमाम लोगों से कहता हूँ कि आप अधिकारियों पर बात को न छोड़िये क्योंकि आपके आदेशों का कितना पालन किया जाता है, यह सब को मालूम हो गया है कि अफसरों की नजर में कोई इच्छत नहीं है। इसलिये जब तक आप कड़ाई के साथ कार्यवाही नहीं करेंगे तब तक काम नहीं चलेगा। इसलिये मेरा कहना है कि मंत्रियों को जवाबदेही लेनी

रहिये। और जब आप एक बार सदन में कह देते हैं तो सदन आश्चर्य हो जाता है कि आप रेल पर चलने में कोई खतरा नहीं है, यांति व्यवस्था का मसला देश में काबू में है, डिफेंस जैसे विभाग में भी किसी तरह की कोई अप्रिय घटना नहीं घटेगी। मैं समझता हूँ कि हाउस इस पर आश्चर्य हो जाता है, देश की जनता आश्चर्य हो जाती है। लेकिन आप इधर कह कर निकले और दूसरे ही दिन ट्रेन ऐक्सीडेंट हो गया, ला एंड आर्डर का मामला उत्पन्न हो गया, विदेशी दूतावास में आग लग गई। तो यह सारे मामले हैं। मैंने उस दिन भी कहा था, मेरा तो स्पष्ट चार्ज है कि इस देश में कोई संगठित गिरोह है जिसकी मारफत यह सारी चीज हो रही है। आपके सामने प्रशासनिक डिफिकल्टीज़ हैं, आपके प्रशासन के लोग आपसे कहते नहीं हैं, आप पार्लियामेंट में कहते हैं कि इसमें संबोटाज का मामला नहीं है।

मेरा प्रश्न है कि क्या सरकार ने पता लगाया है कि इन सारी घटनाओं के पीछे किसी संगठित गिरोह का हाथ है और क्या सरकार यह बतलायगी, क्योंकि यह क्वेश्चन पोस्टपॉन किया गया, 26 तारीख से 29 तारीख में रखा गया कि जवाब मंगाया जायेगा, इसलिये इसमें यह कहना कि इन्क्वायरी जारी है, मैं इसको नहीं मानता हूँ। मैं मंत्री महोदय से जानना चाहता हूँ कि आपने इन्क्वायरी की है, और आपने कहा है कि नैंगलीजैस का मामला है, सरकारी अफसर की नैंगलीजैस है, तो वह कौन सरकारी कर्मचारी है, जिसकी नैंगलीजैस के कारण यह घटना घटी? क्या आप सारे तथ्यों का पता लगाकर जांच कर के फिर सदन को बतायेंगे, यह मेरा प्रश्न है?

श्री धनिक लाल मंडल : माननीय सदस्य को यह शंका है कि इसके पीछे कोई खास गिरोह है जो तोड़फोड़ का काम कर रहा है, संबोटाज का काम कर रहा है। जैसा अभी

मैंने कहा, जो बर्तमान घटना है, इसमें संबोटाज की संभावना प्रतीत नहीं होती, लेकिन मैंने यह भी कहा कि इस पर मैं कोई डीफिनिट ओपीनियन नहीं देना चाहता हूँ क्योंकि पुलिस विभाग और डिफेंस विभाग की ओर से जांच हो रही है, लेकिन देखने से ऐसा लगता है, माननीय सदस्य शायद इसके फर्क को नहीं समझें कि यह हैंड ब्रेनेड रीयल नहीं है, यह सिमूलेशन के काम में आता है, क्रेकर किस्म की चीज है और ट्रेनिंग परपज के लिये है। इससे आवाज ही हो सकती है, किसी को नुकसान इससे नहीं हो सकता इसलिये यह रीयल हैंडब्रेड नहीं है। इसीलिये मैंने कहा कि इसके पीछे अगर कोई संबोटाज की नीयत होती तो रीयल हैंड ब्रेनेड का इस्तेमाल होता न कि ट्रेनिंग वाला जिससे कोई नुकसान नहीं होता है। फिर भी मैंने माननीय सदस्य को कहा कि जब तक इसकी जांच नहीं होती है, हम इस पर कोई डीफिनिट ओपीनियन नहीं देंगे। जांच होने दीजिये, जब वह हो जायेगी तो निश्चित रूप से उसकी जानकारी करायेंगे।

श्री राम बिलास पासवान : अध्यक्ष महोदय, इनसे जवाब दिलवाइये...
(अध्यक्षान)

MR. SPEAKER : You are making it a habit to ask a second question. I am not allowing it. He has said that the matter is under investigation, he will not be able to say anything at present though *prima facie* it does not look like that.

श्री राम बिलास पासवान : इन्होंने कहा है कि मैं आपको जानकारी दूंगा, मैंने कहा कि सदन को जानकारी दीजिये।

11 '23 hrs.

BUSINESS OF THE HOUSE

THE MINISTER OF PARLIAMENTARY AFFAIRS AND LABOUR (SHRI RAVINDRA VARMA) : With your permission, Sir, I rise to announce

[Shri Ravindra Verma]

that Government Business in this House during the week commencing the 2nd May, 1978, will consist of :—

(1) Consideration of any item of Government Business carried over from today's Order Paper.

(2) Consideration and passing of :—

- (a) The Electricity (Supply) Amendment Bill, 1977.
- (b) The Coal Mines Nationalisation Laws (Amendment) Bill, 1978.
- (c) The Reserve Bank of India (Amendment) Bill, 1978.
- (d) The Khadi and Village Industries Commission (Amendment) Bill, 1978.

(3) Discussion on the Draft Five Year Plan 1978—83, to be taken up on 3rd May, 1978.

17.4 hrs.

FINANCE BILL, 1978—contd.

MR. SPEAKER : Now, we go to the legislative business. We take up further consideration of the following motion moved by Shri H.M. Patel, namely,

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1978-79, be taken into consideration."

Shri Mritunjay Prasad Verma to continue his speech.

श्री मृत्युंजय प्रसाद (सीवान) : अध्यक्ष महोदय, मैं आशा करता था कि वित्त मंत्री इस समय सदन में मौजूद होंगे। कल मैंने अपना भाषण शुरू करते हुए उन से यह निवेदन किया था कि एल० आई० सी० की स्थापना उन के हाथों से हुई थी, इस लिए मैं एल० आई० सी० के बारे में कुछ खास बातें उन से कहना चाहता हूँ। अगर वह यहाँ होते, तो ज्यादा उपयुक्त होता। किन्तु मैं आशा करता हूँ कि जो कुछ मैं कहूँगा, राज्य मंत्री जी उस का सारांश उन तक पहुँचा देंगे, और इस बात का पता आज ही वित्त मंत्री महोदय के उत्तर से चल जायेगा कि उनसे कितनी बात कही गई है।

मैं एल० आई० सी०, यानी जीवन बीमा निगम को इस लिए ले रहा हूँ कि यह सब से बड़े सरकारी उपकरणों में से एक है, और सरकार को उस में एक बहुत ही जबरदस्त कुशल प्रबन्धकों का समुदाय, उनकी सेना, मैनेजमेंट केडर, मिला था। लेकिन आज उस की क्या हालत हो रही है? 22 साल पहले सरकार को एक ऐसी संस्था मिली थी, जिन में कुछ कंपनियाँ बहुत अच्छा काम कर रही थीं, उन का खर्च कम था, बीमाधारियों का लाभांश या बोनस अधिक था, प्रीमियम कम था, और बीमाधारियों की सेवा, सर्विस ट पालिसी-होल्डर्स बहुत अच्छी थी। सभी जीवन बीमा कंपनियों के साथ साथ यह सब भार सरकार ने ले लिया। और 22 बरसों के बाद आज उस की क्या हालत है? प्रीमियम बढ़ गया है, पालिसी कन्डीशनज कड़ी कर दी गई हैं। आटोमेटिक पेड-अप खत्म हो गया है और पेड-अप पालिसी भी दो बरस के बजाये पांच बरस के बाद ही हो सकती है। पहले कोई व्यक्ति आठ क्वार्टरली प्रीमियम देता था और निश्चित हो जाता था—कुछ कंपनियों में सब में नहीं। लेकिन अब सब के लिए यह व्यवस्था कर दी गई है कि अगर कोई 19 क्वार्टरली प्रीमियम भी दे दे तब भी वह निश्चित नहीं हो सकता है—उस का पैसा डूब सकता है जब तक कि वह 20 प्रीमियम न दे दे। एल० आई० सी० की डायरी में इन पालिसी कन्डीशनज को हाईलाइट नहीं किया जाता है लाभ जनक सुविधा के तौर पर नहीं दिखाया गया है क्योंकि ये कमजोर बातें हैं। कोई इन बातों को बताता नहीं है।

बीमाधारियों को लाभांश या बोनस जो 1956 से पहले दो तीन कंपनियों ने दिया था—वे शीर्षस्थ कंपनियाँ थीं—वह बोनस 1976-77 में दिया गया है; नहीं तो 20 वर्षों तक बराबर उससे कम ही बोनस दिया जाता रहा है। जूँकि सरकार के हाथ में यह मानोपली बिजिनेस रहा, इस लिए बिजिनेस

इतना अधिक बढ़ा, जिस की आशा नहीं की। घूब का रेट इतना बढ़ा है जितना पहले कभी नहीं था और बुलबुल भी इतनी कम कमी नहोती थी। इस के बावजूद खर्च बढ़ता रहा। 1975-76 में ओवर-आल एक्सपेंसिव 29 परसेंट थे, 1976-77 से वे थट कर 26 परसेंट हो गये। लेकिन 22 साल पहले कोई भी अच्छी कंपनी खर्च के मद में 23 परसेंट से ऊपर नहीं जाता करती थी।

आज आप उसके आफिसों में जाइने और वहां का झाल देखिये। आफिस को कंट्रोल कौन करेगा? कहते हैं कि आफिसर्ज करेगे। और सरकार ने आफिसर्ज के साथ क्या सुन्दर बर्ताव किया है। आफिसर्ज में टाप आफिसर होता है जोनल मैनेजर। उसके ऊपर एक्सीक्यूटिव डायरेक्टर या मैनेजिंग डायरेक्टर होता है। बीच में कोई टाप आफिसर नहीं है। सेलेरी स्केल कुछ इस तरह से बना बिये गये हैं कि जोनल मैनेजर को कुल मिला कर 2500 रुपये मिलते हैं—डी० ए० तो उस को मिलता नहीं है—, जबकि आफिस सुपरिन्टेंडेंट को, जो क्लेरिकल ग्रेड का आदमी होता है, उससे 400, 500 रुपये अधिक मिलते हैं—उस को मुशाहुरा 920 रुपये मिलता है, और डी० ए० तथा बीनस आदि मिला कर कुल 2000 रुपये के लगभग मिलते हैं। मैं मंत्री महोदय को चार्ट दे दूंगा, जिससे पता चलेगा कि किस तरह से यह अन्तर डाला गया है। यहां तक अन्तर पड़ा है कि आफिसर को क्लेरिकल ग्रेड के आदमी से 400, 500 रुपये कम मिलते हैं। तो फिर कौन व्यक्ति आफिसर बनना चाहेगा?

मैं एक आफिसर को जानता हूं। 17 साल पहले की बात है, मैनेजिंग डायरेक्टर को उसने साफ कह दिया कि मुझे धयले आफिसर के पद पर जाने की इच्छा नहीं है, क्योंकि इससे मुझे सौ डेढ़ सौ रुपये का नुकसान होगा। यह तो आफिसर से आफिसर के पद पर प्रमोशन की बात हुई। लेकिन

आज किसी बर्तक को आफिसर नहीं बनाया जा सकता है—बहु कुबूल नहीं कर सकता है—क्योंकि उसे 400, 500 रुपये का नुकसान होगा। वह इस नुकसान को बर्दाश्त क्यों करे?

इस स्थिति में सरकार किस तरह से काम को चलावेगी? जिस आफिसर के हाथ में सारा मैनेजमेंट है, वह सोचता है कि मेरे लिए कोई एवचर नहीं है, जितना मैं कर्ता हूं, मेरा स्टैनोडाफर उससे अधिक पाता है। नीचे वाले, जो आफिसर नहीं हैं, सोचते हैं कि हमें ये देवी क्या?—ये हमारी तरफकी कर नहीं सकते, क्योंकि हम तरफकी नहीं चाहते, और हमारी तनज्जली ये कर नहीं सकते, क्योंकि यह उनके हाथ में नहीं है, उस के लिए बहुत क्लमट है। वहां पर न तो क्लानत वाली कौर्ट है और न स्टिक है। तो फिर काम कैसे चले? यही कारण है कि मैनेजमेंट कैंडर धीरे-धीरे नष्ट होता जा रहा है। यही कारण है कि वहां पर इतनी धवन्ति हो रही है। आप कागजों में चाहे जितनी उन्नति दिखला दें, लेकिन वास्तविकता यह है कि 1975-76 के मुकाबले में आप का बिजनेस 1976-77 में कम हुआ है और 1977-78 में तो 30-31 परसेंट बिर गया है। इस के पीछे एक कारण यह भी था कि डेवेसपमेंट आफिसर्ज स्ट्राइक पर रहे, काफी दिनों तक उन की हड़ताल चली।

यह हालत केवल एल० आई० सी० में ही नहीं है, बैंकों की भी ऐसी ही हालत है, मुझे उस की डिटेल्स मालूम नहीं है। दूसरे सरकारी उपक्रमों में भी मैं समझता हूँ—ऐसा ही होता होगा, मुझे उम में जाने की जरूरत नहीं है, हमारे ज्योतिर्मथ बसु साहब सरकारी उपक्रमों में जो कुछ हो रहा है, उस के बारे में पूछेंगे और जानने की कोशिश करेंगे।

आपने बीनस दिया—बहुत अच्छा किया, लेकिन इस में भी सरकार बो खेल जाती है। सरकार से मेरा मतलब केवल

【 श्री सुब्रह्मण्य प्रसाद वर्मा】

वर्तमान सरकार या केवल भूत की सरकार से नहीं है, बल्कि सरकार से है। 1974 में आप ने उन के साथ एक समझौता किया—मेरा मतलब है एस० आई० सी० के स्टाफ के साथ समझौता हुआ, लेकिन 1976 में वह सरकार को कड़वा लगने लगा, क्योंकि वह 1978 तक चलने वाला था। आपने कानून बना कर उस को तोड़ दिया। जब एमर्जेन्सी खत्म हुई तो वे लोग आप से लड़ गये, सुप्रीम कोर्ट से उन्होंने मुकदमा जीता और अब अप्रैल में आप ने उन को दो साल का बोनस दिया। मुझे शिकायत यह है कि जो चीज आप पसन्द करते हैं—उस की तो आप करा देते हैं, ज़ाहिर कानून से करायेँ या बिना कानून के करायेँ, लेकिन जो चीज पसन्द नहीं करते हैं—उस के लिये कह देते हैं कि यह प्राटोनेमस ज़ाही है, हम क्या करें, वे लोग जो चाहें करें। बदनामी की बात आती है तो मैजिस्ट्रेट को दोष देते हैं, नेकनामी की बात आती है, वहाँ जैसा चाहते हैं इंस्ट्रक्शन दे देते हैं—इस तरह की स्थिति कब तक चलने वाली है ?

अब मैं कुछ दूसरे विषयों की तरफ आता हूँ। इन्कम टैक्स में जो कुछ आप ने छूट दी है, उसके लिये आप को धन्यवाद देता हूँ। लेकिन इसी सम्बन्ध में दो बातों की ओर मैं आप का ध्यान आकषित करना चाहता हूँ। सबसे पहली बात तो मैं सम्पत्ति कर के बारे में कहना चाहता हूँ—जब ये नियम बने थे, तब से दुनिया जिस बहुत बदल गई है। पहले सम्पत्ति जिस कीमत की होती थी, आज उस की कीमत बहुत ज्यादा बढ़ गई है, लेकिन कीमत बढ़ने के साथ-साथ उस आदमी की हैसियत नहीं बढ़ी है। मेरे पड़ोस में, पटना में जिस कोआपरेटिव कालोनी में मैं रहता हूँ, मेरे एक मित्र का मकान है। सन् 1958 या 1959 में वह उस कोआपरेटिव सोसायटी के मेम्बर बने थे और उस से उन्होंने वह मकान लिया था, जिस की कीमत जमीन के साथ उन्होंने 23 या 24 हजार रुपये की

थी। आज उस मकान की कीमत आज के विभाग की तरफ से 1 लाख 47 हजार लगाई जाती है, यानी 6 गुने से भी ज्यादा अब आप बतलाइये—इस हाजात में कोई कैसे सम्भव बनाये ? आप के नियम कुछ होते हैं कि वहाँ के अफसरान साफ कहते हैं कि आप अभीत कर के ऊपर से इस काम को करवा लीजिये, हमारे यहाँ तो जो इंस्ट्रक्शन हमें भी गई है, उन्हीं के अनुसार हम करेंगे। इसलिए यदि आप चाहते हैं कि लोग मकान बनाना जारी रखें, तो मैं आप से निवेदन करता कि सम्पत्ति कर की छूट आप 1 लाख रुपये के बजाय 2 लाख रुपये कर दें। और उस में इस का इयाल रखिए कि आप आयकर में शुरू से ही छूट दे देते हैं। आप ने 8 हजार तक छूट रखी थी तो 8 हजार पर कर नहीं लगता था, 8001 होने पर एक रुपये पर कर लगता था अब दस हजार किया तो दस हजार एक रुपया होने पर ही 8 हजार से ऊपर कर लगता है। लेकिन सम्पत्ति कर में एक लाख की छूट दी हुई है तो एक लाख से ऊपर होने पर शुरू से ही उस के ऊपर टैक्स लग जाता है। यानी एक लाख एक हजार होने पर एक हजार पर नहीं बल्कि एक लाख एक हजार पर टैक्स लगाया जाता है। इस को भी आप देखिए।

समय के अभाव में और सब बातें छोड़नी पड़ेंगी। मैं एक ही बात की ओर आप का ध्यान दिलाना चाहता हूँ और वह यह है कि कानून में जो हुआ है उस पर हम सभी का ध्यान गया है। उस के माने हम और कुछ लगाएँ या न लगाएँ, दूसरे देश की बात है, हमें अधिक नहीं कहना चाहिए, हमें बिकर यह देखना चाहिए कि उस की पुनरावृत्ति और जगहों में भी हो सकती है और हुई है, दुनिया में ऐसा इतिहास हुआ है और उस की जड़ में एक बात होती है कि जो बहुत ही निराशा हो जाता है, बहुत ही फस्ट्रेटेड हो जाता है वह क्या जाने क्या न

करा देते। आप अपने यहाँ भी कुछ लोग फ्लैट्स हैं। उन लोगों के धामे हाथ जोड़ कर वह प्रार्थना करती है कि इस हद तक न जाओ, अपनी सीमा रखो और उन्होंने अपनी सीमा में एक बात की है। वह यह है जो मेरी समझ में नहीं आती, कि आज तक जितने दम बने थे, पंच बने थे, धर्म बने थे, उह के चलाने वालों का नाम उन के मरने के बाद जोड़ा गया। उन के जीवन में उन के सिद्धांत का नाम जोड़ा गया। उन के जीवन में उन का नाम नहीं जोड़ा गया। कबीरपंथी लोग बने कबीर साहब के मरने पर। नामकर्मधी बने मानक साहब के मरने के बाद, नहीं तो सिख ही कहलाए उन की जिंदगी में। मगर आज तो आप ने एक नया तमाशा किया। कांग्रेस हम जानते थे क्योंकि हम जो यहाँ बैठ हुए हैं सच्ची के जन्म के पहले की संस्था है। उस के बारे में हम ने थोड़ा बहुत इतिहास पढ़ा है और जानते हैं कांग्रेस के बारे में। कांग्रेस के साथ कहीं संगठन कांग्रेस शब्द लगा, कहीं ख्रिस्तियन कांग्रेस लगा। लेकिन आज कांग्रेस के साथ एक आदमी का नाम लगाया जाता है। यानी एक आदमी की कांग्रेस हो गई, बाकी की नहीं है। यह हमने नहीं सुना था। यह आज एक नयी बात हो गई, एक नयी कांग्रेस हो गई इंदिरा की मानी इंदिरा जी अजर अमर हो गई। कांग्रेस तो अजर अमर है लेकिन इंदिरा जी तो अजर अमर नहीं हैं। .. (अवबधान)..... मैं तो यह कह रहा हूँ कि एक आदमी का नाम ले लिया तो फिर व्यक्ति पूजा का इस से बुरा उदाहरण आप कौन सा पाएंगे? आप कहते हैं कि हम ने व्यक्ति पूजा छोड़ दी है। यह छोड़ी है बा हमेशा के लिए जमा दी है? यह तो उस की जड़ ऐसी मजबूत बना दी है कि जो किसी के मिटाए न मिटे। यह व्यक्ति पूजा जब तक रहेगी तब तक आप बोल नहीं सकेंगे, देख नहीं सकेंगे, सुन नहीं सकेंगे। जो कुछ भी करेंगे आंख बंद कर के करेंगे। जितनी रोगनी उधर से मिलेगी उतना ही देखेंगे, जितनी

खबर उधर से मिलेगी उतना ही सुनेंगे, जो आंखा आएगी वही करेंगे, और कुछ सोच नहीं सकेंगे। आप के पास दिमाग है, आप सोच सकते हैं, समझ सकते हैं, कुछ कर सकते हैं। क्यों आप ने अपने दिमाग को बन्द कर दिया। जिस दिन आप ने यह किया कि अपने दिमाग को कील कर दिया, उसे बन्द कर दिया उस दिन से आप की योग्यता देश की सेवा में नहीं लगेगी। व्यक्ति की सेवा में लगेगी। यह तो कोई अच्छी बात नहीं होगी।

SHRI AMRIT NAHATA (Pali) : Mr. Speaker, Sir, I want to touch upon three points—Excise, Administration, Demoralisation and the potential of economy in defence expenditure.

Sir, the very attitude in our Income-tax, Excise and Customs Administration is primitive.

The basis of all civilised law is that a person should be assumed to be innocent unless otherwise proved guilty beyond any doubt. But here, in the Excise Administration, the assessee is assumed to be guilty unless and until he proves himself to be innocent. Now, this whole basis should be changed. The whole attitude must go.

I can understand customs having this attitude when a person is crossing the border because once he escapes the net, he may not be caught. But here the man who pays excise is a manufacturer. He owns a factory. He produces something. He is a producer. He is not going to run away at all. But the excise people go in police uniform and treat the manufacturer and the producer as a criminal. The excise officials must go there as civilians, not as policemen. They are not criminals. They are going to the producer, whether he be a farmer or the owner of a factory. He should be treated as a responsible citizen of India.

Also I wish to submit that the excise officials are armed with vast discretionary powers. The result is that corruption is very much rampant. I say it with authority, with personal knowledge. The amount of corruption that is prevalent in Excise Administration is colossal.

This is because of the wide discretionary powers enjoyed by even a petty official. I will give you one example.

Now, some excise official goes to some tobacco grower and says, "You cannot remove your stock, there is some dispute

[Shri Amrit Mahata]

about the excise and so on" Now, the grower knows that by a few drops of rain, his whole tobacco stock will be destroyed, and he will lose the whole tobacco. The excise official also knows it. This is used as a blackmail. He says: "If you do not pay money, your whole tobacco stock will be ruined" This is what happens. Now, this is a very common practice with the excise officials.

They can hold up any goods for their 'so called' investigation. This 'so called' investigation goes on for months and months and years and years. His goods are meanwhile locked up. His capital is blocked. The manufacturer, the producer, has to appease and grease the palms of these excise officials.

The trouble is that there are a large variety of items which are manufactured in this country. With the development of modern science and technology, innumerable items are being manufactured. The Excise Department never specifies such articles because they don't have the technical expertise available to them. There is always a room for misinterpretation and different interpretation in the list of items subject to excise with the result that some excise official imposes excise duty on a particular item in one place and another official in another region does not impose this excise duty on it.

Somewhere set-off is given. Somewhere else this set-off is not given. The excise producer is almost foolproof. The person who pays excise is really a collector of excise acting on behalf of the Government. He has to charge it from his customer. Hardly anybody pays excise from his own pocket. The excise burden is always shifted by the manufacturer to the customer, and the man who pays excise to the Government is really acting as an agent of the Government. He pays the tax to the Government and collects it from the customer. Now, what happens after a particular person has paid the excise is this. After one year or ten months, he is told that he has paid less excise duty. Now, wherefrom he will pay that? He cannot pay that from his own pocket and he cannot collect it from his customer to whom he had sold an item at a particular price.

Now, this practice of charging less and demanding more excise on items already paid must be stopped. In Income-tax Department, for example, there is some authority or cell to whom the income-tax payer can go and seek clarification and the interpretation given by him is considered final. But here, there is no such mechanism in the Excise Department. The same

excise official revises his own earlier opinion. And there is so much of diversity of opinions; there is no authority who interprets the technical composition of particular items; there is no authority who says with finality that this particular item will attract so much of excise. As a result the people who pay excise have to face a lot of hardships. There is no provision for punishing the official who abuses his authority. The person who pays the excise honestly has to undergo a lot of hardships. In the Income-tax Department, the assessee is treated with respect as a citizen but here, he is treated as a criminal and the officials are no less corrupt. As a matter of fact, I know the excise officials going to people and saying 'You are fools'. Why are you paying so much excise? What for are we here.' They are far more corrupt. It is they who actually make the people corrupt and make them dishonest. Honest people, large numbers of manufacturers, want to pay the excise dues. But these days, things have changed.

Under the British rule, it was different. They were treating the Indians as criminals. The same tendency, the same attitude, persists in the Excise Department to-day. It is very unfortunate. So, if the corruption which is rampant in the administration is checked, excise revenue will go up by leaps and bounds. It is because of this corruption that there is a colossal loss of revenue in the Excise Department. If only these two things are done—this attitude must change and excise officials must act as civilians and not as police officials; there must be some provision for punishment for the abuse of power and there must be some Central authority whose word will be final—a lot of corruption that is rampant in the Administration can be checked and excise revenue can also go up.

Over the years, excise has become not only the most major source of revenue but it has also become a very important instrument of policy. We hear so much about rationalisation or simplification, this, that and the other but we find that in every budget, with every advance in technology, the whole structure of excise is becoming more and more complex.

The House has never been taken into confidence about the recommendations of the latest Committee. We are told that one of the recommendations is that since 90% of excise is collected on 15 to 20 items, the excise Department in Government must concentrate only on those 15 to 20 items and exempt all other items from the excise levy. This would lead to a lot of simplification; this will also curb the corruption that is prevalent here; also it will diminish a lot of confusion that is prevailing in this sector.

Now, it is the declared policy of the Government to encourage the small-scale industries. The Excise Department in the Finance Ministry does not bother about this declared policy. Take for example this 5% flat excise levy on all articles. Now a new principle has been introduced, namely, those having Rs. 30 lakhs turnover as a criterion. We have made a distinction in the criterion between small-scale and large-scale industries. Fix any criterion for them—fix it up as a limit of investment—Rs. 25 lakhs, 15 lakhs or 10 lakhs—but that investment should be the criterion for the small scale, large-scale industries. We have rural and urban industries. Now, a new concept has been introduced namely, the concept of turnover. This has nothing to do with the scale of an industry. An electronic industry may be a Cottage industry whose turnover may go beyond Rs. 30 lakhs. A small cottage and rural industry's turnover may go even beyond Rs. 30 lakhs which is engaged in cutting and polishing of jewellery.

So, this concept should be given up and this flat increase of 5% or 2% of excise levy should be confined only to the large scale industries. All small scale and cottage and rural industries must be exempted from this.

As a matter of fact, I am firmly of the opinion that all small-scale industries must be totally exempted from all kinds of excise levies if Government is really sincere in encouraging the small-scale and cottage industries. There should be no excise levy at all on them.

Sir, I will speak a few words about demonetisation. I do not think the demonetisation of high-denomination notes had a very large impact on the economy or on the black-money or parallel economy. Sir, while the budget is inflationary due to certain compulsions it is very essential certain de-flationary measures should be taken. Demonetisation is the most important de-flationary measure. It would freeze the parallel economy. I am convinced unless shunned rupee notes are demonetised the black-money in our country cannot be curbed and controlled. I am all for a painless and non-violent method of demonetisation. Voluntary disclosure schemes have been tried but they have failed. Demonetisation of thousand rupee notes was successful but it had a marginal effect. Now, let us combine the two that, is, stick with the carrot. It will not create any hardship if you give a pretty long time of one month. Let us say for example that, the present hundred rupee notes will not be the legal tender after one month from 1st June. During this one week

anybody can come to the banks and exchange the old hundred rupee notes with the new hundred rupee notes which may be got printed. Simultaneously some Rural Roads Corporation or Rural Housing Corporation could be floated and 25-year bonds issued and it can be declared that those who buy these bonds maturing after 25 years of these Corporations then no questions would be asked. If demonetisation is combined with such type of pardon, the black-money will be channelised for productive purposes and part of the black money will get diverted to productive purposes. It would be a great deflationary measure and it will definitely succeed. It will not create any hardship for the people. Some such method of demonetisation should be resorted to.

Lastly, Sir, I would like to say a few words about Defence expenditure. The Defence budget is to the tune of Rs. 3,000 crores. Can a backward developing country afford expenditure of such a magnitude? I do not say our defence capability should be reduced. I do not say our defence preparedness should be reduced. But, Sir, in USA when Mr. Laird was the Defence Secretary he set-up a committee to recommend economy in Defence expenditure without affecting defence capability. That Committee recommended 10 per cent reduction in Defence expenditure. I am of the opinion that the amount of useless unproductive and wasteful expenditure in our Defence forces is much more than 10 per cent. Nobody can say there is no corruption in Defence forces. Nobody can say there is no wasteful expenditure in Defence forces. I know with what carelessness petrol is consumed or sold in black-market. A high-powered Committee may be appointed to recommend economics and savings in the Defence expenditure. I am sure we can save upto 20 per cent. Another 20 per cent can be saved if the three wings are united. Firstly, I would like to say that professional armies have not won any war after the Second World War. Secondly, there are countries where the three wings are separate and yet there I have been military dictatorship. While there are countries where three wings are combined and yet there have been no military dictatorship. So, it has nothing to do with military dictatorship. My suggestion is if they are combined in our country we will save another 20 per cent. Therefore, Sir, I want to emphasise the scope for savings to the tune of hundreds of crores of rupees without affecting our defence capability.

In our Defence expenditure, if we save Rs. 300 crores or Rs. 400 crores or Rs. 500 crores, much of our deficit would be met and much of our Five Year Plan finance would be covered.

श्री रत्न लाल राठी (मिसरिख) : अध्यक्ष महोदय, माननीय वित्त मंत्री जी ने जो वित्त विधेयक प्रस्तुत किया है मैं उसके समर्थन के लिये खड़ा हुआ हूँ। मुझे प्रसन्नता है कि इस बजट में ग्रामीण विकास की तरफ ध्यान जोर दिया गया है। यही नहीं कुल बजट का 40 प्रतिशत देहातों पर खर्च करने की बात कही गई है। छोटे मोटे उद्योग, कुटीर उद्योग लगाने की बात, गांवों में सिंचाई के साथ न बढ़ाने की बात और उर्बरक अधिक मात्रा में पहुंचाने की बात कही गयी है। यहाँ तक कि पिछले साल के मुकामले में इस वर्ष मैंने देखा बजट में कि हरिजनों की समस्याओं, उनकी आर्थिक दशा को सुधारने की दिशा में करीब 48 करोड़ ६० लाख रुपये का प्रावधान किया गया है। गांवों में साफ पानी नहीं मिल पाता है। वहाँ के लिये पानी की व्यवस्था करने की बात कही गई है।

xx-56 hrs.

[SHRI DHIRENDRANATH BASU in the Chair]

परन्तु सभापति जी, मैं एक निवेदन करना चाहता हूँ सुझाव के रूप में। यह बात जो इस बजट में कही गई है और कुछ अधिक पैसा विभिन्न योजनाओं पर लगाने की भी बात है, लेकिन यह करेगा कौन ? किसके द्वारा कराया जायगा ? क्या उसी पुरानी मशीनरी से जो पिछली सरकार में की ? क्या वही विकास अधिकारी, ग्राम सेवक, लेखापाल, कुर्क अमीन, अमीन, पतरोल, नलकूप चालक से यह काम कराये जायेंगे ? आप देखेंगे कि करीब 25 साल से जो गांव की प्रशासनिक व्यवस्था रही है जिसमें मैंने देखा है कि लगभग एक अदालत पंचायत में 5 से 10 तक गांव सभायें हैं, कम से कम 5 और ज्यादा से ज्यादा 10। और आप देखेंगे कि इन गांव सभाओं में कर्मचारियों की संख्या तो करीब 9, 10 के करीब रहती है जैसे लेखापाल, ग्राम सेवक, ग्राम सेवक, पतरोल, अमीन, कृषि अमीन, स्वास्थ्य

सहायक, महिला स्वास्थ्य सहायक, नलकूप चालक। इसी तरह से और कर्मचारी हैं। लगभग 9, 10 कर्मचारी बैठते हैं एक अदालत पंचायत में। अब इनके काम की प्रक्रिया को देखिये। अगर परिवार कल्याण कार्यकर्ता किसी हल्के में नियुक्त है और वहाँ पर ब्लाक अधिकारी पहुंच जाता है जांच करने के लिये तो मालूम होता है कि वह कर्मचारी गायब है। प्रधान जी कहते हैं कि हमारे यहाँ भाये थे, लेकिन फलानी गांव सभा में चले गये। जब उसके ऊपर कोई कार्यवाही की जाती है तो दूसरे प्रधान/सि लिखा कर दे देता है कि हमारे यहाँ था वहाँ पर नहीं था कहने का मतलब यह है कि गांव लेवल पर जो कार्यकर्ता हैं सरकार ने यह तो तय कर दिया कि गांव में इनका हैड क्वार्टर होगा लेकिन कोई भी कर्मचारी गांव में न रहता है और न हैड क्वार्टर बनाया। प्रधान के यहाँ झोला झंका डाल रखा है लेकिन कभी नहीं रहता है। इसलिये जब तक गांव की इस इकाई/को, ग्रामीण कार्यकर्ता को, जिम्मेदारी के साथ काम में नहीं लगायेंगे तब तक बजट में चाहे जितना धन रख दें, गांव के विकास की बात सुनिश्चित नहीं हो जायेगी, गांवों का कल्याण हम नहीं कर पायेंगे। इसलिये मेरा सुझाव है कि इस व्यवस्था में परिवर्तन भाना चाहिये। आप गांव सभा के स्तर पर एक व्यक्ति को तय करें, एक व्यक्ति को जिम्मेदारी के साथ लगायें। और उस व्यक्ति की मट्टीपरपत्र ट्रेनिंग होनी चाहिये, स्वास्थ्य सहायक, ब्लाक लेवल, परिवार नियोजन, सिंचाई, लगान और तकाबी वसूली वगैरा का सब काम वह देखे। जो पब्लिक से लेने का काम है, वसूली का काम है उसे भी वह देखे। टोटल कामों की जिम्मेदारी उसकी होनी चाहिये। निश्चित रूप से उसका हैडक्वार्टर गांव सभा में रहना चाहिये, तब जाकर गांव के लोगों से उसका सम्पर्क बना रहेगा और शासन की तरफ से जो भी सुविधाएँ लोगों को दी जाती हैं, वह उन तक पहुंच सकेंगी। जब

बहु गांव में ही रहेगा, तब ही गांव के लोग उसके पास पहुंचकर जानकारी ले सकेंगे ।

12:00 hrs.

भाप यह कह सकते हैं कि 25, 30 साल में अगर इन्होंने काम नहीं किया तो यह उत्पादन कैसे बढ़ गया ? मैं कहना चाहता हूँ कि आपने देखा होगा कि यह उत्पादन कहां बढ़ा है और किस का बढ़ा है ? क्या 2, 4, 5, 10 बीघा खेत वाले काश्तकार के खेत में उत्पादन बढ़ा है ? छोटे काश्तकारों का उत्पादन नहीं बढ़ा है और उसका कारण यह है कि उनकी पहुंच नहीं हुई सरकारी कर्मचारियों के पास । सरकारी कर्मचारी ने भी कभी गरीब की बस्ती में, उसके दरवाजे पर जाकर यह नहीं बताया कि कितनी खाद आपको कितने एकड़ में डालनी चाहिये, कौन सा बीज किस समय किस फसल में बोया जायेगा ? गन्ने का उत्पादन करेंगे तो यूरिया और दूसरे फर्टिलाइजर किस तरह डालेंगे और कितनी गहरी खुदाई करेंगे ? वह व्यक्ति किसी गरीब आदमी के पास नहीं गया है । जितना लाभ बड़े लोगों के खेतों में उत्पादन में हुआ है उसका कारण रहा है उनकी स्वयं की पहुंच, उनका ज्ञान । उनके पास रेडियो हैं, दूसरे साधन हैं, वह पढ़े, लिखे हैं, कितानें पढ़ते हैं, जानते हैं इसीलिये उनके खेतों में उत्पादन बढ़ा है । आज आवश्यकता इस बात की है कि हम गरीब और छोटे काश्तकार के खेत का उत्पादन बढ़ावें और इसके लिये ग्रामीण इकाइयों पर जिम्मेदारी डाली जानी चाहिये बजाय इसके कि 10, 20, 25 गांव का ठेका दे दिया । बहुमारे-मारे फिरते रहते हैं और कोई काम करने के लिये तैयार नहीं हैं । आवश्यकता है कि ग्रामीण इकाइयों को मजबूत बनाया जाये और उन पर जिम्मेदारी डाली जाये ।

बजट पहले के मुकाबले में बढ़ा बना है और अधिक विकास की बात इसमें कही गई है ग्रामीण स्तर पर, लेकिन मैं एक निवेदन करना

चाहूँगा जो हमारी वितरण प्रणाली है, जैसी पुरानी सरकार की थी, क्या वह वैसे ही इस समय भी रहेगी ? चीनी अगर गांव में देनी है, तो जो गांव के बाजार में खरीद सकता है, क्या उसको भी उतनी ही मिलनी चाहिये जितनी उसको मिलती है जो बाजार में नहीं खरीद सकता है, गरीब हैं । कोई भी बीज हो, चीनी हो, अनाज हो, और दूसरी आवश्यक वस्तुएं हों वह चाहे सरकारी माध्यम से या अर्द्ध-सरकारी माध्यम से वितरित हों, वह गरीब को मिलनी चाहिये । जैसे दवाओं का वितरण है । हमको यहां सुविधा मिलती है, इसका लाभ आई० ए० एस० और पी० सी० एस० और दूसरे सरकारी कर्मचारी उठाते हैं उसी प्रकार इसका लाभ बेतिहर मजदूर और गरीब आदमी को भी मिलना चाहिये । वर्तमान प्रणाली में परिवर्तन की आवश्यकता है, इस पर विचार की आवश्यकता है । इस बदले हुए वातावरण में अगर इस पर विचार नहीं किया गया और आर्थिक आधार मानकर लोगों को सुविधाएं देने का प्रयास नहीं किया गया तो बदले हुए राजनीतिक वातावरण में जनता को क्या सहसा होगा । जनता के निचले स्तर की कुछ देने के लिये काम किया गया है इस पर विचार करने की आवश्यकता है ।

यह एक अजीब परम्परा और प्रक्रिया है कि जो 2, 3 और 4 हप्ता की तनक्याह पते है उन्हें और सुविधाएं दी जाती हैं जैसे 4, 5 कमरों वाला मकान इसमें 2, 2 और 3, 3 बाथरूम हैं, लाइट है, सब सुविधाएं हैं लेकिन दफ्तर का जो चपरासी है उसको एक कमरे का मकान मिलता है । परिवार की परिभाषा क्या है ? दोनों के बराबर का परिवार होता है लेकिन उसका हल क्या है ?

बड़े अफसर को 10 बजे दफ्तर जाना है, लेकिन छोटे कर्मचारियों को सुबह 7 बजे सड़क के यहां हाजिर होना है । उनके दस, पच्चीस, पचास क्वार्टरों के लिए एक टट्टी और एक पानी की टट्टी है । वे लाइन लगा कर टट्टी जाते हैं और लाइन लगा कर टट्टी से पानी भरते

[श्री राम लाल राही]

है। उसके बाद उन लोगों को सबसे पहले मजूरी पर जाना है। क्या यह व्यवस्था आज भी बनी रहेगी? क्या हमारे भी यही व्यवस्था चलेगी? अगर यही व्यवस्था चलनी है, तो राजनीतिक परिवर्तन के कोई मानी नहीं। समाज का इससे कोई हित नहीं होने वाला है। इस व्यवस्था में परिवर्तन होना चाहिए। अगर परिवार की परिभाषा एक है, तो गरीब आदिमियों को ज्यादा सुविधा देने की आवश्यकता है। बाई, तीन, चार हजार रुपये तनख्वाह पाने वाले धरनी तनख्वाह में से अच्छा मकान ले सकते हैं और ज्यादा कारिया भी दे सकते हैं। लेकिन गरीब आदिमी ऐसा नहीं कर सकते हैं। इसलिए इस बारे में हमें विचार करने की आवश्यकता है।

मुझे इस बजट में एक बात नहीं मिली है। इमर्जेंसी की एक बात मुझे अच्छी लगी, शले ही किसी और को अच्छी न लगी हो। इमर्जेंसी में भिखमंगा प्रथा का कंट्रोल हुआ था। पहले हम देखा करते थे कि रेलवे स्टेशनों, बस स्टेशनों और दूसरी जगहों पर बहुत बड़ी संख्या में भिखमंगे लाइन लगाये रहते थे। इमर्जेंसी में उन पर कंट्रोल हुआ था। या तो वे लोग कहीं भाग गये थे, या कहीं न कहीं बस गये थे, या काम पर लग गये थे : आज उनकी संख्या फिर बढ़ने लगी है। इसलिए इस भिखमंगा प्रथा को समाप्त करने की आवश्यकता है। हमें उन लोगों को स्थायी निवास देना चाहिए और उन्हें किसी रोजगार में लगाना चाहिए। अगर हम ऐसा नहीं करेंगे, तो यह प्रथा और बढ़ेगी और यह हमारे देश के लिए एक अभि-ज्ञाप की बात होगी।

मैं देहात का रहने वाला हूँ। मेरा क्षेत्र, उत्तर प्रदेश में सीतापुर जनपद, बहुत पिछड़ा हुआ है। मैंने वहाँ गांवों में देखा है कि बंधक प्रथा जोर पकड़ रही है। शासन की तरफ से जो मजूरी निर्धारित की गई है, वह नहीं दी जा रही है। इससे गरीब आदिमी बहुत

पीड़ित और परेशान हैं। इसलिए लोगों को निर्धारित मजूरी दिलाने के लिए प्रयास किया जाना चाहिए। जो व्यक्ति खेतिहर मजूदर को निर्धारित मजूरी न दे, उसके खिलाफ सख्त कार्यवाही की जानी चाहिए। अगर वह पग नहीं उठाया जायेगा, तो गरीब आदिमियों को इस सरकार पर से विश्वास उठ जायेगा।

मैंने पहले भी निवेदन किया था कि देहात में को-ऑपरेटिव सोसाइटियों के कर्म-चारियों ने एक-तिहाई फर्जी कर्ज लोगों के नाम जोड़ दिये हैं। वसूलयाबी के पत्र भाने पर बहुत से गरीब लोग परेशान हैं। पिछले चार पांच सालों में हजारों गरीब लोगों की जमीनें फर्जी कर्जों की वजह से नीलाम हो गई हैं। इस बारे में बार-बार कहने और लिखने के बाद भी कोई जांच-पड़ताल नहीं कराई जा रही है। मैं निवेदन करना चाहता हूँ कि यह एक राष्ट्रीय समस्या जैसी बन गई है। इसके बारे में जांच होनी चाहिए और इसको हल करना चाहिए।

[श्री राम लाल राही] (रोसड़ा) :

सभापति महोदय, जो वित्त विधेयक प्रस्तुत किया गया है, मैं उसके सम्बन्ध में अपने विचार प्रकट करना चाहता हूँ। भारत का यह दुर्भाग्य रहा है कि अब तक जो वित्त विधेयक प्रस्तुत किये जाते रहे हैं, उनमें इस बात का ध्यान नहीं रखा गया है कि हम क्या खर्च कर रहे हैं और हमें क्या आमदनी हो रही है। पिछले तीस वर्षों में वित्त विधेयक इस तरह रखे गये कि कुछ चुने हुए लोगों और वर्गों की सुख-सुविधा और ऐशो-आराम का ही उनमें ध्यान रखा गया। और उन्हीं लोगों को यह सब सुविधा प्राप्त हुई है। तीस वर्षों से आज तक जो कांग्रेस का शासन रहा है उसमें इस कृषि प्रधान देश के अन्दर जो गांवों में रहते हैं और कृषि का काम करते हैं उनके लिए किसी के दिल में दर्द नहीं था। लेकिन यह सरकार किसानों के लिए सोचती है और कृषि पर 35 वर्ष बजट का 40 प्रतिशत रखा गया है जो

वास्तव में सराहनीय है। देश की जनता भ्रम कम से कम यह सोचने लगी है, खास कर किसान यह सोचने लगे हैं कि यह सरकार हमारे लिए कुछ कर सकती है। लेकिन मैं माननीय वित्त मंत्री से यह कहना चाहूंगा कि इतने से ही नहीं होगा कि 40 प्रतिशत आप दे देते हैं। इससे देश की समस्या का समाधान नहीं होने वाला है। आपको यह भी सोचना होगा कि यहां सिंचाई और यातायात की बड़ी कठिनाई है। जब तक इस समस्या का समाधान आप नहीं करेंगे यह कठिनाई दूर नहीं होगी और देश का समुचित विकास नहीं होगा। इसलिए मैं आपसे कहूंगा कि आप पैसा देते हैं तो आप नियंत्रण भी रखिए। आप यह शर्त भी लगाइये कि समय-बद्ध कार्यक्रम बना कर समुचित उसका विकास किये जाय और मही उपयोग उसका किया जाय।

आप टैक्स लेते हैं लेकिन मैं यह कहूंगा कि आज बिहार से जितना टैक्स आता है उसको देखो, शायद हिन्दुस्तान में आबादी के आधार पर बिहार सबसे ज्यादा टैक्स देता है। कोयला वहाँ पर है, भ्रमक वहाँ पर है, तम्बाकू का टैक्स वहीं से मिलता है। लेकिन बिहार के विकास के लिए जो भारत सरकार को करना चाहिए और जो उदारता बिहार के साथ बरतनी चाहिए वह नहीं बरती जाती। इसलिए मैं यह कहना चाहूंगा कि बिहार के लिए आपको खास तौर से ध्यान देना चाहिए। आज हिन्दुस्तान में अगर कोई सबसे पिछड़ा राज्य है तो वह बिहार है। बिहार में आप देखेंगे कि यातायात भी नहीं है, वहाँ नदी नाले हैं लेकिन सिंचाई का प्रबन्ध नहीं है और उसकी तरफ कोई ध्यान नहीं दिया गया है। इसलिए आप खास कर बिहार के लिए सोचिए। जो मेरा पिछला विधान सभा निर्वाचन क्षेत्र था वहाँ से प्रति वर्ष 13 लाख रुपया सिर्फ तम्बाकू का टैक्स मिलता है लेकिन उस क्षेत्र में एक मील भी पक्की सड़क नहीं बनी। क्षेत्र की तरफ से कोई योजना वहाँ के लिए नहीं चलाई गई। जिस निर्वाचन क्षेत्र से चुन कर मैं यहां

आया हूँ वह सब से पिछड़ा इलाका है। वहाँ के चार पांच ब्लाक पानी में डूबे रहते हैं। वहाँ कोसी का तटबन्ध नहीं बनाया गया, कमला बलान का तटबन्ध नहीं बनाया गया। आप सिर्फ टैक्स लेंगे और कोई योजना नहीं बनाएंगे तो क्या यह उचित होगा? मैं आपसे चाहूंगा कि आप बिहार से टैक्स लेते हैं तो बिहार के समुचित विकास के लिए, वहाँ सिंचाई और यातायात के प्रबन्ध के लिए काफी पैसा काफी अनुदान दीजिए। आपने, तो बिहार सरकार ने आपसे मांग की थी उसमें भी कटौती कर दी है। बिहार सरकार ने आपसे 30 करोड़ की मांग की थी। सरकार का कहना है कि पिछड़े क्षेत्र को हम प्राथमिकता देंगे। भारत में सबसे पिछड़ा क्षेत्र बिहार है, तो बिहार के मुख्य मंत्री ने जो मांग की है उसमें आपने कटौती क्यों की? आपका पूरी राशि देनी चाहिए थी जिससे उसका विकास हो सके। जनता सरकार के निर्माण में सबसे बड़ा हाथ बिहार का रहा है। बिहार ही माँग-दमक रहा है लेकिन बिहार को आप नेग्लेक्ट कर रहे हैं, उसकी उपेक्षा कर रहे हैं। मैं चाहूंगा कि बिहार के विकास के लिए आप पूरी पूरी राशि दें।

इन्हीं शब्दों के साथ मैं आशा करता हूँ कि माननीय वित्त मंत्री बिहार पर विशेष ध्यान देंगे और उसके विकास के लिए सोचेंगे।

SHRI JYOTIRMOY BOSU (Diamond Harbour): Sir, rising to speak on the Finance Bill, covering the grants in the Budget, I am constrained to say that the Budget that they presented is not much different from the budget that we have been accustomed to seeing. The Janata Government very boldly boasted that there will be no deficit financing. Strangely, enough, in 1977-78, though deficit financing was shown as Rs. 82 crores, the actuals came to Rs. 975 crores. That too, including Rs. 230 crores for allocation to Central plan schemes, pruned. If that amount had been added, it would have come to Rs. 1,205 crores of deficit financing. Is that what you meant to say at the beginning, or is it again the same old case of a gap between promise and performance?

[Shri Jyotirmoy Bose]

The additional taxation surpasses all records for any one single year. The additional taxation is Rs. 525 crores including Rs. 499 crores in indirect taxes. Most of it is Central excise, that is what you fleece out of the common, starving man in the country. The Finance Minister sought to justify it by saying:

"The base for direct taxes is extremely narrow and the funds required for national requirements cannot therefore be raised by a direct taxes."

He has also stated—he has come out at long last—that is why we cannot—merely depend on direct taxes. Therefore, Central excise is the thing that can be only sucked out of the common, toiling masses, the poor people, the weaker sections. That is the main base of Mr. Patel's taxation because Mr. Patel since the time he was born has never known what the common man's difficulties are.

In spite of this massive dose, the deficit stands at Rs. 1050 crores. Why is it that the tax base is not widened? We know the class character of this Government and the class character of Mr. Patel. Therefore, direct taxes will annoy the classes whom they belong to, whom they represent. That is the main theory.

The Economic Survey, 1977-78, a Government publication, says at page 51:

"The predominance of low incomes and poverty in the rural areas should not make us overlook the fact that income distribution in rural areas also is uneven and that there are well off farmers who do not pay direct taxes and who receive a number of agricultural inputs at concessional prices. Therefore, ways should be devised to make this section also to contribute its fair share to the exchequer. Otherwise, the country would not be able to move forward sufficiently fast."

Now, Mr. Patel says that there is no field where we can get taxes from. He is not willing to annoy the wealthy class of the rural areas because if he does so, he will have to face difficulties, he will not remain in power.

How rich is the rural rich? I will give you a simple example. According to the latest figures that are available, the total assets of the rural rich amounts to Rs. 87, 131.6 crores. And what is the pattern of distribution. I quote from the Draft Sixth Plan, page 3, para 1.22:

"The distribution of assets has recently been surveyed comprehensively. The results for urban households have not yet

been published. But for rural households it shows that 20 per cent of households, each having less than Rs. 1 lakh of assets, account for less than 1 per cent of all rural assets, while 4 per cent with asset-values of Rs. 50,000 or more own over 30 per cent."

Is that not revealing?

You have been claiming big things and boasting about reforms and good things that you want to bring, but the position regarding 10 per cent of the rural rich as in 1961-62 and 1971-72 is simply magnified in this brilliant journal, the *Economic and Political Weekly*. I congratulate them every time because this is one journal where you can get something to study and educate yourself.

I am quoting from page 510:

"Decile Group 0-10: Average value of assets 1961-62—139.61 and 1971-72—237.52."

Let us come to the top figures:

"90-100: 1961-62—31524.92
1971-72—65888.51"

That is where you are Mr. Patel. Therefore, you cannot touch them.

The composition of the rural poor household is like this. I am quoting from the source "Reserve Bank Staff Occasional Papers."

"Number of poor rural households in lakhs: 1961—206.6 and 1971—270.8"

What sort of glorious performance the Finance Ministers have been putting in the past and present is revealing from this. You cannot possibly take us for a ride.

Morally, neither the urban poor deserve direct taxation or indirect taxation and I could quote from the same brilliant journal.

"In fact, if account is taken of the abolition of the tax on the interest income of commercial banks, the benefit of which the banks have been ordered to pass on to their borrowers in the form of a lowering of interest rates, the additional direct tax proposals in the Budget will result in a revenue loss of Rs. 82 crores.... Even with regard to the non-agricultural sector, while it is true that tax-payers constitute a very small proportion of the population, it is far from being true that the potential for raising additional tax revenue from this section has been exhausted.

The urban rich, no less than their country cousins, need to be made to pay larger taxes commensurate with the disproportionate share of the fruits of development garnered by them. The proliferation of lavish spending and the multiplication of the production and consumption of luxury consumption goods and services of every sort are proof, if proof were needed, that there exists very considerable scope for additional taxation of even non-agricultural incomes, both through a rise in the rates of tax and through the closing of the innumerable exemptions etc. etc."

It is crystal clear that Mr. Patel is not going where he ought to go. Further picture of the other side is like this. Side by side you see, this is where the Finance Minister comes from. I am quoting from a reply to a question of mine:

"Cadbury India Limited—Shri Prem Pandhi is the Chairman of the Company." He is a director of the Reserve Bank also guiding the Reserve Bank's policy for whose interest?

"Year ended: 1-1-1977—Remuneration—Rs. 1,41,445/-" Forget all the perquisites that come to 200 per cent.

On top of this, come to Mr. D. W. McPhie, Managing Director of the company. His remuneration for the year ended 1-1-77 is Rs. 2,10,460/- Forget all the perquisites—200 per cent. Union Carbide India Limited, Shri P. C. Banerjee—almost the same position. What does he get?—salary, company's contribution towards provident fund, company's contribution towards pension fund, gratuity, medical benefits for self and family, leave travel concession, leave, furnished accommodation with services, free use of car and free residential telephone. All these top men consume not less than forty to fifty thousand a month in this country whereas a man's per capita income is above the lowest in the world after 30 years of Independence.

Colgate Palmolive (India) Private Limited. Mr. H. Rai, Managing Director of the company got Rs. 2,12,424/- as remuneration for the year ended 31-12-1976. As per the information available with the Registrar of Companies, he is entitled to a salary of Rs. 10,000/- per month, a bonus of Rs. 51,140/- every year besides the actual travelling and entertainment expenses, medical benefits, unfurnished/furnished residential accommodation, motor-car, telephone expenses, provident fund, gratuity, superannuation fund, insurance, etc.

Brooke Bond India Limited the same position. The Chairman of the India

Tobacco Limited which is a hard core criminal offender has been drawing in cash and kind not less than Rs. 40,000 a month. He went on retirement. Now, he is drawing a pension plus the full salary. The second man also is now wanting to have the same concession. I am quite sure that with the lobby that they maintain here, they will be able to get it. This is the type of economy.....

SHRI SHYAMNANDAN MISHRA (Begusarai): The Minister of Company Affairs had promised to do something about it.

SHRI JYOTIRMOY BOSU: Nothing at all can be done. If you touch them, you will not get returned here again. This is the type of economy; this is the type of democracy. Mrs. Indira Gandhi had allowed it. This is what was in vogue. What are you doing now? What is the mandate that has brought you here? You promised a change. What was your manifesto? You have forgotten it. You will not be there in that cushioned seat, I warn you, Mr. Patel, You give lip service to people.

I would quote some figures from M/s Mahindra Mahindra—there is a whole list with me; I will not read that; I would quote just a few—about executive wages. It is a new privileged class; new *maharajas* and *nawabs* have been created under the patronage of the people sitting on the Treasury Benches. I quote:

| | Rs. |
|--------------------------------|----------|
| "Mr. G. Srinivasan | 97,322 |
| Mr. P. S. Mahindra | 1,02,254 |
| Mr. B. M. Chopra | 1,06,138 |
| Mr. I. Chatterji | 1,81,359 |
| Mr. P. G. Dastoor | 1,15,546 |
| Mr. Hariish Mahindra | 2,03,227 |
| Mr. Keshab Mahindra | 1,73,558 |

This is the type of equality that the Treasury Benches want to have. This was done during the last 30 years of the Congress rule. Why is it that you are not undoing it? You had one good year in your hand. Can you show any example that you have taken some steps to bring some sort of justice to the people who are struggling for their survival? My answer to that is, no, not at all.

Mr. Patel's roads lead to the fleecing of the common man, Central excise, nothing but Central excise. This is the state

[Shri Jyotirmoy Bosu]

ment showing amount and percentage of indirect tax to the Central Government, tax revenue, indirect tax (Gross). In 1961-62, the total Central Government tax revenue was Rs. 1053.73 crores and in 1977-78, it has risen to Rs. 9005.49 crores. As regards the amount and percentage of indirect tax to the Central excise duty to the total Central Government tax revenue, in 1961-62 out of Rs. 1053.73 crores, it amounted to Rs. 712.97 crores and in 1977-78, out of Rs. 9005.49 crores, it amounted to Rs. 6473.22 crores, representing 71.88 per cent of indirect taxes most of which is Central excise. That is the position.

In reply to a Question, it was stated:

"Central Excise duty for gone on account of exemptions granted under rule 8(1) of the Central Excise Rules, 1944.

| | |
|---------|-----------------------|
| 1971-72 | . Rs. 244.84 crores |
| 1975-76 | . Rs. 446.70 crores." |

I can tell you, while I was the Chairman of the Public Accounts committee and Mr. Patel was a member of the PAC at that time, he will remember that in two cases, the Customs' exemption was granted, one to the Imperial Chemical Industries and the other to Kilachand. The total amount was Rs. 234 crores. No explanation has come so far with regard to this. I would like him to enlighten the House as to who are the persons—the list should be placed on the Table of the House; Mr. Chairman Sir, your observation will help—who have been fortunate in getting the exemption. Sir, on Lok Sabha record, it is there. Mrs. Gandhi was charged. She accepted Rs. 3 crores for giving this concession. It is on record. I am not reiterating or saying anything about it. The consumers are being fleeced with Governments' connivance. For example, take the case of Cadbury and Pfizer. What are the propositions? Their profit on 4-4-75 was 113 per cent on the capital. On 1-1-1977, the profit had come up to 320 per cent on the capital. Pfizer with a paid-up capital of Rs. 2 lakhs only in one year 1976 made a profit of Rs. 2.65 crores. That kind of socialism and justice you are showing in this country. As far as Hindustan Lever are concerned, they are handling a lot of essential commodities which we require to survive. Their remittances are Rs. 30,99,4885. As far as Glaxo is concerned, their remittances are Rs. 86,44,134 etc. There is absolutely a loot by these multinationals and the private foreign companies.

Mr. Patel, would you kindly hear us? Do not make this country a victim of neo-colonialists; do not make India a Latin America for the Americans and a happy hunting ground for those merchant adventurers. Hindustan Levers remittance has been the maximum. I had quoted the figure just now. They are letting loose a reign of terror of its victimisation. When we are most troubled with the problem of unemployment, their permanent work force has been reduced from 9300 to 7610. Their profit has been increased. The other day, in their Ghaziabad factory's compound, a tanker load of adulterated oil was found for manufacturing of dalda. In this country, if we have money, nobody can touch us. In the soap that they are making, they have reduced the total fat content by 25 per cent by the standard laid down by the Indian Standard Institute's Panel Committee which was headed by the then officer of the Hindustan Levers itself. They are cheating the customers and that is how they are sending so much profit abroad. This company needs to be brought to book. They are mounting lobby in Delhi; they are bringing so much pressure on people like us; they are approaching our friends and relations. This company is a notorious gangster. They should be looked into carefully.

MR. CHAIRMAN : Only three minutes more.

SHRI JYOTIRMOY BOSU : I will take little more time. I have got time for the third reading.

MR. CHAIRMAN : Three minutes.

SHRI JYOTIRMOY BOSU : 10 minutes.

MR. CHAIRMAN : Five minutes more and the Minister will reply at 1 P.M. So, I request you to finish quickly.

SHRI JYOTIRMOY BOSU : There is production beyond the registered licensed capacity and you are a silent spectator. You are regularising them. As far as Indian companies are concerned, they are having their idle capacity and the foreign companies are producing far in excess of the licensed capacity. They are M/s Burroughs Wellcome, M/s. May & Baker, M/s. Roche Products Ltd., M/s. Pfizer Ltd., M/s. Wyeth Labs. Ltd., M/s. Cyanamid Labs., M/s. Cibageigy Ltd., M/s. Bayer (I) Ltd., M/s Searle (I) Ltd., M/s. Merck Sharp & Dohme (I) Ltd., and M/s. Hoechst Pharm Ltd. I have a complete list of these companies. As far as Glaxo is concerned, they are producing below their registered licensed capacity far ately, what sort of Government do you

run? They are allowed to break the law with impunity. You pass an order and they use the toilet paper. What is the licence? What is the licence meant for. As far as Britannia Biscuit Company is concerned, Mr. Patel, I am very sorry in 1978 January, their over production was 2888 (M T per Annum) and it has been regularised to 8600 and in respect of their Calcutta factory from 3,218 tonnes to 15,000 tonnes the capacity endorsed on the licence in January 1978 Mr. Patel, it is this Government which has regularised the thieves of their thieving process. Why then issue licences and permits at all if they have behaved so shabbily?

The Indian big business growth rate is also something fantastic. The assets in 1972 were Rs. 4,223.82 crores, the turnover Rs. 4,770.40 crores and gross profit Rs. 297.91 crores; white money; forget about black money; it is three times the money or even four times the money. See the difference from 1972 to 1975. The assets in 1975 were Rs. 6,204.53 crores; the turnover has gone up from Rs. 4,770 crores to Rs. 7,900 crores, gross profit from Rs. 297 crores to Rs. 515 crores. This is the type of socialism we have been sampling here.

The Janata Party promised that the growth of monopoly would be stopped. Now, what are the new licences that have been given? Birlas are topping the list Rs. 72.08 crores, new licences, J.K.s Rs. 20.07 crores, Thapars Rs. 18.45 crores, Tatas Rs. 9.03 crores, etc., etc. Big companies, especially foreign monopolies, are allowed diversifications in low priority profitable area. This has been done continuously. You have allowed the Cadbury to start an apple juice plant in Himachal Pradesh. What a shame!

The areas reserved for small scale sector are intruded upon. Tall promises are made, but the performance is very little, next to nothing. There are serious malpractices. May & Baker are controlled by persons who are related to each other maritaly, through marriages, and they have got about ten bogus firms, dummy firms, to hoodwink the MRTF. Mr. Patel, you were in the Committee. What happened to the case of National and Grindlays Bank? You can easily earn Rs. 15 to 20 crores in taxes. They were caught evading taxes, they were caught evading losses of remittances. They are hardened criminals. Why is it that the Reserve Bank goes before them with bended knees? Why is Government so timid? Why they are so afraid to the National and Grindlays Bank I do not understand.

In industries, the whole planning is lopsided. I do not wish to read from

papers because the time is short. The Janata Party claims to be the great champions of agriculturists. But it is nothing but a paper tiger. What have they done in one year? Sugarcane this time has been sold at Rs. 3 per quintal. They have been burning all sugarcane. You promised that you would do good to the rural economy and the agriculturists, and this is what is going on. Tobacco has been sold at Rs. 20 per quintal. When you come to the market, the buyers and speculators had cornered everything. You waited for one month. I charge this Government that the Indian Tobacco Company's lobby has got an effective access inside the Government. That is why the tobacco growers have been allowed to be minced like this.

The Agriculture Minister has made tall claims about food production. Now look at the production figure of rice, look at the production figure of coarse cereals which are taken by poor people. Look at the production figure of pulses and oilseeds. The whole thing is gloomy. The figures, in fact are actually much lower. I would not quote because that will take time.

They talk about Green Revolution. do not understand this. Perhaps my knowledge of English is less. Where is the Green Revolution? How much are you paying for a kilo of pulses? Is that Green Revolution?

About cash crop production, I have told you. This year the cigarette makers will make a windfall profit of Rs. 50 to 60 crores—what the tobacco growers lost. Here I am making a concrete suggestion. Here is a source where you can mop up the additional profit without allowing them to increase the price of cigarette because tobacco has been sold at Rs. 18 per quintal. Therefore, that money should go either to the growers or to the consumers: we cannot allow others to get it.

Now, we have been examining jute prices. In regard to the calculations by the Economics and Statistics Directorate and the Agricultural Prices Committee, we had no other alternative than to understand it clearly that they were working in the interests of jute tycoons. Now, the jute growers have showed their cost of production as Rs. 100 per quintal and after the renewed excise by another Governmental agency we found that the cost was Rs. 334/-. So, there was a cheating of Rs. 200/- for each quintal. How many crores of rupees the jute growers must have been cheated in these six States. There should be special steps for maintaining regional balance and the most important is research in agriculture. I am not casting

[Shri Jyotirmoy Bosu]

any aspersions but I am only requesting a review to be done of the ICAR by top scientists and that the Gajendragadkar's recommendations should be implemented. These are the two things I am requesting.

Now, we have been wanting a shipyard in Haldia and we want a shipyard in Orissa also. There was a specific recommendation by the Baweja Committee in February 1973. The West Bengal Government wanted a copy of this Report but they were refused. I have got hold of a copy. I have given notice to the Speaker. I have given a copy to the Speaker and I am laying it on the Table of the House.

SHRI P. K. DEO (Kalahandi): Is it a secret document ?

SHRI JYOTIRMOY BOSU: No, it is a report of the Government. I am quoting from it: The recommendation says:

"From the conclusions set forth above, it will be clear that the Working Group has done its best to consider, precisely and specifically, the issues arising from the terms of reference assigned to it. In the light of these conclusions, the Group recommends that—

(1) There is a clear case for the establishment of at least one additional shipyard and even two more shipyards during the Fifth Plan."

We want two shipyards, one in Orissa and one in West Bengal.

* (2) Haldia qualifies itself as a very suitable location for such a shipyard and may be selected for the purpose.

(3) The proposed shipyard at Haldia may be designed to cater for the construction of tankers, bulk carriers etc. up to the size of approximately 1,00,000 GRT.

(4) A special project team be set up to undertake the requisite investigations and prepare a comprehensive Project Report along with detailed cost estimation and economic evaluation.

(5) The said Project Team be advised clearly that the Planning of the shipyard to be so done as to keep abreast of modern concepts of ship-building and ship repair."

With your permission I am laying it on the Table of the House and I thank you. [Placed in Library. See No. LT-2231/78]

MR. CHAIRMAN: The document placed by you will be examined, and the Speaker will decide.

SHRI JYOTIRMOY BOSU: No Sir. I have quoted the Rules. I have given an advance copy. No Sir, it cannot be done. (interruptions). You may kindly make an announcement....

MR. CHAIRMAN: The Speaker will examine it.

SHRI JYOTIRMOY BOSU: No. no. The Speaker was given a copy long ago. According to the Rules....

MR. CHAIRMAN: It seems it has been seen by him this morning and he told you that he will examine it.

SHRI JYOTIRMOY BOSU: No Sir, he did not tell me that.

MR. CHAIRMAN: Mr. Bosu, You need not worry....

SHRI JYOTIRMOY BOSU: No, it is laid on the Table of the House. It cannot be done like that. Advance notice was given.

MR. CHAIRMAN: You see, Direction 118....

SHRI JYOTIRMOY BOSU: No, please read Rule 369.

MR. CHAIRMAN: Direction 118, sub-clause (1) says that if the Speaker permits a Member to lay a paper or document on the Table, the Member may, at the appropriate time, lay it on the Table. If the Speaker permits.

SHRI JYOTIRMOY BOSU: Please see Rule 369. Nothing can supersede the Rules of Procedure except to the Constitution. Rule 369 reads:

"A paper or document to be laid on the Table shall be duly authenticated by the member presenting it."

I have duly authenticated it. All papers laid on the Table shall be considered public.

MR. CHAIRMAN: Yes, Rule 369 reads:

"A paper or document to be laid on the Table shall be duly authenticated by the member presenting it."

SHRI JYOTIRMOY BOSU: I have done it. I can do it in your presence once again.

MR. CHAIRMAN: Speaker has already informed you that this will be examined.

SHRI JYOTIRMOY BOSU: No, Sir. I regret. I again rise on a point of order. I am less proficient in English. Let the House guide me what it says. Rule 369 is very clear:

"A paper or document to be laid on the Table shall be duly authenticated by the member presenting it."

If I have declined to authenticate it, you could have said that it cannot be laid. But I have duly authenticated it.

MR. CHAIRMAN: Has the Speaker permitted you? Speaker's permission is required.

SHRI JYOTIRMOY BOSU: Speaker is a creature of the rules. Speaker's election itself is as per these rules. He cannot break the rules.

MR. CHAIRMAN: This will be done according to the rule.

SHRI JYOTIRMOY BOSU: You said 'according to the rule'. Which Rule, Sir?

MR. CHAIRMAN: I have already explained to you. If the Speaker permits it—that is the point.

SHRI JYOTIRMOY BOSU: You said 'according to the rule'. Kindly quote the rule.

MR. CHAIRMAN: Direction 118(1) (2).

SHRI JYOTIRMOY BOSU: For all purposes you are the Speaker.

MR. CHAIRMAN: Would you please look to Direction 117.

SHRI JYOTIRMOY BOSU: What is that?

MR. CHAIRMAN: Direction 117 says:

"A private member may lay a paper on the Table of the House when he is authorised to do so by the Speaker."

When you are authorised by the Speaker—then only you can lay.

SHRI JYOTIRMOY BOSU: Let me make my submission. A Direction cannot supersede the clear provisions of the rule. It does not have the force of the rule. Rules are supreme in this House next only to the Constitution.

MR. CHAIRMAN: The Directions will have to be abided by.

SHRI JYOTIRMOY BOSU: You certainly abide by it. You take it home and abide by it as much as you want. But here the House is regulated by the Rules.

MR. CHAIRMAN: Directions have to be abided by.

SHRI JYOTIRMOY BOSU: I do not believe in Kaul & Shakhder.

MR. CHAIRMAN: Mr. Bosu, please take your seat. I have already called the next speaker, Shri Rajendra Kumar Sharma.

श्री राजेन्द्र कुमार शर्मा (रामपुर):
अधिष्ठाता महोदय, माननीय मंत्री जी के द्वारा जो वित्त विधेयक प्रस्तुत किया गया है? मैं उसके समर्थन में अपने विचार व्यक्त कर रहा हूँ।

मान्यवर, आज राष्ट्र के सामने एक भयंकर समस्या खड़ी है, जो विरासत में हमें इन भाइयों से मिली है और जिसकी चर्चा आज जब हम लोग करते हैं, तो हमारी एक साल की सरकार के ऊपर सारे एटेक किये जाते हैं।

मान्यवर, पिछले 30 सालों के अन्दर हमारे राष्ट्र में इस समय 8 करोड़ लोग बेरोजगार हैं और 10 करोड़ लोग अर्ध-बेकार या अर्ध-बेरोजगार हैं। जिस राष्ट्र में 18 करोड़ लोग बेरोजगार हों, तो उस राष्ट्र के अन्दर ला-एण्ड-गार्डर और दूसरी चीज किस तरह से सही ढंग से चल सकती हैं—यह प्रश्न मैं अपने मित्रों से पूछना चाहता हूँ? ये सब चीजें इनकी वेन हैं।

मैं अपने वित्त मंत्री जी से जामना चाहता हूँ—आपने अपने बजट भाषण में और इस वित्त विधेयक में ब्लैक-मनी पर नियन्त्रण करने के लिये, कोई ठोस कदम उठाने के लिये नहीं कहा है। पिछले तीस सालों में जो कांग्रेस सरकार इस देश में चली—वह जिस आधार पर खड़ी रही, वह केवल ब्लैक-मनी थी। अभी कल ही इस सदन में एक और अध्यादेश

[श्री राजेन्द्र कुमार शर्मा]

हुमा—30 लाख रुपया केवल एक व्यक्ति के पास बंगलोर, कर्णाटक में पाया गया। मैं मंत्री जी से जानना चाहता हूँ—इस तरह से देश के अन्दर जो अरबों रुपया इन्दिरा कांग्रेस के लोगों के पास पड़ा हुआ है, उस पर किस तरह से रोक लगाई जायगी इसके लिये कौन-सी स्पेशल विजिलेंस बैठाई जायगी या रैड्स कराये जायेंगे।

जब ये लोग सत्ता में थे, तब भी राजनीतिक लोगों को खरीद कर, अपनी ब्लैक-मनी के आधार पर, सरकारों को गिराने की कोशिश करते थे। आज भी उसी आधार पर इन्दिरा कांग्रेस पूरे देश के अन्दर अन-रेस्ट पैदा कर रही है, ला-एण्ड-आर्डर को खराब करने की कोशिश की जा रही है। हमारे फाइनेंस मिनिस्टर को इस तरफ विशेष रूप से ध्यान देने की आवश्यकता है।

मान्यवर, मैं माननीय मंत्री जी से यह जानना चाहूँगा—आज देश के अन्दर जो अरबों रुपये की ब्लैक-मनी है, उसको निकलवाने के लिये क्या आपने कोई योजना प्रस्तुत की है? यदि नहीं, तो मैं उनसे अनुरोध करूँगा कि इसके लिये आप उन लोगों को इन्वेस्टिग दें, जिन्होंने पिछले 30 सालों के कांग्रेस के साम्राज्य से खूब पैसा पैदा किया है। आप इस तरह की घोषणा करें कि जो लोग अपनी ब्लैक-मनी की घोषणा करेंगे और उसको हाउसिंग स्कीम के तहत लगायेंगे—उनको छट दी जायेगी। आज सारे देश के अन्दर हाउसिंग की समस्या एक भयंकर रूप से खड़ी हुई है। दिल्ली के अन्दर ही यदि कोई 1 हजार रुपया बेतन पाने वाला अपने रहने के लिये मकान ढूँढ़ने के लिये निकलता है, तो 1000 या 800 रुपये महीने से कम किराये का उसको मकान नहीं मिलता है। इसलिये यदि आप इस तरह का ठोस कदम उठायेंगे तो उससे देश में मकानों की समस्या का समाधान हो सकता है।

हमारे वित्त मंत्री जी ने अपने बजट में इस तरह की कोई व्यवस्था नहीं की है कि जितने बजट एक्सपेंडिचर होंगे, उनमें कोई भितव्ययिता बरती जायगी। जिस तरह से कांग्रेस सरकार के जमाने में पैसा बरबाद किया जाता था, वही स्थिति आज भी विद्यमान है। इस सदन के माननीय सदस्य इस बात से सहमत होंगे कि आज भी सरकारी कार्यालयों द्वारा, अधिकारी वर्ग द्वारा पैसे का दुरुपयोग हो रहा है। यदि इस दुरुपयोग को रोकने के लिये कोई ठोस कदम उठाकर व्यवस्था नहीं की जायगी, तो हमारी कोई भी योजना सही ढंग से नहीं चल सकेगी।

हमारे उद्योग मंत्री ने घोषणा की कि लोकटक हाइड्रो इलेक्ट्रिक प्रोजेक्ट, मणिपुर, इम्फाल के लिये इन्दिरा सरकार के समय में पूरे प्रोजेक्ट के लिये 6 करोड़ रुपये स्वीकृत हुए थे, आज उस प्रोजेक्ट का खर्च 6 करोड़ से बढ़ कर 80 करोड़ हो गया है। पूरे देश के अन्दर कांग्रेस के लोगों के पास जो रुपया निकल रहा है—यह सब उसी की देन है। उस समय जिस तरह से पैसे को बरबाद किया गया, राष्ट्र के साथ खिलवाड़ किया गया, उसकी योजनाबद्ध ढंग से जांच करानी चाहिये।

आज हमारे देश के अन्दर जो भयंकर समस्या है—बढ़ गरीबी और भ्रमीरी की है। आज हमारे इस सदन के अनेक साथी कहते हैं कि बैंकवर्ड क्लासिज के लिये रिजर्वेशन होना चाहिये, हरिजनों के लिये अधिक-से-अधिक सुविधायें प्रदान की जानी चाहियें—इस का मुख्य कारण यही है कि हमारे देश के अन्दर बेरोजगारी और गरीबी है। 1976 के अन्दर पूरे राष्ट्र की पर-कैपिटल-इन्कम 376 रुपये थी, लेकिन दूसरी तरफ इस देश के अन्दर भ्रमीरों के बड़े-बड़े कारखाने हैं, उद्योग-धंधे हैं।

मान्यवर, मैं यह निवेदन करना चाहूँगा कि जो यह गरीब और भ्रमीर के बीच में एक बड़ी खाई बना दी गई है, वही आज कारण

बन रही है सब तरह की समस्याओं को खड़ा करने के लिए। ला एंड आर्डर की जो समस्या है, वह भी उसी की देन है। मैं माननीय मंत्री जी से यह जानना चाहूंगा कि वे इस के लिए क्या करने जा रहे हैं जो बड़े बड़े इन्डस्ट्रियलिस्ट्स हैं, बड़े बड़े राज-घराने हैं, उन के यहां जो डाइरेक्टर और मैनेजिंग डाइरेक्टर हैं वे वेतन के नाम पर तो 5,000 रुपये लेते हैं लेकिन उस के साथ साथ पचास, पचास हजार रुपये की और सुविधाएं उन को दी गई हैं। इस चीज को खत्म करने के लिए फाइनेंस मिनिस्टर साहब क्या कदम उठा रहे हैं ?

मैं मंत्री जी से यह भी जानना चाहूंगा कि अपने भाषण के अन्दर वे इस बात को क्लियर करें कि पिछले 30 वर्षों के अन्दर पूरे राष्ट्र के अन्दर कॉर्पोरेशनों के द्वारा इन्कम-टैक्स चुराने की और बैंक-मनी को रोके रखने की जो पद्धतियां अपनाई गई हैं, उन को समाप्त करने के लिए कौन से ठोस कदम सरकार द्वारा उठाये गये और कौन से कदम वह उठाएंगी जिस से जनता के सामने एक ऐसी स्थिति आए कि एक अच्छा वातावरण बन सके।

इन शब्दों के साथ मैं समाप्त करता हूँ।

MR. CHAIRMAN : Now, Shri Lakshappa. You will please take only two or three minutes.

श्री रूप नाथ सिंह दावड (प्रतापगढ़) : मैं प्रस्ताव करता हूँ कि इस का समय एक घंटा और बढ़ा दिया जाए।

MR. CHAIRMAN : It has already been decided.

SHRI K. LAKKAPPA (Tumkur) : Mr. Chairman, Sir, I rise to speak on the Finance Bill. Sir, as per the report of the Reserve Bank of India, the financial position of the country is very poor. It says that the budgetary position of the State is rapidly deteriorating and the financial health is poor. This is given in your own report. Why I am giving out all this information is that I want to highlight all those points. The report has shown

how the deficit between the aggregate receipt and aggregate disbursement has been growing at a galloping rate. The States had an overall surplus of Rs. 75 crores at the end of 1975-76 but the following year, that is, 1976-77, saw them in the red to the tune of Rs. 41 crores and the year 1977-78 found them in a deficit of Rs. 925 crores. The worst is that the States are losing the vitality to meet the situation. That means that the financial set-up is uneven and it is discriminatory in character; it is imbalanced and there is no equitable distribution. Your progress and developmental activities have come to a stand still. The report observes as follows :—

“Such unauthorised over-drafts have been a matter of serious concern to the Reserve Bank and the Bank has repeatedly urged the States to so plan their finances as to avoid such recourse.”

Sir, this Ministry has failed to take note of the various suggestions and recommendations to restrain and constrain the distribution of money through the financial institutions including the private banks and the Public banks.

Regarding the financial institutions controlled by the big business my hon. friend, Shri Jyotirmoy Bosu, has already narrated certain points and I will not repeat those points.

I want to speak only about certain fraudulent practices indulged in by some of these banks.

I want to show how the control of the Reserve Bank of India over these financial institutions is deteriorating.

13 hrs.

Now Sir, since the time at my disposal is very short, I will not elaborate these points. I don't want to go into the details of all the banks but I will deal with only certain banks, I want to speak specifically about the banks of Rajasthan. Take for example the Bank of Rajasthan. This may be a trivial matter but still I would like to bring to your notice. The Reserve Bank of India has no control over this financial institution. Look at the way how these private banks are operating and catering to the needs of the vested interests, black marketeers, hoarders etc. Now, you are going to appoint Chairman to various banks. I am told that the same people are going to be appointed and they are now coming through the backdoor entry. You were criticising the previous Government very much about their patronising them. Now what is it that you are doing ? I am told that in various private banks you are going to appoint

[Shri K. Lakkappa]

Chairmen. You must look to the antecedents of the people before doing so as to how they were functioning and how they were catering to the needs of the people. Look at the way how the finances of the country are being looted. Take the case of Rajasthan Bank Ltd., Jaipur. On the eve of the visit of one Mr. Agarwal a donation of Rs. 50,000 was given for the construction of a fountain in the city. How can this bank provide Rs. 11,000/- to be spent for the tour of Rajasthan by the Deputy Governor of Reserve Bank of India towards his tour? How this amount is being concealed by them and how the officials of the Reserve Bank are shielding the shady transaction of this bank for these bank people? This is one of the instances where Rs. 11,000 for the tour of the Governor of Reserve Bank of India to Rajasthan is being borne by this Bank. For opening a Branch at Calcutta, that had cost the Bank Rs. 2,50,000/-, I can quote many such things (*Interruptions*).

MR. CHAIRMAN: Mr. Lakkappa, will you kindly wind up? The Minister will now reply.

SHRI K. LAKKAPPA: I can quote many such instances to show how the black money is being utilised over which my hon. friend, Mr. Patel will have no control. I would like to ask him whether he will consider reorganising and restructuring the financial institutions so as to see as to how they are functioning and how far they have gone on in catering to the financial needs of the people by depriving the weaker sections of the country.

Sir, in the entire Karnataka State, no banks are financing the needs of the weaker sections of the society; no loans are being disbursed. Even if they are disbursed, the rate of interest charged from them is exorbitant. Nothing has been done with regard to the marginal farmers.

Here I want to ask the Minister whether he would come out with not only a commission of inquiry but he would also see that the matter is set right and see that the financial institutions cater to the needs of the weaker sections of the society, namely, that the farmers are not charged exorbitant rate of interest for the loans given to them. He should see to it that the health of the country is thereby improved and the present disparity which is existing in the matter of distribution of finances to various States is removed and that equitable distribution is made to them.

With these few words, Mr. Chairman, I conclude.

MR. CHAIRMAN: Now, the Minister will reply. (*Interruptions*)

SHRI C. N. VISWANATHAN (Tirupattur): Sir, I was not called.

MR. CHAIRMAN: I had called you but you were not here.

SHRI PURNANARAYAN SINHA: Mr. Chairman, Sir, the other day, when the Finance Bill was to come up, the hon. Speaker had permitted calling the names of the Speakers as per the list. (*Interruptions*)

MR. CHAIRMAN: The time has been allotted by the Speaker himself.

SHRI PURNANARAYAN SINHA: The other members are being neglected. This is something most extraordinary.

MR. CHAIRMAN: It was expected that the Minister will reply at 2 O'Clock. Now he will reply at 1 O'Clock.

SHRI C. N. VISWANATHAN: Sir, I want only four minutes and I will finish within that time. I am from the Anna DMK Party consisting of 19 members.

MR. CHAIRMAN: Mr. Viswanathan, you were called by me; you were not present.

SHRI C. N. VISWANATHAN: I had gone out at that time. Please allow me four minutes only and I will finish within that time. (*Interruptions*)

MR. CHAIRMAN: I am calling the names according to the list. I cannot go beyond that. The Speaker has not agreed for extension.

श्रीवरी बलबीर सिंह: इस पर दो घंटे का समय बढ़ा दिया जाए। हाउस चाहता है तो फिर आपको क्या एतराज है। प्राण छुटी के दिन हम बैठे हैं। इस पर आपको क्या एतराज है। हाउस की राय आप ले लें।

(*Interruptions*)

जब तब संसदीय कार्य, संसालय में राज्य मंत्री (श्री सारंग साह): विजिलेंस एडवाइजरी कमेटी की रिपोर्ट कल आई थी और उसको हाउस ने मंजूर कर लिया है। इसके बाद हासन समय बढ़ाने के पक्ष में नहीं है।

श्रीवरी बलबीर सिंह: पहले भी प्राती रही हैं लेकिन उसके बावजूद हाउस समय

बढ़ाता रहा है। इस केश में भी हाइस बढ़ा सकता है। आप पहले इस पर डिजिशन ले।

MR. CHAIRMAN : Mr. Vishwanathan, you can speak on third reading. Speaker has not agreed for extension. That is the whole trouble. When the Speaker has not agreed, I cannot allow.

(Interruptions)

श्री राम बिलास पासवान : सदन की राय है कि इस पर दो घंटे का समय बढ़ा दिया जाय। आप स्पीकर साहब को बुलाएं। आज छुट्टी के दिन हम बैठे हैं। सदन चाहता है तो इस में क्या आपत्ति है। आप स्पीकर साहब को लक्षारी राय कनवे कर दें।

श्रीधरजी बलबीर सिंह : छुट्टी का दिन है और मैनबरों ने छुट्टी छोड़ दी है और अगर मैनबर चाहते हैं कि दो घंटे का समय बढ़ा दिया जाए तो फिर आपको रोकना नहीं चाहिये। मोशन सूब हो चुका है कि दो घंटे समय बढ़ा दिया जाए। इसको सैंकड भी किया जा चुका है। सारा हाउस चाहता है तो फिर आपको क्या एतराज है।

MR. CHAIRMAN : Extension of time has not been granted by the Speaker.

(Interruptions)

THE MINISTER OF PARLIAMENTARY AFFAIRS AND LABOUR (SHRI RAVINDRA VERMA) : Mr. Chairman, it is known to all hon. Members of this House that this Bill has to pass through all stages today itself and according to that time-table, 5 O' clock is the deadline.—Taking into consideration the time to be spent at different stages as well as the necessity to send it to the other House in time, all the hon. Members are aware of all these considerations. The Business Advisory Committee, after taking everything into consideration, recommended a certain time schedule. This House in its wisdom accepted the report of the Business Advisory Committee. Even yesterday, the hon. Speaker made it clear that the total number of hours available for the consideration and passing of this Bill was 15 hours and the recommended to the House certain division for the three different stages. Therefore, I would submit, on behalf of the Government, that the total schedule cannot be upset because

otherwise the business would get upset and this is the kind of business which Government cannot afford to get upset. So, I will make a special appeal to all the hon. Members of this House of this side as well as on the other side, to enable the Government to complete the business according to the schedule. (Interruptions) Therefore, whatever allotment has to be made within the time-limit for the different stages can, of course, be made and if it a question of 30 minutes or so, it may be done, but otherwise Government cannot be recommended to the House or to the hon. Members any extension which would affect the time-schedules.

(Interruptions)

SHRI C.M. STEPHEN (Idukki) : I want to make one thing very clear. As far as we are concerned, we are interested in the clause by clause discussion and we must have the full time for making our points during the clause-by-clause discussion. That is where the Opposition is interested. We would press for division in certain clauses. We must have the right to speak. Not one minute out of the time allotted can be cut into. That we object to. But if you have got some other time, you can give that. My second point is that many hon. Members from the ruling party benches are raising this objection. Well, we are working under certain constraint. I, for example, as the leader of the Opposition, wanted to speak. But I was told that the time-limitation is there and I agreed. Therefore, I have given my right to speak. But I find that the Janata Party Members have taken much more time then they were allotted. As far as we are concerned, we have remained within the time-limit; not that we are not aware of our rights. If more time is given, then the time which we would have lost on account of this, must be made up and the whole time should be allotted to us, not to them.

13:13 hours.

[SHRIMATI PARVATHI KRISHAN in the Chair].

SHRI HARI VISHNU KAMATH (Hoshangabad) : May I submit that according to the bulletin

MR. CHAIRMAN : Mr. Kamath, I would request to be very brief.

SHRI HARI VISHNU KAMATH : I am not speaking on the Bill. I am only speaking on the points raised by the Minister of Parliamentary Affairs.

MR. CHAIRMAN : I know that. But still I would request you to be brief on that.

SHRI HARI VISHNU KAMATH : I would be brief, precise and concise. I refer to Bulletin, Part-II of the 9th March, 1978. It says that the Finance Bill 1978, would be taken up on the 27th, 28th and 29th April. Now, Sir, there is no sacrosanctity about the time—I mean hour—of the day. Apart from that, according to the Bulletin, three full days are allotted. But due to a slight bungling of the Government, on Wednesday afternoon....

MR. CHAIRMAN : I think you have made your point.

SHRI HARI VISHNU KAMATH : ... On Wednesday afternoon, a part of the time on Thursday *i.e.*, yesterday was taken up on the Appropriation Bill. I do not know how many hours were taken up in the Appropriation Bill? Therefore, if this House is willing to sit beyond 6 O'clock.

SHRI C. M. STEPHEN : We are not prepared.

SHRI HARI VISHNU KAMATH : Alright, upto six. We are sitting upto six.

MR. CHAIRMAN : I have got your point. Please do not have another dialogue.

SHRI HARI VISHNU KAMATH : The BAC is the creature of the House and so is the Speaker, and the House is supreme and this House can decide to extend the time and sit longer if it wants to.

MR. CHAIRMAN : Now the point is, you are asking for extension of time and Mr. Kamath, your argument I am afraid, does not hold because this time allotted for the Finance Bill was announced by the Speaker when the Finance Bill was taken up for consideration, after the Appropriation Bill and had been already passed. So, it does not arise. At that time the House was fully aware of the time allotted for the Finance Bill including the division, first reading, clause by clause and the third reading. Therefore, there is no question of extension of time and I might point out particularly that when Members are wanting extension of time, they can at least see that other Members of their party confine themselves within the time given. They overstep the time and as it stands it now, particularly the Janata Party and other parties have finished their time. To only one party, which was not here, I am allowing the member two minutes that his party has got. But may I warn him that after two minutes, the bell will be rung? After that the Minister will reply

and then we will have clause by clause consideration. Mr. Viswanathan.

(Interruptions)

MR. CHAIRMAN : This cannot go on endlessly. Mr. Vishwanathan.

SHRI C. N. VISHWANATHAN
Madam, on behalf of our party....

(Interruptions)

SHRI RAVINDRA VERMA : Madam, it appears that some hon. Members are perhaps overlooking the Rule 219 (2), which clearly says that on a day allotted for this, the Speaker shall at seventeen hours on the allotted day or the last of the allotted days as the case may be forthwith put every question necessary to dispose of the outstanding matters in connection with the stage or stages for which the day or the days have been allotted. Therefore, Madam, at 5 O'clock it has to be put.

MR. CHAIRMAN : Yes, that has to be put. Mr. Vishwanathan.

(Interruptions).

SHRI C. N. VISHWANATHAN (Tiruppattur) : Madam, I would like to submit only two points on behalf of our party, AIADMK. The first is regarding the telegram sent by the Chief Minister of Tamil Nadu on 2-3-78 on the imposition of excise duty at two paise per Kwh. on electricity generated as proposed in the Finance Bill. Ten per cent concession has been announced by the hon. Finance Minister, but this would help the development of industries which would mainly affect the small scale industries. The duty of two paise per Kwh. would therefore mean an average increase of 2.5 paise per unit on energy sold. This would have to be recovered mainly from the industrial sector and this would completely ruin the small scale sector. I request the Minister to consider this and immediately withdraw the excise duty that is proposed to be levied on the electricity generated.

The Ganga-Cauvery Canal Scheme should also be considered by the Finance Minister. They are running a train viz., Ganga-Cauvery Express. We know that there is lack of national integration at present. If this Government is interested in national integration and also in the unity of the nation, they should immediately implement the Ganga-Cauvery Canal Scheme, which may cost Rs. 1000 or 2000 crores. In the South, water facility is not available and the agriculturists are suffering from drought. Shri K. L. Rao's Plan, connecting Ganga and Cauvery must be taken

up. Then the lands in South will become fertile and agriculture will be more fruitful. The cost may be high. But the Finance Minister must take the initial steps with foreign country's collaboration to implement the Ganga-Cauvery Canal Scheme. Thirdly, the Coromandel coast line has not still taken any shape. This line would connect Virag with Cape Comorin and it would develop the industrial highways, increase the possibility of export and also commercial goods transport. This must be considered by the Finance Minister.

Lastly, I am aware of the fact that three days before J. P.'s close friend, Mr. Govinda Rao Desh Parek made a statement that recently smuggling has increased throughout India. The hon. Finance Minister has been saying that many steps have been taken to reduce smuggling. I request the Finance Minister to say what are the steps that have been taken to eradicate smuggling and other evils which are spoiling our national economy.

THE MINISTER OF FINANCE (SHRI H. M. PATEL): Sir, we have had three stimulating days of discussion on the Finance Bill. We have also had well high eight weeks of discussion on the budget. I am indeed glad that the budget which I had presented to Parliament at the end of February has generated keen interest and considerable comment. I have benefited by a great number of suggestions, many of which are certainly constructive. The members of the House will appreciate that I was fully responsive to the need to make suitable amendments and to provide adequate relief wherever these were found necessary. May I express my gratitude to all the members of the House for their very positive reactions to the budget?

I must particularly compliment my distinguished friend, Shri R. Venkataraman, for having made a speech on the Finance Bill in the best traditions of parliamentary democracy. He has without doubt carefully studied all the issue and has quoted chapter and verse. He has been fair enough to recognise some of the salutary measures which I have introduced for which I am thankful. However, he has also raised a number of points. It is my duty to offer my observations on them. The hon. member has taken strong exception to the fact that last year's accounts have not been given at all, with the result that we do not know whether there has been any variation between the revised estimates and the actuals. I am not clear about the difficulty that this position has created in the proper understanding of the budgetary situation regarding the budget figures.

Shri Venkataraman seems to be under the impression that there has been a

departure from previous practice in this regard. I would like to inform the hon. member that there has been no change whatsoever in this matter as compared to previous years. If the hon. member had looked into the budget documents with care, he would have noticed that the annual financial statement laid before Parliament on 28th February, 1978 gives the account figures for 1976-77 under the various heads of receipts and expenditure. Further, the detailed demands for grants for the current year, which have been laid on the Table of the House, give the details of expenditure figures for 1976-77. The actuals are not given in the main demands for grants, as it would be a repetition. The figures are provisional, as the final accounts for the year ended March, 1977 are not available at the time the budget is under preparation. The final figures are given in the final accounts which usually become available about 5 to 6 months after presentation of the budget. This, along with the report of the Comptroller and Auditor General, are considered by the P.A.C. whose report is available to Parliament. Shri Venkataraman is, therefore, not correct in assuming that Parliament is denied information about actuals of a year and variations from the estimates for that year.

I am, indeed, very grateful to the hon. Member for his reference to the need for economy measures. I can assure him and all the Members of the House that the Janata Government is very earnest in seeing to it that the economy in expenditure to which it has given the highest priority is achieved in fact. The economy instructions issued by the Finance Ministry in respect of creation of new posts, expenditure on travel, both domestic and foreign, and reductions in overtime expenses are all being implemented with sincerity. For the first time the Government is also taking a close hard look at the enormous expenditures which have arisen over the years of subsidisation and the small, but significant beginning has been made in reducing these subsidies to tolerable limits. Added to this, we have launched a drive for the improvement in the operations of public sector corporations with a view to ensuring better returns on our investments and preventing a situation which unfortunately existed in the past when such undertakings were a drain on the public exchequer.

SHRI L. K. DOLEY (Lakhimpur)
Madam, I am on a point of order.

MR. CHAIRMAN: What is the rule under which you raise the point of order?

SHRI L. K. DOLEY : I have a point of order. Has it been the practice of the House that the Finance Minister should have come out with a written reply ?

MR. CHAIRMAN : Yes, there is nothing wrong. There is no point of order. Please resume your seat. You may continue, Mr. Minister.

SHRI H. M. PATEL : I do not understand why this insistence upon written or oral reply, I can, and I am perfectly capable of giving you an oral reply also. But it is very important that in the matter of finance, when finance matters are concerned, we give fairly accurate and precise replies.

Shri Venkataraman has come down very severely on me because I was frank enough to announce to the House a deficit of over Rs. 1,000 crores. At least the hon. Member will admit that I have practised no "subterfuge", a word which he has used on more than one occasion in the course of his speech, totally unjustifiably, as I propose to show. I did not hide the deficit by any manipulation of the figures. It is my belief that the economy of the country requires a larger investment and if this larger investment is to take place, I have little option to raising resources by additional taxation to the extent possible and to operate a reasonable and containable deficit. My budget has been a judicious mixture of these two strategies. I presume that the hon. Member would not have liked me to increase taxes further in order to reduce the deficit; nor surely would he have liked me to cut Plan expenditure and investment in high priority areas, such as, agriculture, irrigation, power and rural development, in order to avoid a deficit. What is most important and on this I am entirely in agreement with the hon. Member is that we must ensure that the investment made is in directions which are fruitful and constructive so that the inevitable resultant deficit financing does not result in our losing control over the economy and entering into a phase of high inflation. I have given an assurance to the House that this will not be allowed to happen and that we have instruments at our disposal today, such as, the foreign exchange reserves and the excellent buffer stocks of foodgrains, which will enable us to maintain the price line in spite of the deficit.

There has been some criticism regarding the future trend of prices and in this connection, not only Shri Venkataraman but also Shri Mahamaya Prasad Sinha and Shrimati Parvathi Krishnan have stated

that prices continue to rise and that the claims of Government are only on paper. Madam, in a large country like ours there must be some definite and agreed yardsticks for assessing the level of prices. We have two such yardsticks—the wholesale price index and the consumer price index. I have not invented these indices, nor has the present Government worked out the items which go into the two baskets or the procedures for calculating the indices. We continue to use the very yardstick which had been introduced to the country by the previous Government. What do the indices based on these yardsticks reveal ? In the case of the wholesale price index which in all the countries of the world has been taken as the basis yardstick of inflation, we can claim with pride that the wholesale price index at the time when we presented the budget representing one year of Janata rule was exactly the same as when we assumed office. There was in fact no inflation at all. This has been recognized all over the world as a remarkable achievement. The hon. Members will also appreciate that after I presented the Budget, there has been no indication that the wholesale price index has gone up. Indeed, it remains remarkably stable. The consumer price index remained steady at 330 points for October, November and December, 1977. It fell to 325 points in January, and further fell to 320 points in February 1978. All this would surely indicate that the alarmist reports of price increases can only represent isolated instances caused by local maldistribution or sudden, unexpected short-term demand for some consumer items. They do not at all represent the general trend of price levels in our country.

Shri Venkataraman has referred to the accumulation of foreign exchange reserves and he doubts whether I shall be able to utilize these reserve this year more than what I was able to do last year. Let me first of all very frankly concede that last year although I had anticipated that the foreign exchange reserves could be drawn down; this anticipation did not materialize. In my budget of last year, I had taken credit for a loan of Rs. 800 crores from the Reserve Bank of India against the drawing down of the foreign exchange reserves. Since these reserves were not in effect drawn down, I did not take advantage of the RBI loan. At least Shri Venkataraman will recognize one thing. I may not have achieved my anticipation of drawing down the balances last year, but at least I did not resort to any 'subterfuge' and I frankly admitted to the House that I would not utilize the RBI loan and rather than that, I would take the House into confidence that we

had a deficit of Rs. Rs. 975 crores. But what is of utmost significance is that we were well able to manage the economy despite this deficit without any disturbances to the price equilibrium and indeed with a zero inflation.

Sir, the utilization of foreign exchange reserves is by no means a simple matter. It involves certain basic changes in national policy so far as import liberalization is concerned, and it also presupposes the stimulation of investment in our country. Hon. Members are aware that the Government has taken very far-reaching steps to liberalize imports. The recent announcement of the Commerce Minister of on the 1st of April was, I believe, widely welcomed in the country as a step in this direction. In my Budget proposals, I have also made substantial concessions in the reduction of customs duty for this very objective. However, the foreign exchange reserves cannot possibly be used unless investment goes on at an accelerated pace both in the public sector and in the private sector. It has been my attempt to achieve precisely this through my Budget. I have sought to finance a Plan which involves major investment and to create conditions which would stimulate investment on the private side. Let me, however, urge a word of caution to the House. There has been a great deal of talk that foreign exchange balances are accumulating and that Government is not utilizing these balances. I need not remind the hon. Members of the manner in which the sterling balances were liquidated in the years after independence. For the first time now, we have been able to build our foreign exchange reserve. These reserves represent to-day about 8 to 9 months' value of imports. Let us not, therefore, be under any false illusion that the size of the balances is enormous. They are reasonable and represent a good insurance policy against any untoward development in the future. Certainly, it is not this Government's intention to squander this source merely for the sake of liquidating the balance. We propose to utilize these reserves fruitfully and purposefully and in direct relationship to the investment needs of our country.

On the question of gold sales. Shri Venkataraman has described me as the prodigal son of India. I have not the slightest doubt that he will, the honest man that he is describe me at the end of the year as the provident son of India.

SHRI R. VENKATARAMAN :
(Madras South) : Prudent ?

SHRI H. M. PATEL : Provident and prudent.

He has accused me of starting up on a course of action, which would fritter away the gold reserves of the country which, according to him, are a vital item in war. I am not aware of the basis on which Shri Venkataraman has come to the conclusion that gold was ever used by our country in times of war. To the best of my knowledge, it was never used in any of the conflicts we have been engaged in. I must reiterate that the Government's intention in commencing gold sales is primarily to fight and to end the evil of gold smuggling. This evil has had a very pernicious influence on the economy and has encouraged law-breakers, blackmarketers and foreign exchange racketeers. I am in confidence that we shall succeed in ending once and for all the evils of gold smuggling, and our success in this respect will convince even Shri Venkataraman that the Government's gold sale policy is sound and so should be pursued in a sustained manner.

May I now turn to the remarks of the hon. Member, Shri T. Pai ? While Shri Venkataraman described me as the prodigal son of India, I find that Shri T. A. Pai has described me as the angry man. I begin to learn more about myself as I listen to my good friends in the opposition. Shri Pai has himself served in the Government and has held important portfolios and by all accounts he was reputed to be an efficient Minister. Curiously enough, most of the things which Shri Pai has accused me of, and the Janata Government of, are precisely the kind of things which he and his colleagues in the previous Government ought to have tackled.

Shri Pai speaks about the slow pace of plan implementation and he wants me to produce before the House a detailed break up of why implementation of projects has been slow, where, why money allocated has remained unspent or has been spent with little to show for it. I hope Shri T. A. Pai recollects that we have had for three decades this situation of slow pace of project implementation and it is part of the legacy which we have inherited, and it is we who are determined to see that matters are rectified.

Shri Pai speaks about subsidies and he has made a remarkable suggestion that the Government should set up a Subsidies Corporation. I think I have the right to ask who brought in this concept of subsidies in the national economy. Should the House not know in how many different items there have been subsidies ? We were subsidising the people of the country at the expense of the taxpayer of the country. What did we do

[Shri H. M. Patel]

as a Government? First of all, we located, identified and unearthed all the hidden subsidies in the budget, all artificial props and crutches, which have been built up over the years. There were subsidies on food, subsidies on fertilizers, subsidies on exports. There was an artificial pricing situation, such as the unduly low price of milk and transportation in Delhi, which is lower than in any city of the country. All these subsidies and artificial pricing situation had been concealed in the previous budgets and, if I may quote my friend, Shri Venkataraman, once again, it was this subterfuge—it was this hidden and concealed subsidy which was in fact a subterfuge—which had not placed correctly before the Members of Parliament the true state of national finances. Having identified these areas, this Government has every intention of examining with great care the need or otherwise or the genuineness of these artificial props, and if we continue them, to indicate very clearly to the House where subsidies are being paid.

Mr. Pai has referred to the inefficiency of State Governments and to the inefficiency of electricity boards with a low capacity utilisation. Surely, he should have told the House also what he and his party which had been in power for so long did to improve the situation.

I am, however, grateful to Mr. Pai for the strong support which he has lent to the Government's gold sales policy. He has undoubtedly appreciated the objectives of the Government, and I will bear in mind the constructive suggestions which he has made in this regard.

I find that Mr. Pai has also referred to the question of deficits and he has been fair enough to concede that deficits are not something which I have invented. Mr. Pai has spoken about Janata deficits and Congress deficits and has come to the conclusion that, now that he is in the opposition, deficits are inherently bad. I would repeat that deficits are neither bad nor good. They are merely an instrument for accelerating developmental investment, and so long as this Government uses the instrument at its disposal for this purpose wisely and well, it will be possible for us to operate deficits with intelligence for keeping the inflationary forces under control.

Mr. Pai has referred to the Jha Committee's Report on indirect taxes and has alleged that I have only accepted portions of the report. The recommendations of the Jha Committee are very far-reaching, and a few of these suggestions are indeed

acceptable in principle, but the change-over in practice would obviously require some time. They would involve a very major overhaul of the system of excise duties. We are examining with great care these detailed recommendations and their impact on the structure of the excise law. It is my hope that we will progressively be able to implement many of the suggestions of the Committee.

I do not, however, under any circumstances, accept Mr. Pai's statement that we have neglected the small-scale industry in the matter of excise relief. The main thrust of my Budget was in support of the small-scale industry, and the country has widely welcomed the major concessions which have been made in the reduction of the burden of excise duty on smaller units and, what is more, the simplification of the procedures that the smaller units found very difficult to observe.

I listened with very great attention to Mr. Pai's views on the operation of COFEPOSA. He has cautioned me about the dangers of the misuse of COFEPOSA for political ends. I think history will provide its own answer. The previous Government with its infamous emergency has misused enactments like MISA and COFEPOSA for political ends. The kinds of fears which Mr. Pai is expressing today are by no means illusory, they have actually happened in this country. Whatever view my good friends in the opposition may have about the Janata Government, they cannot, with any clear conscience, accuse this Government of stifling public opinion or emasculating the freedom of the Indian people. We have, in fact, restored these freedoms, but surely Mr. Pai will recognise that with the restoration to the people of this freedom, we cannot allow offenders against the law to indulge in their nefarious activities and to get away unscathed. The COFEPOSA will be used by this Government for the purposes for which it is intended, namely, to deal sternly with smugglers and anti-social elements. In order to ensure that the COFEPOSA will not be wrongfully used, we have made the following provisions:

- (1) Grounds of detention will be communicated to the detenu within 5 days of detention;
- (2) all cases of detention will be referred to the Advisory Board within 5 weeks of detention;
- (3) the advisory Board at the Centre has been reconstituted with sitting Judges of the High Court at Delhi; and
- (4) with the lapsing of the Presidential Order under article 359(1) of the Consti-

tution, all detentions are now open to judicial scrutiny by the High Courts in writ petition.

Today we have 160 persons under actual detention under the COFEPOSA Act. Of these, the Advisory Boards have confirmed detention in 101 cases and the other cases are under their consideration. The fact that three High Court Judges constituting the Central Advisory Board have so far, upheld every detention order placed before them is a clear and unmistakable indication that the Government's use of COFEPOSA has been judicious, purposeful and fair.

Mr. Venkataraman, Mr. Pai and several other Members of the House have commented about the duty which I have imposed on electricity and on coal. In the case of electricity, the burden of the criticism is firstly that the measure is of doubtful legal validity and secondly that it would push up the costs of electricity and is, therefore, unfair. So far as the legal position is concerned, I can assure the House that we have taken the step after obtaining firm legal opinion on the subject. Under Entry No. 84 of the List I in the Seventh Schedule of the Constitution which defines the powers of the Centre to impose tax, the Union is competent to levy duties of excise on all goods manufactured or produced in the country except alcoholic liquors for human consumption, opium, Indian hemp and other narcotic drugs and narcotics. The levy of excise duty on electricity produced in the country is thus within this constitutional provision. In so far as the States are concerned, they are competent to levy taxes on the consumption or sale of electricity. They cannot levy a tax on the production point. Similarly, Centre cannot levy tax at the consumption or sale point. The other question is whether I was justified in imposing this levy. Mr. Pai himself has been severely critical about the losses of the State Electricity Boards. How do these losses arise? They arise for two reasons, firstly as Mr. Pai himself has pointed out, the efficiency levels are not adequate, capacity utilisation requires to be raised and the total operation of State Electricity Boards must show significant improvement. This will bring down costs and reduce losses. But the second reason is equally vital. Electricity is being under-priced considering its cost of production even at optimum levels. If we do not want artificial subsidies, then a natural price for electricity must be charged. I have already pointed out to the House that we have given topmost priority to the investments in power. Over Rs. 2000 crores have been provided in the current year itself. To my mind, it is perfectly reasonable that the beneficiaries of these investments must make contribu-

tions towards the investment and it is in this spirit that I have imposed the excise on electricity. I have already made a direct concession for such electricity as is consumed in agriculture and extended an assurance that I would examine the impact on power intensive industries in order to ensure that prices do not go out of hand.

The hon. Member Shri G. M. Banatwala has laid great stress on the need to develop labour-intensive industries and he has drawn my pointed attention to the promises made in the Janata Party manifesto, in this regard. I would like to tell the hon. Member that the question of encouraging labour-intensive methods and discouraging capital-intensive schemes is not merely a question of tax policy. It is essentially through the instrument of investment policy, that this desirable objective can be reached. In my subject I have made massive provision for agriculture, irrigation, rural development, rural water-supply, rural roads. These investments will not only bring prosperity to the rural areas but finance essentially employment-oriented schemes which will create jobs in the countryside and prevent migrations to the big cities. When we speak about discouraging capital-intensive schemes, I must urge a word of caution that there are some kinds of projects—very essential projects—which are of necessity capital-intensive. Surely, the hon. Member will agree with me that major power plants, fertiliser plants, petro-chemical plants which are all very essential to the country's priorities can only be done on a capital-intensive basis. What is, therefore, essential is that our priorities should be right and this the House will agree are truly reflected in my budget.

I am grateful to Shri Dhirandranath Basu for having drawn my attention to the heavy pendency of loans applications from the agriculturists to the banks. I have taken note of the details which he has furnished and I will certainly look into the matter. I would like to extend an assurance that the public sector banks which have a clear responsibility for providing loan funds to small-scale industry and to the agricultural areas discharge their responsibility in these respects efficiently and well.

I was very happy to listen to the speech of Shri Pabitra Mohan Pradhan. He has spoken of his many years of experience, both as a parliamentarian and as a Minister and he has cautioned me about the pitfalls of budget management. I fully agree with him that it is not enough that we should make financial provision on a large scale for various schemes. It is our duty also to ensure that these schemes are implemented and that public money is not, to quote his words, "mis-spent, illispend and extravagantly spent."

[Shri H. M. Patel]

entirely agree with him that what is called for is better administration, an administration free from delay, lethargy, indiscipline and corruption. It will be our endeavour to provide such an administration. But it will take time. I would, therefore, urge patience.

Shrimati Parvathi Krishnan in her characteristic style has made a fiery speech.

AN HON. MEMBER : She is in the Chair.

SHRI H. M. PATEL : Pardon me, Madam, but I have to. She tells me that my budget is not people-oriented and that it is oriented towards the privileged sections and vested interests. I see also now that Mr. Jyotirmoy Bose in his own characteristic style has also said so.

May I ask Mrs. Parvathi Krishnan what is her concept of "people-oriented"? Is a budget where investments were being diverted towards agriculture, rural development, rural water supply, rural roads, not "people oriented"? Is a budget which has protected, encouraged and fostered small-scale industry not "people oriented"? Are the investments which we are making in power, irrigation and other essential schemes not people-oriented? Would she take the view that the Government should reduce plan spending by the process of reducing taxation and would she consider this to be "people-oriented"?

Shrimati Parvathi Krishnan has launched a broadside against black-marketers, hoarders and other anti-social elements. I am glad she has done so because I fully agree with her views on these law breakers. But of course, it is very curious to find myself in the position of being accused on the one hand of not taking action against anti-social elements and, on the other hand, being accused by the other members of continuing to impose COFEPOSA for the same purpose.

Mrs. Parvathi Krishnan has made a specific mention to small-scale industries and, in particular, to hosiery industry. I would, certainly, bear in mind the points which she has raised.

I listened with great delight to the speech of Shri Sart Kar. A most significant point, which he has made and one which bears repetition is that this Government is not wasting time in laying foundation stone. It spends time on feasibility reports. We do not believe in shouting from the roof-top, "Garibi Hatao". We would prefer to implement

practical programmes of construction of wells, construction of rural roads, development of minor irrigation. This is, we believe, what the people want and this is what my budget seeks to achieve.

Many members of the House and in particular members from my own party while commenting generously on the pragmatism of my Budget have drawn pointed attention to the need for effective implementation and for improving the standards of governmental administration. I am indeed grateful to them for having drawn pointed attention to this issue. There is no doubt whatsoever and I accept without hesitation that we have to improve efficiency and we have to ensure that paper promises are translated into practical action. If we are to achieve this there must be collaborative efforts between political leaders, Members of Parliament, Civil Servants, technocrats and those who were at the grass-roots. We have thousands of officers, engineers, doctors, planners who are dedicated to their tasks. It is upto us to give them encouragement support and trust. We cannot create a positive atmosphere in the country if we distrust them and do not encourage them in their endeavours. The development of our country must be based on partnership and not on confrontation. Of course, we need to improve systems, we need to cut red-tape. This is precisely what the Government is continuously engaged in. The speed of decision making has improved beyond recognition. We appointed a Committee to go into import licensing procedures and within a few weeks of the Committee's Reports its recommendations have already been implemented. We appointed a Committee to examine the industrial licensing procedure and once again within a few weeks of the receipt of its report, its recommendations were implemented. The Hon'ble Members will appreciate that I personally have worked in administration and I am therefore aware of its strengths and its weaknesses. Let me assure the House that it will be my prime concern to bring about much higher standards of administrative and managerial efficiency in our country.

Mr. Chairman, Sir, I may be forgiven if I do not have time enough to reply to all the individual points, many of them extremely valuable, which have been made by Hon'ble Members of the House, both from the Government and the opposition benches. I am indeed most grateful to them for the pains they have taken in dissecting the budget and the Finance Bill and in coming forward with valuable criticism and constructive suggestions. I will certainly bear these suggestions in mind in the managements of the national economy for the coming year.

I now hope that the Finance Bill, with the proposed amendment 3, will be carried by the House.

MR. CHAIRMAN: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1978-79, be taken into consideration."

The motion was adopted.

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

Clause 2—(Income-tax)

SHRI VINODHBHAI B. SHETH: (Jamnagar): Sir, I beg to move*:

Page 5, line 41,—
add at the end—

"including 'Hotel Industry' approved by Central Government" (6)

The main purpose of this amendment is to include the hotel industry as an industrial manufacturing concern. When Schedule IX was interpreted, this industry was not there. Even under Schedule II, after the amendment last year, this industry does not find a place. I would like to have a clarification from the hon. Finance Minister whether this industry can avail of the benefit of industrial investment allowance. If the Finance Minister agrees that investment allowance will be given to the industries which are earning foreign exchange amounting to Rs. 250 crores without exporting any goods, I shall be happy.

SHRI H. M. PATEL: I would suggest that Shri Vinodhbhai Sheth might consider this question that though the hotel is not treated as an industrial company, and though the concessional rate of income tax applicable in the case of industrial companies is not applicable to companies owning hotels, such companies are entitled to a number of other concessions which my friend must be aware of. These are: initial depreciation allowance allowed at the rate of 25 per cent of the actual cost of the building owned by Indian companies and used by the approved hotels; extra depreciation allowance equivalent to 50 per cent of the normal depreciation allowance. A company owning an approved hotel is also entitled to the tax holiday concession where under profits upto 7/1-2 per cent on the capital employed in the hotel are exempt from tax for an initial period of 5 years.

14 hrs.

[Mr. DEPUTY-SPEAKER in the Chair.]

Twenty per cent of the profits derived from a hotel set up in a backward area are exempt from tax for an initial period of ten years. Having regard to all these concessions already available to the hotel industry and the high profitability of this industry, it does not appear to be necessary to provide any relaxation to this industry. These are the reasons. I would request the hon. Member to withdraw his amendment.

SHRI VINODHBHAI B. SHETH: I would like to withdraw my amendment.

Amendment No. 6 was, by leave, withdrawn.†

MR. DEPUTY-SPEAKER: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3—(Amendment of section 6 of Income-tax Act)

SHRI R. VENKATARAMAN: Sir, I beg to move*:

Page 6, line 37,—

omit "who is rendering service outside India and" (21)

SHRI H. M. PATEL: I beg to move*:
Page 7,—

omit lines 4 to 7: (98):

DR. V.A. SEYID MUHAMMAD (Calicut): I beg to move*:

Page 6, line 37,—

for "rendering service" substitute—
"deriving income" (5)

SHRI R. VENKATARAMAN: There is one point which I would like the Minister to consider. The Ministry has overlooked this aspect. In the 'Explanation' it is stated:

"In the case of an individual, being a citizen of India, who is rendering service outside India..."

That means, only such a person is eligible for the benefit of a longer period of stay. I do not know whether it is the intention of the Government that the benefit of the longer period of stay in India should be

*Moved with the recommendation of the President.

[Shri Venkataraman]

confined only to people who are in service and not to businessmen or to pensioners from the United Nations. I am aware that there are a large number of pensioners from United Nations who are staying outside India and who visit this country from time to time. If you say, "who are rendering service outside India" then they will not get this benefit. Therefore, I suggest for the consideration of the hon. Minister that the words 'who is rendering service outside India and' may be omitted. In the next few years, there will be about 9,000 to 4,000 Indian nationals who will be retiring from the service of the United Nations and because of various circumstances like children's education, their employment, etc., they will be obliged to stay abroad. I am asking the Minister to consider this aspect.

SHRI H. M. PATEL : I am sorry that, in spite of the very persuasive way in which Mr. Venkataraman has put forward his suggestion, I cannot accept the point that he has made. There are good reasons for that. Particularly regarding the point that he has mentioned about pensioners from the United Nations, there is no reason why they should not come back and settle down in their own country.

SHRI R. VENKATARAMAN : I seek leave of the House to withdraw my amendment.

Amendment No. 21 was, by leave, withdrawn

MR. DEPUTY-SPEAKER : The question is :

Page 7,—

omit lines 4 to 7 (98).

The motion was adopted.

MR. DEPUTY-SPEAKER : There is one more amendment by Dr. Seyid Muhammad.

DR V. A. SEYID MUHAMMAD : I have proposed an amendment to the Explanation and the proviso to it. Instead of the words 'rendering service' I have suggested 'in deriving me' so that those who are self-employed or are doing business may also get the benefit. The Proviso to the Explanation confines it to people who have been sponsored by the Government. If the logic of the expression 'deriving income' is accepted, then necessarily the Proviso will have to be amended.

SHRI H. M. PATEL : I am sorry I cannot agree to this because the whole idea

underlying this—if you will go into the history of it—really arose primarily from the fact that a large number of people who have now begun to go out for employment to the Middle East and other areas are certainly not going to settle down permanently there and therefore they have to visit the country off and on. So it was felt desirable that they should be given this facility. There is no reason why those who derive their income from many other sources should have the same facilities. It is not necessary for them as much as it is necessary for the others. So, it is really a concession which we felt had to be made for those with small incomes and who have the real necessity.

MR. DEPUTY-SPEAKER : So, are you pressing your amendment ?

DR. V. A.S EYID MUHAMMAD : No Sir.

Amendment No 51 was, by leave, withdrawn

MR. DEPUTY-SPEAKER : So now we take up the Clause because the others are all identical things which have been disposed of.

The question is :

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clauses 4 and 5 were added to the Bill.

Clause 6—(Amendment of section 35B)

MR. DEPUTY-SPEAKER : Shri Saugata Roy is not here Shri Tulsidas Dasappa is also not here.

Mr. Patel may move his amendment

SHRI H. M. PATEL : I beg to move*

Pages 7 and 8,—

for lines 98 to 40 at page 7 and for lines 1 to 6 at page 8, substitute—

6. In section 35B of the Income-tax Act,—

Amend- (a) in sub-section (1),—
ment of (i) in the proviso to clause (a),
section after the words, figures and
35B letters "after the 28th day of
February, 1973", the words,
figures and letters "but before
the 1st day of April, 1978"
shall be inserted;

*Moved with the Recommendation of the President.

(3) in clause (b),—

- (1) in sub-clause (i), the words, figures and letters“, where such expenditure is incurred before the 1st day of April, 1978” shall be inserted at the end ;
- (a) in sub-clause (iii), the words, figures and letters“, where such expenditure is incurred before the 1st day of April, 1978” shall be inserted at the end ;
- (b) after sub-section (1), the following sub-section shall be inserted, namely :—

“(1A) Notwithstanding anything contained in sub-section (1), no deduction under this section shall be allowed in relation to any expenditure incurred after the 31st day of March, 1978 unless the following conditions are fulfilled, namely :—

(a) the assessee referred to in that sub-section is engaged in—

(i) the business of export of goods and is either a small-scale exporter or a holder of an Export House Certificate; or

(ii) the business of provision of technical know-how, or the rendering of services in connection with the provision of technical know-how, to persons outside India; and

(b) the expenditure referred to in that sub-section is incurred by the assessee wholly and exclusively for the purpose of the business referred to in sub-clause (i) or, as the case may be, sub-clause (ii) of clause (a).

Explanation.—For the purposes of this sub-section, —

(a) “small-scale exporter” means a person who exports goods manufactured or produced in any small-scale industrial undertaking or undertakings owned by him;

Provided that such person does not own any industrial undertaking which is not a small-scale industrial undertaking;

(b) “Export House Certificate ” means a valid Export House Certificate issued by the Chief Controller of Imports and Exports, Government of India;

- (c) “provision of technical know-how” has the meaning assigned to it in sub-section (a) of section 80 MM;
- (d) “small-scale industrial undertaking” has the meaning assigned to it in clause (a) of the *Explanation* below sub-section (a) of section 32A.” (99)

MR. DEPUTY-SPEAKER : The question is :

Page 7, and 8,

for lines 38 to 40 at page 7 and for lines 1 to 6 at page 8, *substitute*—

6. In section 35B of the Income-tax Act,—

Amendment of Section 35B

(a) in sub-section (1),—

(i) in the proviso to clause (a), after the words, figures and letters “after the 28th day of February, 1973”, the words, figures and letters “but before the 1st day of April, 1978” shall be inserted;

(ii) in clause (b),—

(1) in sub-clause (i), the words, figures and letters“, where such expenditure is incurred before the 1st day of April, 1978” shall be inserted at the end ;

(2) in sub-clause (iii), the words, figures and letters “, where such expenditure is incurred before the 1st day of April, 1978” shall be inserted at the end ;

(b) after sub-section (1) the following sub-section shall be inserted namely:—

“(1A) Notwithstanding anything contained in sub-section (1), no deduction under this section shall be allowed in relation to any expenditure incurred after the 31st day of March, 1978 unless the following conditions are fulfilled, namely:—

(a) the assessee referred to in that sub-section is engaged in—

(i) the business of export of goods and is either a small-scale exporter or a holder of an Export House Certificate; or

(ii) the business of provision of technical know-how, or the rendering of services in connection with the provision of technical know-how, to persons outside India; and

[Mr. Deputy-Speaker]

- (b) the expenditure referred to in that sub-section is incurred by the assessee wholly and exclusively for the purposes of the business referred to in sub-clause (i) or, as the case may be, sub-clause (ii) of clause (a).

Explanation.—For the purposes of this sub-section,—

- (a) "Small-scale exporter" means a person who exports goods manufactured or produced in any small-scale industrial undertaking or undertakings owned by him;

Provided that such person does not own any industrial undertaking which is not a small-scale industrial undertaking;

- (b) "Export House Certificate" means a valid Export House Certificate issued by the Chief Controller of Imports and Exports, Government of India;
- (c) "Provision of technical know-how" has the meaning assigned to it in sub-section (2) of section 80 M M;
- (d) "small-scale industrial undertaking" has the meaning assigned to it in clause (a) of the *Explanation* below sub-section (2) of section 32A." (99)

The motion was adopted.

MR. DEPUTY-SPEAKER : The question is :

"That Clause 6, as amended, stand part of the Bill".

The motion was adopted.

Clause 6, as amended, was added to the Bill

Clause 7—(Insertion on new Section 355CCA)

SHRI NARENDRA P. NATHWANI : (Junagadh) : I beg to move*:

Page 8,—

Omit lines 16 to 26. (8a)

SHRI VINODBHAI B. SHETH : I beg to move* :

Page 8, line 15,—

Add at the end —

"provided twenty-five per cent. of the expenditure is made on programme for development of economically backward and Scheduled Castes and Scheduled Tribes within the district in which such assessee carries on business." (7)

SHRI NARENDRA P. NATHWANI : Sir, sub-section (a) says :

"(a) This section applies to any association or institution—

(a) which has as its object the undertaking of any programme of rural development; and

(b) Which is for the time being approved in this behalf by the prescribed authority.

So, an association must have as its objective rural development and, secondly, that association must, for the time being, be approved by a prescribed authority. I do not see any necessity of either of these two conditions being made applicable because in order to fall within Sub-Section (1) it is necessary that an assessee incurs any expenditure by way of payment of payment of any sum to an association or institution to be used—mark the words—association or institution for the purpose of carrying out any programme of rural development approved by the prescribed authority. So, before giving it, certainly it has to be seen whether that particular association or institution is in a position to carry out any programme of rural development. My objection why sub-section (2) should be deleted is this, because it requires the association for the time being to be approved in this behalf by the prescribed authority. Why should that condition be there? Whenever any association comes forward as a donee to whom this amount is to be handed over, it has to satisfy the conditions prescribed in sub-section (1). That is the only purpose. I do not want further power to be given to any officer or any authority of the Government that they give approval to the institutions and that approval will continue for 3 years. Why should it be like that?

SHRI VINODBHAI B. SHETH : The main purpose of my amendment is that Section 355CCA was introduced to satisfy the needs of the rural development and particularly Scheduled Castes and Scheduled Tribes. Here some of the industrial houses spend the entire amount in the cities and in the areas where they are located nothing is spent

*Moved with the recommendation of the President.

They give on the money to colleges and hostels. So I would request the hon. Minister to accept my amendment to see that industrial houses spend something, say, at least 25% in the area where they are located.

SHRI H. M. PATEL : I am unable to accept the amendments. The first is one where Mr. Nathwani wants the conditions to be deleted. As I was explaining, the conditions are intended to secure that donations to duly reputed and competent institutions engaged in programmes of rural development qualify for the purpose of this concession. These conditions are necessary for the purpose we seek to achieve.

The other amendment which the hon. Member, Shri Seth, has moved seems to me impracticable and I am sure he would not press his amendment. In fact it would make it impossible for many organizations to make contributions to rural development because he says 25% must be spent in the district in which it is located. You may be located in cities. Where does the district come? Therefore, you cannot make any contribution. It is open to other objections also. A statutory provision on the lines proposed by the hon. Member will make the provisions unduly rigid and indeed unworkable. Where a programme of rural development provides services and facilities to persons living in a particular village or a group of villages, it may not be practicable to segregate the expenditure which would ensure to the benefit of the members of the Scheduled Castes and Scheduled Tribes from the aggregate expenditure. And the objective in view can be achieved administratively as the government can lay down guidelines for approving programmes of rural development by the prescribed authority which would provide that a substantial portion of the outlay on such programmes must ensure benefits to the members of the Scheduled Castes and Scheduled Tribes and other economically backward communities in the area. Finally, the proposed amendment is also defective from the drafting point of view as also in certain other respects.

So far as the wording is concerned, it seeks to provide that 25% of the donation made by a person for rural development must be incurred on programmes for the benefit of members of Scheduled Castes and Scheduled Tribes. While it may be possible to allocate a specific percentage of the expenditure on programmes of

rural development for members of Scheduled Castes and Scheduled Tribes, it is clearly not possible to allocate that each contribution should be similarly allocated.

Further, the proposed amendment seeks to provide that such expenditure should ensure benefit to members of the Scheduled Castes residing in the district in which the donor is carrying on business. This is also an un-workable restriction.

SHRI VINODHBHAI B. SETH :
withdraw my amendment.

SHRI NARENDRA P. NATHWANI:
I also withdraw my amendment.

MR. DEPUTY-SPEAKER : Is it the pleasure of the House to permit the hon. members to withdraw their amendments?

SOME HON. MEMBERS : Yes.

Amendments Nos. 7 and 8a were, by leave withdrawn.

MR. DEPUTY SPEAKER: The question is:

"That Clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Clause 8—(Amendment of section 37).

SHRI G. M. BANATWALLA (Ponani): I beg to move*:

Page 9,—

after line 33, insert—

'(aa) "aggregate expenditure" shall not include the expenditure incurred by the assessee on advertisement and publicity in any newspaper or periodical;' (1)

Page 9,—

after line 36, insert—

'(c) "publicity" and "sales promotion" shall not include any expenditure on personalised sales promotion or field publicity by representatives for bringing the product to the educated attention of the related profession or the knowledge of the general public.' (2)

SHRI VINODHBHAI B. SETH: The hon. Finance Minister has given more than what I wanted, I am, therefore, not moving.

*Moved with the recommendation of the President.

SHRI R. VENKATARAMAN: I beg to move*:

Page 9,—

after line 36, insert—

“(3B) The net proceeds in any financial year from advertisements in newspapers under sub-section (3A) except in so far as those proceeds represent proceeds attributable to Union territories shall not form part of the Consolidated Fund of India but shall be assigned to the States and shall be distributed among the States on the basis of collection from each State.” (23)

Page 9, line 37,—

for “(3B)” substitute “(3C)” (24)

Page 9,—

omit lines 3 to 36 (45)

Page 9, line 7,—

after “so much of” insert—

“the excess expenditure over rupees forty thousand of” (117)

I will make a speech on these. This is a matter on which we are going to press for Division.

MR. DEPUTY-SPEAKER : Shri Vayalar Ravi is not here.

SHRI H. M. PATEL : I beg to move*:

Page 9, line 7,—

for “twenty thousand rupees”,

substitute—“forty thousand rupees” (100)

Page 9,—

after line 36, insert—

“(3B) Nothing contained in sub-section (3A) shall apply in relation to any expenditure incurred by an assessee on—

- (i) advertisement in any small newspaper;
- (ii) advertisement in any newspaper for recruitment of personnel;
- (iii) the publication in any newspaper of any notice required to be published by or under any law;

(iv) the maintenance of any office for the purposes of advertisement, publicity or sales promotion;

(v) the payment of salary [as defined in clause (1) of section 17] to any employee engaged in advertisement, publicity or sales promotion;

(vi) the holding of, or the participation in, any press conference, sales conference, trade convention, trade fair or exhibition;

(vii) publication and distribution of journals, catalogues or price lists;

(viii) such other items as may be prescribed.

Explanation 1.—For the purposes of clause (i), an advertisement in a newspaper shall be deemed to be an advertisement in a small newspaper, if the average circulation of such newspaper in the year in which such advertisement has been published, is certified by the prescribed authority as not exceeding fifteen thousand copies.

Explanation 2.—“Average circulation”, in relation to any newspaper, shall be taken to the number arrived at by dividing the aggregate of the number of copies of such newspaper circulated during a year by the total number of days on which such newspaper was published in that year.

(3C) For the removal of doubts, it is hereby declared that nothing contained in sub-section (3A) shall apply in relation to expenditure in the nature of entertainment expenditure incurred by an assessee in connection with advertisement, publicity or sales promotion and such expenditure shall be governed by the provisions of sub-section (2A).” (101)

Page 9, line 37,—

for “(3B)”, substitute “(3D)”. (102)

SHRI G. M. BANATWALLA: Mr. Deputy Speaker, this Clause 8 of the Finance Bill is with respect to the disallowance of a part of expenditure on advertisement, publicity and sales promotion. The purpose of my first amendment is to exempt publicity in newspapers and journals from disallowance altogether. The hon. Finance Minister has been lessed enough to give certain concessions or exemptions with respect to the small newspapers. We must thank him for his

*Moved with the recommendation of the President.

kindness. However, the purpose of my amendment is wider and that is to exempt all advertisements, and publicity in any newspaper big or small from the mischief of Clause 8. We have to understand the impact of this tax or disallowance in its proper perspective as far as the newspaper industry is concerned.

The economy of newspaper industry presents a very queer picture. It is an economy where the selling price is always lower than the cost of production. This gap is in the case of almost all papers—big or small, more so in the case of the small which have been exempted kindly by the hon. Finance Minister. But this gap in case of all newspapers is filled up by advertisements and publicity in newspapers. Now, if this disallowance continues and if it affects the publicity budget of the various concerns, then we can readily imagine that it would bring about a crisis in the newspaper world. It will shatter the very basis of the economy of the newspaper industry. It is, therefore, in view of the peculiar nature of the newspaper industry that I have moved an amendment whereby advertisement and publicity in any newspaper—big or small—is exempted from the mischief of this Clause 8. We are thankful to the hon. Minister for exempting the small newspapers from the mischief of Clause 8. However, this distinction between small and big newspapers,—in the peculiar condition of the economy which I have placed before the House,—is absolutely misleading. Where the freedom of the Press is concerned, no such distinction can be made and everyone in the House will agree with me that the concept of freedom of press is linked with, and is dependent upon, the independence and the economic viability of the newspapers. Therefore I have to say that basically from the point of view of the freedom of the press also, the disallowance of expenditure on advertisement and publicity in newspapers is bad.

In this connection, I would like to point out to an important judgment given by Justice Bhagwati of the Supreme Court, where he lays emphasis on how the basic idea of the freedom of the press and freedom of speech is also related to the circulation of newspapers. If the advertisements in newspapers fall, there is no alternative for them but to increase the selling price and if selling price of newspaper increases, the circulation suffers. Now, Sir, this is what Justice Bhagwati of the Supreme Court has observed in *Express Newspapers Versus the Union of India* case and I quote him from this book *Freedom of the Press in India* by Joseph Minattur. This is at page 4. *Inter alia* it says:

"Laws which single out the press for laying upon it excessive and prohibitive burdens...which would restrict the circulation...Would therefore be struck down as unconstitutional."

The basic idea is that if a proposition comes whereby the circulation of any newspaper is sought to be restricted or regulated, that is a measure which is bad in law. From the constitutional point of view I quite understand that here it is the commercial advertisements which are sought to be brought within the mischief of Clause 8.

As far as commercial advertisements are concerned, I do understand that Justice Kapur has said in the case of *Hamdard Dawakhana versus the Union of India*.

"Commercial advertisement is a part of business and it is being used for the purpose of furthering the business of the person concerned and it has no relationship with that may be called the essential concept of the freedom of speech."

However the basic idea both in law as well as in democracy is that nothing should be done which would affect the circulation of the newspapers, thereby affecting the economic viability of the newspapers and thereby also affecting the freedom of the press.

Therefore, on these simple counts, both from the conceptual point of view, as well as from the point of view of the peculiar economic condition of the newspaper industry, I oppose this very concept of disallowance of any expenditure on advertisement and publicity in any newspaper industry.

However I have thanked the hon. Minister for his large-heartedness in this respect shown to small newspapers; though it is a belated large-heartedness.

Sir, I have also moved my second amendment, but I will not speak much about it. My second amendment only says that publicity and sales promotion shall not include any expenditure on personalised sales promotion or field publicity by representatives for bringing the product to the educated attention of the related profession or the knowledge of the general public. The purpose of this amendment, however, as I try to understand it, will be served by the amendment which the Finance Minister has just now moved. And, therefore, I will not be pressing my amendment.

[Shri G. M. Banatwalla]

As regards the other amendment with respect to the advertisement and publicity newspapers, I would once again appeal to the Government to consider it both from the point of view of the protection of the freedom of the press as also from the view point of the peculiar economy of the newspaper industry.

SHRI R. VENKATARAMAN: Mr. Deputy-Speaker, Sir, I adopt the arguments very ably put forward by my colleague, Shri Banatwalla. I shall try some other method of persuasion with the Finance Minister.

To-day, there is a complaint that there is a glut in the market, goods are not moving and that they are not selling. Everywhere there is recession. Therefore, there is a cut-back in production, unemployment etc. This shows that we are moving from the seller's market to which we have been accustomed for the last thirty years, right from the Second World War, to a buyer's market. It has not yet become a buyer's market. Still, we are in the process of the transition to the buyer's market. Now, at a time, when you want to sell goods, if you cut down the expenditure on marketing and if you cut down the expenditure on publicity, sales promotion, etc., the result will be that you will not be able to expand the market and sell the goods which are produced here. I have noticed that there is a difference between us and the attitude of the western countries in this matter. If there are surplus goods in the western countries, then, they resort to high pressure sales in the shape of advertisements in the T.V., newspapers, employment of salesmen thereby pushing the sales all round so that they do not cut-back the production. Larger production reduces the unit cost of a product and, thereby they are able to sell it to a large number of people.

On the other hand, in our country, when there is a recession or there is a fall in demand, the people here cut-back the production thereby making the unit cost of production high. The cycle of recession goes on and, therefore, this is exactly the time when we should not cut-back expenditure on sales promotion, on advertisement and all these things. Therefore, I have asked the Finance Minister to consider this aspect.

There is another aspect which I would like to place before you. If you look at the developed countries, you will find that large and larger employment is in the tertiary sectors like banking, insurance, marketing, transport, com-

munications, etc. It is not in the industrial field. And when goods are produced, they are marketed and, in the marketing field, employment is higher. Today, if you cut-back on marketing expenditure, then the employment potential is cut and, therefore, the recession will be accentuated. It is for these reasons, I think, it is not wise, from the point of view of economic development of the country, to restrict any expenditure on sales promotion, on marketing—whether it be through advertisement in a newspaper or through employment of salesmen or through the advertisement in the Radio, T.V. and so on.

Sir, there is another point which I would like to mention in this connection. Under Art. 269 of our Constitution, the tax on the sale or purchase of newspapers and on advertisements is one which is collectable by the Centre and divisible to the States. This really works out to be a tax on advertisement. If you look at the Fifth Finance Commission Report, they have recommended that the tax be levied on advertisements and divided among the States.

At page 79 of the Fifth Finance Commission's Report this is what they have said :

"Nevertheless we consider that this is *prima facie* a reasonable source from which additional revenues assignable to States could conveniently be raised."

This is the source and they have given a long paragraph. I am not going to read the whole thing. They have said :

"As regards the tax on advertisement published in newspapers some States are of the view that such tax would affect the revenues of small newspapers. A number of States are however, in favour of this levy and have pointed out that the burden of the tax would all on the advertisers and not on publishers....."

Having said this they say that this is a tax which is divisible among the States? This is what they have said :

"Nevertheless we consider that this is *prima facie* a reasonable source from which additional revenues assignable to States could conveniently be raised."

Therefore, I say that this is really a source which belongs to the States.

I may now explain that when I used the word 'subterfuge' it is only in respect of this that I used it and I did not use the word in respect of the deficit or any other thing which the Finance Minister has done in the Budget. But I used the word 'subterfuge'

to say that what is really in plea and substance a tax which belongs to the State is by a particular process converted to make it appear as if it is a tax on income; you put a ceiling on the expenditure the rest becomes income and on that income you levy the tax. That is why I have said it is a subterfuge you have adopted. I would have had to use if I were appearing in a Court, a caustic expression that it is a colourable exercise of power. I did not want to use that word. But I used the word 'subterfuge'. In the first place, I wish to point out that this is a source which belongs to the States and the Centre is eroding into the resources of the State. Secondly, this will affect the community because this is just the time when we try to push the sales and thereby expand the market and see that further production is kept up and larger volume of transactions take place. For this reason we are totally opposed to this levy. No doubt the Finance Minister has come forward to exempt the small newspapers from this levy and he has given a number of concessions. But in principle, we think, it is a totally wrong tax and it is wrongly levied at this time and therefore, I press my amendment.

SHRIMATI PARVATHI KRISHNAN (Coimbatore) : I would like to add only two points to what they have already said. In addition to what Mr. Banatwalla and Mr. Venkataraman have said, I would like to add that many of the language newspapers are going to be hit because they start with very small capital and some of them are also cooperative concerns and many of them do depend on this and this is one of the sources of their income. They are low priced serving the lower income group. Therefore they cannot raise their selling price. With paper price and all that going up you are going to cut into that also this is an additional reason why we support this.

As far as the industry is concerned, with his concern for small scale industries, I think the Finance Minister should bear in mind the consumers and bearing the consumers in mind, I would request that he should accept our amendment of dropping this charge altogether.

SHRI H. M. PATEL : I regret very much that in spite of their eloquent presentation of their points of view, I am not able to accept the amendments they wish to make, which in effect would mean that the tax should be withdrawn.

The hon. Member Shri Banatwalla made an eloquent plea on the ground that this was hitting the freedom of press and freedom of speech. I am afraid, I find it somewhat far fetched. I do not think that the freedom of press or freedom of speech is going to be affected in the slightest as a result of this particular provision. I

accept that if the business houses, industrial houses and others who advertise, find necessary to curtail the budget because of this provision, then some of the smaller newspapers may be hit and therefore we have deliberately agreed that they will not be disallowed. I feel therefore I am not in a position to accept Mr. Banatwalla's amendment.

The other point has been raised by the hon. Member, Shri Venkataraman and of course he put it on even a higher plea.

He says, the industry will suffer; we are now moving from sellers' market to buyers' market which is the time when advertising should be encouraged rather than discouraged, etc. I do not think there is any question of discouraging advertisement and I do not think any sensible industrialist or businessmen is going to reduce his advertising merely because of this provision. The recession has begun quite some time ago. Several industries have not been able to move their products. There has been no restriction on any kind of advertisement in the last two years, but still textile and a number of other industries have not been able to move their goods. It is not because of this advertisement or any such provision. I am quite confident that the industry will not be adversely affected. The press will not be adversely affected. No one is going to be adversely affected except those who want to indulge in wasteful expenditure and there is no reason why wasteful expenditure should be indulged in be at the cost of the public exchequer.

Shri Venkataraman said that under article 259 and so on it becomes a tax. Article 270 provides for the distribution of taxes on income other than agricultural income. Sub-clause (2) provides :

"(2) Such percentage, as may be prescribed, of the net proceeds in any financial year of any such tax, except in so far as those proceeds represent proceeds attributable to Union territories or to taxes payable in respect of Union emoluments, shall not form part of the Consolidated Fund of India but shall be assigned to the States within which that tax is leviable in that year, and shall be distributed among those States in such manner and from such time as may be prescribed."

Since the additional tax attributable to sub-section (3) (a) referred to above is tax on income, such additional tax also will become distributable among the States in accordance with the provisions of article 270(2) and as such no separate provision for the purpose is necessary as proposed by the hon. member. It may be pointed out

[Shri H. M. Patel]

that sub-section 9(a) of section 37 of the Income-tax Act proposed to be inserted by clause 8 does not impose any tax on advertisement. On the other hand, it only disallows a certain percentage of the expenditure incurred on advertisement. My hon. friend says that this is a substitute. With all respect to its great scholarship and so on, I do submit that if we argue in this way, many things can be stretched to appear to be hitting at something totally different. I can assure my hon. friend that the idea of getting round anything never entered my head. There is no question about it. It was to prevent wasteful expenditure in certain directions by these houses and therefore those items of wasteful expenditure had to be curtailed. I appeal, therefore, to my hon. friends to be good enough to withdraw their amendments.

MR. DEPUTY-SPEAKER : I shall put amendments Nos. 100, 101 and 102 moved by the Minister to vote.

The question is :

Page 9, line 7,—

for "twenty thousand rupees", substitute—
"forty thousand rupees" (100)

Page 9,—

after line 36, insert—

"(3B) Nothing contained in sub-section (3A) shall apply in relation to any expenditure incurred by an assessee on—

(i) advertisement in any small newspapers ;

(ii) advertisement in any newspapers for recruitment of personnel ;

(iii) the publication in any newspaper of any notice required to be published by or under any law ;

(iv) the maintenance of any office for the purposes of advertisement publicity or sales promotion ;

(v) the payment of salary [as defined in clause (1) of section 17] to any employee engaged in advertisement, publicity or sales promotion ;

(vi) the holding of, or the participation in, any press conference, sales conference, trade convention, trade fair or exhibition ;

(vii) publication and distribution of journals catalogues or price lists ;

(viii) such other items as may be prescribed.

Explanation 1. For the purposes of clause (i), an advertisement in a newspaper shall be deemed to be an advertisement in a small newspaper, if the average circulation of such newspaper in the year in which such advertisement has been published, is certified by the prescribed authority as not exceeding fifteen thousand copies.

Explanation 2. "Average circulation", in relation to any newspaper, shall be taken to be the number arrived at by dividing the aggregate of the number of copies of such newspaper circulated during a year by the total number of days on which such newspaper was published in that year.

(3C) For the removal of doubts, it is hereby declared that nothing contained in sub-section (3A) shall apply in relation to expenditure in the nature of entertainment expenditure incurred by an assessee in connection with advertisement, publicity or sales promotion and such expenditure shall be governed by the provisions of sub-section (2A)." (101)

Page 9 line 37 for "(3B)" substitute
"(3D)". (102)

The motion was adopted.

MR. DEPUTY-SPEAKER : Mr. Banatwalla, are you pressing your amendments?

SHRI G.M. BANATWALLA : Yes, Sir.

MR. DEPUTY-SPEAKER : I shall now put amendments Nos. 1 and 2 moved by Shri Banatwalla to the vote of the House.

Amendments Nos. 1 and 2 were put and negatived.

MR. DEPUTY-SPEAKER : Now, I shall put Mr. Venkataraman's amendments...

SHRI R. VENKATARAMAN : I only ask that amendment 45 be put to vote. As for the others I seek leave of the House to withdraw them.

MR. DEPUTY-SPEAKER : Is it the pleasure of the House to grant him leave to withdraw amendments 23, 24 and 117?

Amendments Nos. 23, 24 and 117 were by leave, withdrawn.

MR. DEPUTY-SPEAKER : The question is :

"Page 9 —

omit lines 3 to 36 (45)

The motion was negatived.

MR. DEPUTY-SPEAKER: Now, I put clause No. 8 as amended to vote. The question is:

"That clause 8, as amended stand part of the Bill."

The motion was adopted.

Clause 8 as amended was added to the Bill.

Clause 9—(Amendment of Section 52)

SHRI R. VENKATARAMAN: I am moving my amendment No. 25. I beg to move:

Page 10 —

for clause 9 substitute—

"9. In section 52 of the Income-tax Act, sub-section (2) shall be omitted and shall be deemed always to have been omitted." (25).

I want to mention this. In respect of capital gains the law provides that if a person either under states the consideration, conceals or otherwise avoids a tax, in such a case the Income-tax Officer is entitled to regard the real value as the consideration, and then charge capital gains tax thereon. But section 52 sub-clause (2) is a very wide statement. It says that even if there is no under-statement, even if there is no concealment, if the Income-Tax Officer is of the opinion that the consideration is less by 15% of the market value, he can regard the market value as the consideration and charge capital gains tax thereon. This is contrary to law. In the first place, you cannot levy capital gains tax on something which one assessee has not received. If the capital gain has not been received, and the income has not been received, you cannot charge capital gains tax thereon. Section 45 is the charging section, and section 52 is only the computing section; and therefore, in the computing section you cannot say that the tax will be levied on what the Income-Tax Officer considers to be the market value, regardless of the fact whether that has been received or not. I would, for the information of the House, read that section:

"Without prejudice to the provisions of sub-section (1) if in the opinion of the Income-tax Officer the fair market value of a capital asset transferred by an assessee as on the date of the transfer exceeds the full value of the consideration declared by the assessee in respect of the transfer

of such capital asset by an amount of not less than fifteen per cent of the value so declared the full value of the consideration for such capital asset shall, with the previous approval of the Inspecting Assistant Commissioner, be taken to be its fair market value..."

SHRI NARENDRA P. NATHWANI
rose

SHRI R. VENKATARAMAN: Mr. Nathwani has been a judge; and it is well known that in interpreting all statutes, headings, side-notes and marginal notes are not taken into consideration. (*Interruptions*)

MR. DEPUTY SPEAKER: In any case, it is not a court here.

SHRI R. VENKATARAMAN: I will give the opinion of an eminent jurist in tax law, Mr. Palkhivala. He says:

"Sub-sec. (2). Irrational provision, if literally considered." He also says: "On a strictly literal construction and divorced from the other relevant provisions, this sub-section is a singularly irrational provision." He goes on to say that while sub-section (1) is proper in that it charges only those who avoid the tax, or evade the tax or under-state the tax, in respect of (2), without any such under-statement, the law as it literally stands in this section, now enables the Income-tax Officer to charge capital gains tax. This matter went to one of the High Courts and, in that High Court, seeing that the provision is so irrational, they had to resort to this method of what Shri Nathwani said of citing the marginal note or what the Minister said in Parliament. Things which were never cited in any court have been cited in the judgement, saying that the Minister when he spoke in Parliament said that the intention of this section is only to tax those who are evading the tax. On that ground the court held that this will not apply where the consideration shown is genuine. Why should we have in the statute book a law which is irrational and improper and according to me, illegal? Therefore, I move that sub-clause (2) may be deleted.

MR. DEPUTY-SPEAKER: I will now put amendment No. 25 of Shri Venkataraman to the vote of the House.

Amendment No. 25 was put and negatived

SHRI R. VENKATARAMAN: Sir, the Minister should have at least said a word.

* Moved with the recommendation of the President.

SHRI H. M. PATEL: Shri Venkataraman's argument is so much legalistic that I may have to request a Judge like Shri Nathwani to answer it.

MR. DEPUTY-SPEAKER: But Shri Nathwani cannot reply.

SHRI H. M. PATEL: No I am not asking him to reply on my behalf. I am sorry, I cannot accept it.

SHRI R. VENKATARAMAN: I want the hon. Minister to take note of this when he is revising the income-tax law.

MR. DEPUTY-SPEAKER: Anyway it has already been negated.

The question is:

"That clause 9 stand part of the Bill"

The motion was adopted.

Clause 9 was added to the Bill.

Clauses 10 to 12 were added to the Bill.

Clause 13—(Amendment of section 54 E).

SHRI VENODHAI B. SHETH: I beg to move*:

Page 14,—

omit lines 36 to 42. (14)

Page 15,—

omit lines 1 to 5. (15)

Page 15,—

for lines 7 and 8, substitute—

"where such deposits are made within six months of transfer of assets subject to restriction or withdrawals from such deposits as may be notified shall be inserted at the end;" (16)

SHRI NARENDRA P. NATHWANI: I beg to move*:

Pages 14 and 15—

omit lines 39 to 42 and 1 to 5 respectively (83)

Page 15,—

for lines 6 to 8, substitute—

"(4) in clause (vi), the words "provided no loan or advance or any other banking

facility is taken against such deposit during the period of three years" shall be inserted at the end;" (84)

SHRI H.M. PATEL: I beg to move* :

Page 15,—

omit lines 6 to 8. (103)

Page 15,—

for lines 21 and 22, substitute—

"(b) after sub-section (1), the following sub-sections shall be inserted, namely:

"(IA) Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1) the cost of such new asset shall not be taken into account for the purposes of that sub-section unless the following conditions are fulfilled namely:—

(a) the assessee furnishes along with the deposit a declaration in writing, to the bank or the co-operative society referred to in the said clause (vi) with which such deposit is made to the effect that the assessee will not take any loan or advance on the security of such deposit during a period of three years from the date on which the deposit is made ;

(b) the assessee furnishes, along with the return of income for the assessment year relevant to the previous year in which the transfer of the original asset was effected or within such further time as may be allowed by the Income-tax Officer, a copy of the declaration referred to in clause (a) duly attested by an officer not below the rank of sub-agent, agent or manager of such bank or an officer of corresponding rank of such co-operative society.

(1B) Where on the fulfilment of the conditions specified in sub-section (1A) the cost of the new asset referred to in that sub-section is taken into account for the purposes of sub-section (1), the assessee shall, within a period of ninety days from the expiry of the period of three years reckoned from the date of such deposit, furnish to the Income-tax Officer a certificate from the officer referred to in clause (b) of sub-section (1A) to the

*Moved with the recommendation of the President.

effect that the assessee has not taken any loan or advance on the security of such deposit during the said period of three years.”;

- (c) in sub-section (a) the following Explanation shall be inserted at the end namely:—

‘Explanation.—Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being a deposit referred to in clause (vi) of Explanation below sub-section (1), and such assessee takes any loan or advance on the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date on which such loan or advance is taken.’;

- (d) after sub-section (2), the following sub-sections shall be inserted, namely:—
(104)

Page 17,—

after line 9, insert—

‘‘Explanation.—Where the assessee deposits after the 27th day of April, 1978 the whole or any part of the additional compensation or as, the case may be, the additional consideration referred to in sub-section (3) if any relevant asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1), and such assessee takes any loan or advance on the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date of on which such loan or advance is taken.

- (5) Where the assessee deposits the whole or any part of the additional compensation or, as the case may be, the additional consideration referred to in sub-section (3) in any relevant asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1), the provisions of sub-sections (1A) and (1B) shall apply in relation to such deposit as they apply in relation to the deposit referred to in the said sub-sections.” (105)

Page 17,—line 10,—

for “(5)”, substitute “(6)” (106)

Page 17, line 11,—

for “Explanation 1”

substitute—

“Explanation 1 below sub-section (1)” (07)

I would only make one request. There is a verbal change in amendment No. 104. In clause (c) of that amendment, the word “against” occurring in the explanation may be substituted by the word “on”. It is only a drafting change.

SHRI R. VENKATARAMAN: I beg to move*:

That in the amendment proposed by Shri H. M. Patel, printed as No. 104 in List No. 17 of amendments,—

for clauses (a) and (b) of the proposed new sub-section (1A), substitute—

“where the assessee furnished along with the return of income for the assessment year relevant to the previous year in which the transfer of the original asset was effected or within such further time as may be allowed by the Income-tax Officer, a certificate from the Bank or Cooperative Society referred to in clause (vi) with which the deposit is made containing the date, name, amount and identification number or numbers of such deposit duly signed by an officer not below the rank of a sub-agent or manager of the Bank or Cooperative Society as the case may be.” (118)

SHRI VINODHAI B. SHETH: The Finance Minister has moved some amendments to this clause.

But I would like that the shares of existing companies also should qualify for this exemption if it is for expansion and modernisation. I think this is the view expressed by Mr. Pravin Chandra Gandhi, Chairman of FICCI, also. In order to step up production in the country, and in view of our new industrial policy of expansion and modernisation such tax relief on investment in existing equities should also be given. That would activate the capital market.

SHRI NARENDRA P. NATHWANI: My amendments were intended to continue the existing provision regarding investment in shares with a proviso that no loan or advance or any other banking facility is taken against such deposits during a period of three years. I think the Finance Minister’s amendment covers

*Moved with the recommendation of the President.

[Shri Narendra P. Nathwani]

this point. In view of that, I am not seeking to press them.

SHRI R. VENKATARAMAN: The amendment of the Finance Minister follows the familiar pattern of the secretariat which always thinks in a round-about manner. Under the Finance Minister's amendment, first a certificate will have to be given by the person who invests, then another certificate should be given by the banker, and then at the end of three years another certificate should be given. I want to telescope the first two into one. If he thinks fit is an improvement, he may consider it.

My amendment is that along with the income-tax return for the next year, the person who is liable to capital gains may file a certificate from the bank which will give the date, the name, the amount and identification numbers of the deposits, so that the income-tax officer gets one certificate and that certificate will cover both the certificates which the Finance Minister has suggested. I will just read out my amendment for the benefit of the other Members:

"where the assessee furnishes along with the return for the assessment year relevant to the previous year in which the transfer of the original asset was effected or within such further time as may be allowed by the Income-tax Officer, a certificate from the Bank or Co-operative Society referred to in clause (vi) with which the deposit is made containing the date, name, amount and identification number or numbers of such deposit duly signed by an officer not below the rank of a sub-agent or manager of the Bank or Co-operative Society as the case may be."

This will telescope the two certificates, one certificate by the assessee and another by the bank. If he thinks it is an improvement, he may consider it.

SHRI H. M. PATEL: I would have very gladly considered the amendment of my hon. friend, but that very idea has been very carefully gone into. In fact, I myself thought of doing it in that way, but I was advised that it would be necessary to do it in this way from the point of view of those who have to administer income-tax. Therefore, it became necessary to do in a somewhat longer manner.

MR. DEPUTY-SPEAKER: Is Mr. Sheth pressing his amendments?

SHRI VINODBHAI B. SHAH: No.

MR. DEPUTY-SPEAKER: Has he the leave of the House to withdraw his amendments?

SOME HON. MEMBERS: Yes.

Amendment Nos. 14 to 16 were by leave withdrawn

MR. DEPUTY-SPEAKER: Is Mr. Nathwani pressing his amendments?

SHRI NARENDRA P. NATHWANI: No.

MR. DEPUTY-SPEAKER: Has he the leave of the House to withdraw his amendments?

SOME HON. MEMBERS: Yes.

Amendment Nos. 83 and 84 were by leave withdrawn

MR. DEPUTY-SPEAKER: Is Mr. Venkataraman pressing his amendment?

SHRI R. VENKATARAMAN: No.

MR. DEPUTY-SPEAKER: Has he the leave of the House to withdraw his amendments?

SOME HON. MEMBERS: Yes.

Amendment No. 118 was, by leave, withdrawn

25 hrs.

MR. DEPUTY-SPEAKER: The questions is:

Page 15,—

Omit lines 6 to 8." (103)

Page 15,—

For lines 21 and 22 substitute—

'(b) after sub-section (1) the following sub-sections shall be inserted, namely:—

"(1A) Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being a deposit referred to in clause (vi) of *Explanation 1* below sub-section (1), the cost of such new asset shall not be taken into account for the purposes of that sub-section unless the following conditions are fulfilled, namely:—

(a) the assessee furnishes, along with the deposit, a declaration in writing,

to the bank or the co-operative society referred to in the said clause (vi) with which such deposit is made, to the effect that the assessee will not take any loan or advance on the security of such deposit during a period of three years from the date on which the deposit is made;

- (b) the assessee furnishes, along with the return of income for the assessment year relevant to the previous year in which the transfer of the original asset was effected or within such further time as may be allowed by the Income tax Officer, a copy of the declaration referred to in clause (a) duly attested by an officer not below the rank of sub-agent, agent or manager of such bank or an officer of corresponding rank of such co-operative society.

(1B) Where on the fulfilment of the conditions specified in sub-section (1A), the cost of the new asset referred to in that sub-section is aken into account for the purposes of sub-section (1), the assessee shall, within a period of ninety days from the expiry of the period of three years reckoned from the date of such deposit, furnish to the Income-tax Officer a certificate from the officer referred to in clause (b) of sub-section (1A) to the effect that the assessee has not taken any loan or advance on the security of such deposit during the said period of three years.”;

- (c) in sub-section (2), the following Explanation shall be inserted at the end; namely:—

Explanation.—Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1), and such assessee takes and loan or advance on the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date on which such loan or advance is taken;

- (d) after sub-section (2), the following sub-sections shall be inserted, namely:— (104)

Page 17,—

after line 9, insert—

“Explanation.—Where the assessee deposits after the 27th day of April, 1978,

the whole or any part of the additional compensation or, as the case may be, the additional consideration referred to in sub-section (3) in any relevant asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1), and such assessee takes any loan or advance on the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date on which such loan or advance is taken.

(5) Where the assessee deposits the whole or any part of the additional compensation or, as the case may be, the additional consideration referred to in sub-section (3) in any relevant asset, being a deposit referred to in clause (vi) of Explanation 1 below sub-section (1), the provisions of sub-sections (1A) and (1B) shall apply in relation to such deposit as they apply in relation to the deposit referred to in the said sub-sections.” (105)

Page 17, line 10,—

for “(5)” substitute “(6)”. (106)

Page 17, line 11,—

for “Explanation 1”

substitute—

“Explanation 1 below sub-section (1)” (107)

The motion was adopted.

MR. DEPUTY-SPEAKER : The question is :

“That clause 13, as amended, stand part of the Bill.”

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clause 14 was added to the Bill.

Clause 15—(Amendment of Section 80 A)

MR. DEPUTY-SPEAKER : Now, we take up Clause 15.

SHRI R. VENKATARAMAN : During the course of the debate, I have brought out very clearly how the Hindu Undivided Family according to the Income-tax Law is only a myth. That does not exist in practice and that it is used for evading and avoiding tax. I have been fortified in my view which has been

[Shri R. Venkatesaraman]

expressed by no less a body than the Wanchoo Committee itself which had gone into a number of cases in which the Hindu Undivided Family had evaded and avoided tax. In fact, the Wanchoo Committee said that they asked the Income Tax Departments in three or four places to make an investigation of the Hindu Undivided Families and they found that there were more assessment registers than the number of persons in the Hindu Undivided Family. A man who is a member of the Hindu Undivided Family, is also assessed as an individual. And whenever he exceeds the limit of tax, he transfers assets from one to the other and avoids the tax. This has been fully dealt with by the Wanchoo Committee. It is for this reason that the previous Government withdrew from the Hindu Undivided Family various concessions which have been listed. Without giving any explanation whatsoever, the Finance Minister has come forward to restore all these concessions to the Hindu Undivided Family and that too at a time when we are short of funds, when we are running a deficit of Rs. 1000 crores. Is it the time to give such a concession? Are they in such a dire need of the concession? Are they the people who need this when you have tax on the poor people? Therefore, I strongly oppose this clause.

SHRI H. M. PATEL : I can only say that the intention is not to go back on the recommendations of the Wanchoo Committee at all. We have retained whatever has been classified in Section 80A of the Income-tax Act. It is only sub-section (4) that we are taking away. That does not contain all the provisions. That does not say that I will certainly go into this matter and see whether, in fact, that gives away more than what we thought it could be giving away. Personally, I do not think that we are conceding as such as the hon. Member has suggested. But I am prepared to go into that.

MR. DEPUTY-SPEAKER : The question is :

"That clause 15 stand part of the Bill."

The motion was adopted.

Clause 15 was added to the Bill.

Clause 16 was added to the Bill.

Clause 17—(Insertion of new section 80cc.)

SHRI NARENDRA P. NATH-WANI : I beg to move*:

Page 19,

omit line 17, (85)

Page 20, line 12,—

for "five years" substitute "two years" (86)

SHRI H. M. PATEL : I beg to move*:

Page 18, lines 26 and 36,—

for "purchased" substitute "acquired" (108)

Page 18,—

after line 34, insert—

"Explanation—Where in any previous year the assessee has acquired any shares referred to in this sub-section and has, within a period of six months from the end of that previous year paid the whole or a part of the amount, if any, remaining unpaid on such shares, the amount so paid shall be deemed to have been paid by the assessee towards the cost of such shares in that previous year." (109)

Page 19,—

for lines 10 to 12, substitute—

"the business of—

(i) construction, manufacture or production of any article or thing, not being an article or thing specified in the list in the Eleventh Schedule; or

(ii) providing long-term finance for construction or purchase of houses in India for residential purposes :

Provided that in the case of a public company formed and registered in India with the main object of carrying on the business referred to in sub-clause (ii), such company is approved by the Central Government for the purposes of this section;" (110).

Page 20, line 13,—

for "purchase", substitute "acquisition" (111)

Page 20, line 19,—

for "purchased", substitute "acquired" (112)

SHRI NARENDRA P. NATH-WANI : As regards my amendment No. 85, it deals with eligible issue of capital. If you look at sub-clause (3) it says, "For the purposes of this section, 'eligible issue of capital' means an issue of equity.

*Moved with the recommendation of the President.

shares which satisfied the following conditions. . . .". Then, there are three conditions laid down, (a), (b) and (c). Three tests are laid down. So far so good. But in a definition, I have never come across such a provision as "such other conditions as may be prescribed". That comes under part (d). Apart from this defect indefiniteness, my objection is that no such wide powers should be given to the authority.

So far as my amendment No. 86 is concerned, it seeks to reduce the period of five years to two years. If a person invests in the first issue of capital, he is required to keep it invested for a period of five years. Instead of that, I am proposing that it should be only for two years. A period of five years seems to me to be unduly long. It should be restricted to two years.

SHRI H. M. PATEL : So far as amendment No. 85 of Shri Nathwani is concerned, it was after a very careful consideration that we included this provision because it may not be possible to specify all the conditions in the Act and it will be useful to take powers to add further conditions in the light of the experience gained. It is purely with a certain amount of humility that we decided to do this rather than in order to gain more powers.

So far as the other amendment No. 86 is concerned, I am afraid, I cannot accept it.

MR. DEPUTY SPEAKER : Are you pressing your amendments ?

SHRI NARENDRA P. NATHWANI : I am not pressing.

MR. DEPUTY-SPEAKER : Has he the leave of the House to withdraw his amendment ?

SOME HON. MEMBERS : Yes.

Amendments Nos. 85 and 86 were, by leave, withdrawn.

MR. DEPUTY SPEAKER : The question is :

Page 18, lines 26 and 36,—

for "purchased", substitute "acquired" (108)

Page 18,—

after line 34. insert—

"Explanation.—Where in any previous year the assessee has acquired any shares referred to in this sub-section and has,

within a period of six months from the end of that previous year paid the whole or a part of the amount, if any, remaining unpaid on such shares, the amount so paid shall be deemed to have been paid by the assessee towards the cost of such shares in that previous year." (109)

Page 19,—

for lines 10 to 12, substitute—

"the business of—

(i) construction, manufacture or production of any article or thing, not being an article or thing specified in the list in the Eleventh Schedule; or

(ii) providing long-term finance for construction or purchase of houses in India for residential purposes ;

Provided that in the case of a public company formed and registered in India with the main object of carrying on the business referred to in sub-clause (ii), such company is approved by the Central Government for the purposes of this section;" (110)

Page 20, line 13,—

for "purchase", substitute "acquisition" (111)

Page 20, line 19,—

for "purchased", substitute "acquired" (112)

The motion was adopted.

MR. DEPUTY-SPEAKER : The question is :

"That clause 17, as amended, stand part of the Bill."

The motion was adopted.

Clause 17, as amended, was added to the Bill.

Clause 18 to 23 were added to the Bill.

Clause 24—(Insertion of new section 209A).

SHRI VINODBHAI B. SHETH :

I beg to move*:

Page 25, line 22,—

for "June, 1978", substitute—

"September, 1978". (19)

* Moved with the recommendation of the President.

[SHRI VINODBHAI B. SHETH]

Page 26, line 3,—

add at the end—

“, the first instalment beginning from 1st September of the current year” (20)

SHRI H. M. PATEL : I beg to move*:

Page 25, line 24,—

after “first instalment”, insert “, or where he has not previously been assessed by way of regular assessment under this Act, before the date on which the last instalment,” (113)

SHRI VINODBHAI B. SHETH :

This is about insertion of new Section 209A. It will create many complications. In principle, I agree that the responsibility should be transferred to the assesses for filing the advance tax payment returns. The Government should not depend upon its department to issue such notices. Now, in the month of June, the Chartered Accountants, Advocates and others have to file returns and there will be thousands of returns. My humble request to the Finance Minister is to shift the date from 15th June to 15th September. I think the shifting of date from 15th June to 15th September will benefit the Government. Otherwise, there will be so much hotch-potch of filing of returns within such a short period. It will entail litigation also. Considering this, in the interest of the trading community and in the interest of the tax consultants, I would request the hon. Finance Minister to accept my amendment.

SHRI H. M. PATEL : I am unable to accept the amendment because I think perhaps Mr. Vinodbhai has not realised that the first instalment of advance tax in the case of tax-payers whose accounting year ends by 31st December falls due on 15th June. The effect of the amendment would be that such tax-payers will not be under any obligation to pay the first instalment of advance tax on voluntary basis. So, I cannot accept it.

MR. DEPUTY-SPEAKER : Do you want to press it ?

SHRI VINODBHAI B. SHETH : I want to withdraw it.

MR. DEPUTY-SPEAKER : Has the hon. Member leave of the House to withdraw his amendments ?

SOME HON. MEMBERS : Yes.

Amendments Nos. 19 and 20 were by leave withdrawn.

MR. DEPUTY SPEAKER : The question is :

“Page 25, line 24,—

after “first instalment”, insert “, or where he has not previously been assessed by way of regular assessment under this Act, before the date on which the last instalment,” (113)

The motion was adopted.

MR. DEPUTY-SPEAKER : The question is :

“That Clause 24, as amended, stand part of the Bill.”

The motion was adopted.

Clause 24, as amended, was added to the Bill.

Clauses 25 to 35 were added to the Bill.

Clause 36—(Amendment of Act 1 of 1944)

SHRI G. M. BANATWALLA : Sir, I beg to move*:

Page 36,—

omit lines 1 to 7 (3)

SHRI R. VENKATARAMAN : Sir, I beg to move*:

Page 36,—

after line 7, insert—

“The net proceeds, in any financial year of the above said duty on Electricity, except in so far as these proceeds, represent proceeds attributable to Union territories shall not form part of the Consolidated Fund of India but shall be assigned to the States and shall be distributed among the States on the basis of collection from each state.” (29)

Page 37, line 18,—

for “Five per cent.” substitute

“Three per cent.” (37)

*Moved with the recommendation of the President.

Page 37, line 12,—

after "ad valorem" insert—

"In respect of small scale industries manufacturing various specified excisable commodities and excisable commodities not elsewhere specified, clearances up to five lakhs of rupees shall be exempted provided the total clearances for home consumption during the preceding financial year of the above named goods did not exceed fifteen lakhs of rupees." (31)

Page 37,—

omit line 11 and 12 (47)

Page 37,—

after line 12 insert—

'and (ii) after clause (c) the following clause shall be inserted, namely:—

"((d) hosiery fabric and hosiery garments." (50)

Page 36,—

after line 24, insert—

'(viii) in Item No. 26A in sub-item (2) to the entry in the second column, the words "but not including the manufacture of such articles exclusively from copper and copper-alloy scrap" shall be added at the end.' (73)

Page 36,—

after line 24, insert—

'(viii) in Item 27, in sub-item (b) in the second column after the words "form or size" the words "but not including such articles manufactured exclusively from aluminium scrap" shall be inserted.' (74)

SHRIMATI PARVATHI KRISHNAN : Sir, I beg to move:

Page 37, line 12,—

for "Five" substitute "Two and a half". (59)

SHRI G. M. BANATWALLA : Mr. Deputy Speaker, Sir, the Government proposes to levy duty on coal and electricity and the amendment I have sought to

move is to exempt both the sensitive items of coal and electricity from the purview of this duty. It is well-known that duty on these items is highly inflationary in character and it is the people in general who will be suffering from this duty because of the inflationary character of the duty. I strongly oppose it and therefore I have moved my amendment. In view of the fact that electricity is generated by various electricity boards, the duty is on the States themselves and the duty is therefore not good in any respect. I humbly plead to this House that it is very unfortunate that the Government has come forward with this duty on electricity at a time when the States are pleading for more resources at their disposal. This levy is an onslaught on the economic authority of States. Therefore, it must be opposed with all the power and the vehemence at the command of this House. I am sure that the House will rise above party considerations in order to see that the Government's design to levy duty on electricity which amounts to a tax on the States thereby undermining their economic authority is opposed.

Several States like Kerala, Tamil Nadu and others have opposed this particular duty. As far as Kerala is concerned, the levy of two paise duty on power generated will cost the Kerala State Electricity Board Rs. 8 crores, and the Board is already in deficit. If the liability is transferred to the consumers, the sufferers will be the common people and the small industrialists. It is only about two years back that there has been a revision of electricity rates in Kerala. Generally it is after about five years that the rates are revised. This levy will also hit the State Plan.

I, therefore, submit that both the levies are a severe blow to the common people. In view of the serious nature of both these levies, I appeal to the Government to reconsider and see that coal and electricity are not brought within the purview of the mischief of duty. Otherwise, I have to appeal to this House, as I said, to rise above all party considerations, to treat it as a matter concerning the nation, the people in general, and to see to it that such a duty is not tolerated. If the Government does not see reason, I am sure the House will certainly perform its national duty.

MR. DEPUTY-SPEAKER : B fore I call the hon. Member, Mr. Venkataraman, I would ask Mrs. Parvathi Krishnan to move her Amendment No. 57. Are you moving ?

*Moved with the recommendation of the President.

SHRIMATI PARVATHI KRISHNAN : Yes. I beg to move* :

Page 36,—

omit lines 6 and 7. (57)

SHRI R. VENKATARAMAN : I fully endorse the eloquent appeal made by my esteemed friend, Mr. Banatwalla.

Electricity is really a source of revenue for the States, and if it is taxed by the Centre on the specious plea that it is a tax on production,—I still feel that it can be challenged in court—it will lead to the State Electricity Boards becoming more and more anemic. The Finance Minister will remember that the Committee which went into the working of the State Electricity Boards regarded this as a revenue accruing to the Electricity Boards and that it should go to them to make up at the first stage six per cent of the capital-at-charge and nine per cent at the later stage. If the Finance Minister is not able to accept the amendment that the levy should be completely removed, then I would suggest that the amount may be made divisible among the States. Let it go to the States.

One of the points which the Finance Minister made in his reply was that the State Electricity Boards were not strong enough to levy an appropriate charge on electricity, that they were shirking their responsibility to levy the charges for electricity which was legitimate. If that is so, let the Centre take the odium or the onerous responsibility, let them collect the tax and then divide it among the States in accordance with the rule of collection. This is my first amendment, No. 36.

SHRI M. KALYANASUNDARAM (Tiruchirappalli) : Do you want the Central Government to send the army to collect ?

SHRI R. VENKATARAMAN : At the moment they are going to collect from the Electricity Boards. You do not require an army to collect from the Electricity Boards. You will have to send an army to collect from the consumers : I can understand that. But this will be collected from the Electricity Boards and the Electricity Boards are dependent on the Central Government for everything. Now, my point really is that it must be regarded as a divisible resource and made available to the States.

My second amendment is in respect of the goods not specified elsewhere. The rate is a very stiff one and this will lead to spiralling of prices. After all, they first levied 1% and next year Mr. Patel raised it to 2%. Well, he can raise it to 3%, but why should he jump to 5% all of a sudden ? If you want some revenue, a better way would be to raise it by steps and stages rather than make a big jump.

The next amendment I am moving is No. 31, which is in respect of small scale industries. There are two kinds of concessions which he has given, according to his budget speech. In respect of certain small scale industries he has said that clearance up to Rs. 30 lakhs will be exempt, and in respect of certain other small scale industries, he has said that the first clearance up to Rs. 5 lakhs, if the total clearance for home consumption is less than Rs. 15 lakhs, will be eligible for exemption. My plea to him is to make this uniform. Either you may say that the first 5 lakhs in respect of clearance up to Rs. 15 lakhs for home consumption, whether it be specific excise goods or goods not elsewhere specified or you put everything together and say in respect of clearance up to Rs. 30 lakhs there will be no duty. I am only asking for uniformity in this. Supposing in certain cases you say that clearance up to Rs. 5 lakhs will be exempt in case the clearance is less than 15 for home exemption, the difference is, if an industry is able to export Rs. 15 lakhs and if its home clearance is a less than Rs. 15 lakhs, it will become eligible to claim deduction up to Rs. 5 lakhs. I think this is more in tune with the Government's policy of encouraging exports by small scale industries which we want— increase exports and take the benefit of it. Therefore, in my amendment No. 31 I have said that in respect of small scale industries manufacturing various specified excisable commodities and commodities not elsewhere specified— for both these things—clearance up to Rs. 5 lakhs should be exempt provided that the total clearance for home consumption does not exceed 15 lakhs. I hope he will find it possible to accept this amendment.

Then, I have suggested omitting certain lines. I would like to bring to the attention of the Finance Minister the great hardship suffered by the small scale industries. When sheets, circles etc. are made out of virgin metal, a heavy excise duty is levied. Then, when out of the clippings and scrap which fall out of the first manufacture and out of the used utensils, pots and pans,

*Moved with the recommendation of the President.

they make sheets and circles, second excise duty is levied at the same rate at which excise is levied on virgin metal. Now, this causes a great deal of hardship to the small scale industry because people buy all the old utensils etc. from the public, melt them and make them into sheets and circles and then give them to the small artisans for the purpose of making pots and pans for domestic use. The same thing is in respect of aluminium. Item 26A deals with copper and brass particularly. Item 27 deals with aluminium and this is subject to a second excise duty at the same high rate as that levied on virgin metal. Therefore, I want him to consider this. And even though, I do not know whether he would be able to accept it, at least if he says that he will have it examined, it will go a long way to help the development of small scale industries.

SHRIMATI PARVATHI KRISHNAN: I would like to speak specially on my amendment No. 57. I am totally opposed to this excise duty that is being sought to be levied on electricity. The Finance Minister, in his reply, tried to make a point that since the present electricity undertakings and soon themselves are working at a loss and working inefficiently and so on, he argued as though he is through this levy going to set that right. Recently, in my State, you have seen what a disturbance there has been because of the discontent among the agriculturists. They are being asked to pay a very high rate and on the other hand, they are asking for a downward revision of the rate that is being charged there. The Finance Minister will, of course, say this and that and then he will try to get away with it by saying that he is exempting those agriculturists. He tried to make a point that his budget is agriculture-oriented.

When I said, it is not a peoples' oriented budget, he tried to be very demagogic about the whole thing. But actually, this duty that he is seeking to levy, as I pointed out when I spoke in the first reading, is going to affect the working of the electricity undertakings; and is going to affect the production also. After all, whatever may be his debating gymnastics here, the real thing is that it is going to come on the consumers. Therefore, I oppose this levy, and that is why, I have moved my amendment.

I support Shri Venkataraman's amendment on hosiery and the amendment that he has moved about the brass vessels manufacture and to which I have already referred. He has already said that he is considering hosiery, I would ask him to consider this along with that. I am glad that he gave an assurance about hosiery while speaking in reply on the Finance Bill.

MR. DEPUTY-SPEAKER: I will now put amendment No. 3 of Shri G.M. Banatwalla to vote. Now, the question is :

Page 36,—

Omit lines 1 to 7 (3)

The Lok Sabha divided :

Division No. a] [15-55 hrs

AYES

Arunachalam, Shri M.
Banatwalla, Shri G.M.
Barman, Shri Palas
Barua, Shri Bedahrata
Bhagat Ram, Shri
Bhattacharyya, Shri Shyamaprasanna
Dhondge, Shri Keshavrao
Gomango, Shri Giridhar
Gotkhande, Shri Annaasheb
Joarder, Shri Dineah
Kalyanasundaram, Shri M.
Krishnan, Shrimati Parvathi
Lakkappa, Shri K.
Lakshminarayanan, Shri M.R.
Mukherjee, Shri Samar
Nair, Shri M.N. Govindan
Patil, Shri Balasaheb Vikhe
Pradhani, Shri Ka
Raju, Shri P.V.G.
Rao, Shri M. Satyanarayan
Reddy, Shri S.R.
Sathe, Shri Vasant
Shanker Dev, Shri
Stephen, Shri C.M.
Tirkey, Shri Pius
Venkataraman, Shri R.

Noes

Agrawal, Shri Satish
Barakataki, Shrimati Renuka Devi
Borole, Shri Yashwant
Chaudhary, Shri Motibhai R.
Chauhan, Shri Nawab Singh
Chavda, Shri K.S.
Das, Shri S.S.
Dave, Shri Anant
Dhurve, Shri Shyamal
Digvijoy Narain Singh, Shri
Durga Chand, Shri
Gulshan, Shri Dhanna Singh

Hazari, Shri Ram Sewak
 Jain, Shri Kacharula Hemraj
 Krishan Kant, Shri
 Kureel, Shri R.L.
 Lyngdoh, Shri Hopingstone
 Machhand, Shri Raghubir Singh
 Mandal, Shri B.P.
 Mehta, Shri Prasannbhai
 Miri, Shri Govind Ram
 Mishra, Shri Shyamnandan
 Mrityunjay Prasad, Shri
 Nahata, Shri Amrit
 Nathwani, Shri Narendra P.
 Paraste, Shri Dalpat Singh
 Paswan, Shri Ram Vilas
 Patel, Shri Dharmasinhbhai
 Patel, Shri H.M.
 Patil, Shri S.D.

Ramjiwan Singh, Shri
 Rathor, Dr. Bhagwan Dass
 Rodrigues, Shri Rudolph
 Satapathy, Shri Devendra
 Sharma, Shri Yagya Datt
 Shrikrishna Singh, Shri
 Singh, Dr. B.N.
 Sinha, Shri H.L.P.
 Surendra Bikram, Shri
 Swamy, Dr. Subramaniam
 Tej Pratap Singh, Shri
 Tohra, Shri G.S.
 Varma, Shri Ravindra
 Verma, Shri R.L.P.
 Verma, Shri Sukhdeo Prasad
 Yadav, Shri Hukmdeo Narain

MR. DEPUTY-SPEAKER : The result* of the division is :

Ayes 26 ; Noes 46.

The motion was negatived.

MR. DEPUTY-SPEAKER : I will now put the amendments of Shri R. Venkataraman to vote.

Amendment Nos 29, 30, 31, 47, 50, 73 and 74 Were Put and Negatived.

MR. DEPUTY-SPEAKER : I will now put the amendments of Shrimati Parvathi Krishnan to vote.

Amendment Nos. 57 & 59 Were Put and Negatived.

MR. DEPUTY-SPEAKER : Now, the question is :

"That clause 36 stand part of the Bill."

The motion was adopted.

Clause 36 was added to the Bill.

Clause 37—(Special duties of excise.)

SHRI R. VENKATARAMAN : I beg to move† :

Page 37,—

Omit lines 13 to 18(48)

SHRIMATI PARVATHI KRISHNAN : I beg to move† :

Page 37, line 18,—

for "five" substitute "two and a half"(61)

SHRI R. VENKATARAMAN : Already there is a specified excise duty varying anything from 100 to 120 per cent in the Excise Manual and over and above that, without examining the relative capacity of various items to bear the tax the Finance Minister has suggested an increase of 5%—1/20th on that.

*The following Members also recorded their votes :

AYES : Shri G. Mallikarjuna Rao

Noes : Sarvashri Morarji Desai, Larang Sai, Karia Munda, Zulfiqarullah, Vinayak Prasad Yadav, Vinodbhai B. Sheth, Chaudhary Multan Singh, Ramapati Singh, R.P. Sarangi, T.S. Negi and Pabitra Mohan Pradhan.

†Moved with the recommendation of the President.

The Jha Committee said that most often the Finance Ministers have been compelled by budgetary necessities to impose taxes without examining whether the commodity could bear the tax or not.

A very senior and seasoned Finance Secretary like the Finance Minister now should know that as far as these items are concerned, many of them cannot bear any additional duty. Already they are subject to very heavy duties, yet he is raising the duty by another 5% just across the board without consideration of the capacity of the items to bear the tax. While the existing duties themselves are high and need a fresh examination, it is totally inappropriate that we should now increase the tax by 5% on that. I move amendment No. 48.

SHRIMATI PARVATHI KRISHNAN : I have already spoken on this when I was speaking on the first reading. Basically and as a matter of principle, I oppose this increase in the allocation for indirect taxation which this Budget is representing. I point out that such steep increase in indirect taxation is definitely going to have its reaction on prices and there will be inflationary pressure. Therefore, I have suggested that since Government does need resources for plan, the increase should not be more than half a percent. This, in a sense, is my amendment. I hope the Minister will accept that.

SHRI H. M. PATEL : I am sorry, I cannot accept these because that would mean my giving up the revenue which I desire. As I said at that time that this excise duty, this particular one, has been levied frankly as a revenue measure. This is what I said in my Budget speech. In view of the paramount need for mobilising resources for development without creating fresh distortions in the tax structure, I propose to levy a special duty @ 1/20th of the basic excise duties presently collected on each item, which is also excluding the various other things.

Therefore, by raising this, I am not creating any fresh distortion. I do not apprehend, as my friends opposite apprehend, much effect on price. I hope they will concede this much that we are as anxious as they are that the prices do not rise. It is a question of assessment. Assessment is being made and the view that we take is that it will not happen.

I hope that with their co-operation we shall ensure that.

MR. DEPUTY-SPEAKER : I shall now put amendments of Shri R. Venkataraman and Shrimati Parvathi Kriahnan to the vote of the House.

Amendment Nos. 48 and 61 were put and negatived.

MR. DEPUTY SPEAKER : I shall put Clause 37 to the vote of the House.

The question is :

"That clause 37 stand part of the Bill"
The motion was adopted.

Clause 37 was added to the Bill.

Clause 38—(Discontinuance of Salt duty).

SHRI R. VENKATARAMAN : I beg to move* :

Page 37, line 35,—

omit "For the year beginning on the 1st day of April, 1978," (33)

MR. DEPUTY-SPEAKER : Shri Gattani is not here.

SHRI PABITRA MOHAN PRADHAN (Deogarh) : I am not moving.

SHRI R. VENKATARAMAN : Every year the levy of salt duty is discontinued by a section in the Finance Act. Salt Duty is one which has become something like a sacred thing to India. The Freedom Movement itself was started with Salt satyagraha. There is no reason why you should discontinue it from year to year.

My suggestion is make it permanent. If you remove the words—"For the year beginning on the 1st day of April, 1978" then the Clause will read—

"No duty under the Central Excises Act or the Customs Tariff Act shall be levied in respect of salt manufactured in, or imported into, India."

There is no reason why we should go on every year suspending the provision in respect of salt. Every year this is being done. This has become part of our national life. I don't think any Finance Minister on this side or that side or any side will have the courage to come and levy salt duty in this country. Therefore, let Mr. Patel get the credit for having removed salt duty altogether from the Excise Manual.

*Moved with the recommendation of the President.

SHRI H. M. PATEL : I really agree with my hon. friend that this could be managed differently but it has not been so managed. The acceptance of the amendment which he proposes will also not achieve the objective that he has in mind because in the statute there is a provision which says that 'duty as announced annually' and until these words are removed it cannot be done. The required objective can be achieved by having nil rate of duty against item No. 5 of the Central Excise Tariff. I will have to carry that out. That I am not moving now. I don't think I can do it now. I will keep it in mind next time.

SHRI R. VENKATARAMAN : Is it not possible for the Minister to administratively reduce it and say that it is nil?

SHRI H. M. PATEL : If it is possible to do it, certainly I will do it. But it serves no purpose and so, as I said, we will do it next time. But it serves no purpose at present.

MR. DEPUTY-SPEAKER : I suppose you are not pressing the amendment, Mr. Venkataraman.

SHRI R. VENKATARAMAN : I am not pressing. I wish to withdraw it.

MR. DEPUTY-SPEAKER : Has he the leave of the House to withdraw his amendment?

SOME HON. MEMBERS : Yes.

Amendment No. 33 was by leave withdrawn.

MR. DEPUTY-SPEAKER : I will now put Clause 38 to vote.

The question is :

"That Clause 38 stand part of the Bill."

The motion was adopted.

Clause 38 was added to the Bill.

Clause 39—(Amendment of Act 6 of 1968)

MR. DEPUTY-SPEAKER : Now we move to Clause 39. Mr. Banatwalla, you have two amendments.

SHRI G. M. BANATWALLA : I beg to move* :

Page 39, line 5,—

for "10 paise." substitute "5 paise."
(4)

Page 39, line 12,—

for "10 paise:" substitute "5 paise:"(5)

Sir, this Clause 39 in the Finance Bill deals with the postal rates. In the case of Registered Newspapers the present position is that registered newspapers with a weight not exceeding 100 grammes require the postal stamp of 5 paise. The Government has brought forward an amendment and that is that the registered newspapers having a weight not exceeding 50 grammes would require 2 paise stamp and that in respect of weight exceeding 50 grammes but not exceeding 100 grammes they would require 5 paise. The object is quite laudable. However, as you go further in the Table, you will find that the present position is that in the case of registered newspapers for a weight exceeding 100 grammes and not exceeding 250 grammes the postal rate is 10 paise. In the present Bill this postal rate is being changed and we are told that upto 100 grammes the postal rate will be 5 paise and for every additional 100 grammes or fraction thereof exceeding 100 grammes it will be 10 paise. Now, Sir, I oppose this increase in postal rates for registered newspapers.

To put it in a simple language, the position is that in the case of registered newspapers weighing 250 grammes for, example, according to the present position the postal stamp required is only 10 paise. But, for the same article, according to the present Finance Bill the postal stamp required will be 25 paise. That is for the same article for which originally the stamp required was 10 paise. From 10 paise to 25 paise rise is rather unfortunate specially as it hits the newspapers—registered newspapers—about which I have already made elaborate submissions and I would not repeat them.

This particular amendment which I have proposed, I hope, the Government will consider kindly.

SHRI H. M. PATEL : It is not acceptable to me; nor is there anything to be argued on this point.

*Moved with the recommendation of the President.

MR. DEPUTY-SPEAKER : I shall now put the amendments 4 and 5 to the vote of the House.

Amendments Nos. 4 and 5 were put and negatived.

MR. DEPUTY-SPEAKER : Now, I shall put clause 39.

The question is :

"That Clause 39 stand part of the Bill".

The motion was adopted.

Clause 39 was added to the Bill.

Clause 40—(Amendment of Act 38 of 1974)

MR. DEPUTY-SPEAKER : There are Government amendments to this Clause. Mr. Patel Do you want to speak on them?

SHRI H. M. PATEL : No, Sir.

*Amendments made**

Page 39,—

for line 18, substitute—

"(a) in section 4,—

(A) in sub-section (1),—" (114)

Page 39,—

after line 29, insert—

'(B) in sub-section (3),—

(1) in clause (a), for the portion beginning with the words "in a case where the Income-tax Officer" and ending with the words and figures "section 212 of that Act", the following shall be substituted, namely :—

"In a case where a statement is sent by the person under clause (a) of sub-section (1) of section 209A of the Income-tax Act in the financial year immediately preceding that assessment year or where the Income-tax Officer has made an order under sub-section (1) or sub-section (3) of section 210 of that Act requiring the person to pay advance tax during the financial year immediately preceding that assessment year and the person has not sent an estimate under section 209A or, as the case may be, section 212 of that Act";

(2) in clause (b), for the words, brackets, figures and letter "sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212", the words, figures and letter "section 209A or section 212" shall be substituted;

(b) in section 5, in clause (a), for the word and figures "section 211", the words, figures, brackets and letter "section 211 or sub-section (4) of section 209A" shall be substituted; (115)

Page 39, line 30,—

for "(b)", substitute "(c)" (116)
(Shri H. M. Patel)

MR. DEPUTY-SPEAKER : The question is :

"That Clause 40, as amended, stand part of the Bill".

The motion was adopted.

Clause 40 as amended was added to the Bill.

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

SHRI H. M. PATEL : Sir, I move :

"That the Bill as amended, be passed".

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill, as amended, be passed".

Shri Stephen.

SHRI C. M. STEPHEN (Idukki) : Mr. Deputy-Speaker, we are at the end of the journey as far as budgetary debates are concerned.

The Finance Minister took satisfaction from the fact that this budget generated a lot of interest in the course of the last two months during which period the budget was under discussion.

It is true that the budget generated a lot of interest. But, in what direction this is the only question. In my memory, there is no other budget which had the distinction of being adversely commented upon and reacted against from one aspect or the other, by one section of the population or the other.

*Amendments Nos. 114, 115 and 116 moved and made with the recommendation of the President.

[Shri C. M. Stephen]

15:47 hrs.

[MR. SPEAKER in the Chair]

There is no aspect of this budget about which the nation at large and the different sections of the people at large said this is good, well done, go ahead. No—not one part of it. Every section of the population had something bad to say about one part of the budget or the other. There is one aspect of it which I want to mention when I say I am opposing this. That is this. The Finance Minister initiated last year, a new process of undoing certain things which were done and ensuring that interests of certain classes of people would be completely protected. He has taken those aspects still further. There was a new innovation injected into the last budget where under the industrial houses were told that if they go into rural areas and undertake certain development works on their own, then they will get exemption, that is to say, the exchequer's paying out under the guise of rural development to the industrial houses for acquiring assets in the rural areas. He has now taken one step further in this budget. In the last Budgetary proposal the Industrial houses could acquire assets in the name of rural development and for the money spent on that exemption was granted. Now a new dangerous innovation is injected into here viz., they need not go and start the development work, there may be some organisations, which may have some schemes, the so called approved schemes, so to say and if they are going to donate for that, that donation amount will stand protected. You are opening up the flood gates for corruption and behind the door dealings. Phoney Institutions will be coming up. The approvals would be forthcoming. There is no guarantee that the so called development schemes will be implemented and in the name of implementing the development schemes, money can be given by industrial houses to these organisations. They say: these organisations will be in force only for three years. May I ask one thing? If these organisations were of permanent character totally devoted to the development of rural areas, pursuing a rural development programme, why this three years? It is so clear that it is only for a evanescent purpose that this is being introduced.

Then again, the Capital Gains Tax and it was commented in such detail by the Wanchoo Committee and certain provisions were enacted in the Act and the whole thing was undone in the last year. Now he has taken particular care that if there is a dispute and the compensation is to be given and if the compensation is decided by the Tribunal or the Court, then the period of reinvestment will begin

from that date. Extra soltitude is shown to them. This is what is being done. What was done further is, whatever little loophole there was, whatever little difficulty there was, because of which those fortunate fellows suffered, that was all plugged and things are made alright. As we have said, there is another new phase, again, the removing of the brick from the structure. About the Hindu Undivided Family, the Finance Minister said, everything was not undone. His own explanatory Memorandum will bear out that this is exactly what was done. "The Finance Act, 1976 has withdrawn the following concessions in the case of Hindu Undivided Families having one Member with independent income exceeding the exempted limit." The entire thing is given up and he has now taken that away. In this matter, the Wanchoo Committee, after all investigations came to the conclusion that this should be done and this was incorporated. By one stroke of the pen, this is now sought to be taken away. The Hindu Undivided Family has been identified as an area where the evasion has taken place. The loopholes of the evasion are now reopened. Here is another tremendously bad innovation being brought in. If you are buying a share, you have your money, you have your income and if you put that income to purchase a new share, that income will be exempted. By buying a share, you are acquiring an asset. Merely because you buy a share that is exempted. An entirely unheard of innovation is brought in—for whose purpose, I do not know. If you are acquiring a capital asset increase that is for the purpose of a new company, then you have got the exemption. But if it is for the purpose of self-employment to start a new industry, the protection clauses will not apply. Supposing I am unemployed and I put my Rs. 10,000 and start a new industry and if industrial investment is the purpose, why not give me the protection? That one will not get. You must put your money in a corporate sector and for that money protection is given. I am asking, for whose interest it is being given? The purpose is clearly to safeguard certain interests and certain companies and certain capital floatations you have in view and for that the whole emphasis is now being given. This is the second aspect of it.

The third aspect is the most dangerous one viz., electricity and advertisement. I am speaking about their implications on the Centre-State relationship. Strains will be built up. Every State Government came and represented to the Government. Please take your hands off. This is an area where we can raise our revenue by sales tax under the Constitution. If you impose excise on it, to that extent, our effort will be limited. For Heaven's sake, do not do it. But the

Finance Minister would not listen to that unanimous plea from the States. Advertisement is an area where, as explained by Shri Venkataraman, the State Governments can raise revenue. If it is coming as a tax you will have to pay it back. So, you do not bring it as a tax, but you say it will not be treated as expenditure and you convert it into an income. If it is a plain tax, it should have gone to the States. By calling it income-tax you have put it in your pocket and you are denying the States their rights. This is the most dangerous thing that has been initiated under this process, apart from the Draconian aspect of it. Having done all this, protecting persons who deserve no protection, straining Centre-State relations etc., you are putting the heaviest burden on the common man by the most Draconian method of imposition of excise duty of 5% on items which are falling under item 68. Something was started 2 years back 1%. Last year you raised it to 2%. Now you have raised it to 5%. So, merrily it goes on. The experiment is fine. The fruits are sweet. You are going further and further about it. This is the most Draconian method of imposition on the common man.

Then, fifthly, whatever assets you have, you are now frittering away. Gold has been spoken about. I do not want to go into it in great detail. What ever gold you have, you are going to sell. You say, there is nothing wrong about it. I do not know whether this gold is going to be replenished again. You are going to import gold not for bringing down the price further but for manufacturing ornaments and sending them back. Therefore, it is not going into circulation. If it is going into circulation the question will arise as to at what price you will sell it here. It is not going to bring down the price. You are thus frittering away the foreign exchange over certain things which are not essential for the nation. In non-essential areas, foreign exchange is being frittered away. Whatever gold you have, you are going to fritter away. On the one hand, you are taking further steps and further steps in contravention and in destruction of what was built up in line with the recommendations of the Wanchoo Commission. Year after year, one step after another, you are finishing away whatever structure was built. Secondly, new innovations are being injected into it, like building up share capital at the cost of the exchequer. You can as well buy the shares rather than allowing the building of share-capital for the investors at the cost of the exchequer. Centre-State relations being strained is the most dismal aspect of it.

The Finance Minister says, the prices have stabilised. Let him live in his atmosphere of complacency. I wish him

well. Let him sleep in complete complacency. This is not a matter about which there is need for argument. It is for the common man in the street who goes to the market to say whether prices have gone up or not. The common man who goes to buy pulses, vegetable oil and common articles has got his own version to say whether prices have gone up or not. Let the Finance Minister look round and see why there is so such unrest in the country and why a new awakening is coming in this country in areas where you did not expect, why there is restiveness among the working class, among the common man and in the rural areas. There must be reasons for it. No body is motivating it. The reason is economical. This is the beginning and it is going to deepen more and more. You pass this budget, impose these taxes and create difficulties and you start the nation on its lim of journey towards greater and greater tension and frustration.

Therefore, Sir this moment when this House is going to pass this Budget will remain as the dismal hour in the history of this nation marking the beginning of a course of destructive march which will end up in complete demolition of the economy of this country and a reaction which will not be very edifying to the nation. I am sorry, I have got to be a witness to this tragic incident.

With these words, I oppose the motion.

16 hrs.

SHRI M. KALYANASUNDARAM (Tiruchirapalli): Sir, we have gone through the whole process in adopting the Budget and now passing the Finance Bill. I do not know what effect it is going to have on the Finance Minister and the Government at this late hour. Nevertheless, I want to bring to his notice a few points. Member after Member on this side spoke especially about the tax on electricity, coal and coke. Sir, this Government is not tired of saying that they are having a new strategy directed to the improvement of rural economy. I want to caution the Finance Minister that this going to ruin the rural economy, especially the tax on electricity. It will be better and useful for the Finance Minister and the Central Government to draw lessons from the recent agitation that took place in Tamil Nadu. It is not sudden. It is a continuation of the agitation that took place in 1972. During that agitation also all the parties supported it. Including the late Kamaraj all stood together and supported the agitation. 22000 farmers went to the jail and 17 lives were lost during that agitation because the State Government tried to increase the

[Shri M. Kalyanasundaram]

tariff for pump sets by one paise per unit. Now it is 16 paise per unit. Eight lakhs of pumpsets are there. The difficulties experienced by the farmers in the lift irrigation area should be sympathetically understood. They invest a lot of money. They do not get proper return and they are not assured of remunerative prices. The Government does not provide help in respect of lift irrigation. It is they who have to invest themselves without being sure of the return. That is why the agitation has taken place. It is not yet settled. It will continue and I do not know how the State Government is going to tackle it. When this burden is also added, the State Government is going to be in a miserable position. There is no use helping the State Government by sending army from here. Do not use the army for the purpose of dealing with an agitation by workers and peasants. Let the army at least remain outside the Party politics and do not use them for suppressing mass action. Learn the lessons from what is happening in other countries. If you involve military in these matters, then you will be doing great harm to this country.

Let me come to the effect of this electricity tax on the farmers and on the State. The previous speakers also have explained about the State-Centre relations. The Seventh Finance Commission is yet to submit its report. A decision will have to be taken on those things. The States are expected to get more resources as a result of that recommendation. Now, the Finance Minister is taking away whatever they have got already by imposition of this tax. Even now it is not too late. I would appeal to the Finance Minister to have re-thinking, and at least see whether he can exempt that portion of electricity used for pumpsets and for small and cottage industries from the effect of this additional tax. Something must be done. Coke is also brought into this. It is going to affect people in the far South. They are very short of coke. Small foundries are in great difficulties. The additional tax on coal will affect small foundries, and workers who are employed in them.

I would also make an appeal, in this connection, to the Finance Minister. He should come to the rescue of cottage industries like cigar, tobacco, tannery and others. The cigar industry in Tamil Nadu, especially in Tiruchi—which is my constituency—was a famous one. It is now languishing, because it is subjected to heavy excise duty. The entire tobacco industry in the South is run by the workers. This should be exempt from excise duty.

would request the Finance Minister consider this and give relief to the cigar dustry, so that it can survive.

With regard to the import of gold, I find Mr. T. A. Pai welcoming it. He advanced some reasons, e.g. that it will give some employment to our goldsmiths; but he missed the point. By the import of gold, who will be benefited? Not that I am objecting to it. But my point is that the goldsmiths who are working, should get the benefit. Goldsmiths are languishing. They do not get gold, and they do not get adequate employment, because of the high cost of gold. Who will be benefited by his measure? Big companies like Surajmull will be benefited. I would suggest that distribution system be evolved, so that the actual buyer i.e. the actual user of ornaments is able to get gold; and some quota must be fixed for the goldsmiths. Cards should be issued to the goldsmiths. Already they are registered with the Government. Cards should be issued to the actual goldsmiths, so that they can get more employment avenues.

SHRI VINODBHAI B. SHETH (Jamnagar) : I rise to welcome the Finance Bill. Some impressions have been created by the speeches of some hon. Members. There was the very powerful speech of Mr. Stephen. It could not give me satisfaction. He says that equity shares held by small persons should compulsorily be invested in the corporate sector. If small amounts of Rs. 5,000/- or Rs. 10,000/- are invested in the corporate sector, without any hitch those persons can get dividends from these companies. Of course I have made a suggestion for the expansion of equities of all companies.

Mr. Stephen has unnecessarily brought in the Centre-State relations. Mr. Patel is not going to take all the collections only to the Central exchequer. Ultimately, the benefit is going to be distributed to all the States.

Mr. Kalyanasundaram says that the proposals will ruin the rural economy. I am surprised to learn this. Nobody has taken cognizance of our Finance Minister's remarks made in the afternoon, i.e., when he said that he was earmarking 41% of the budget allocations for the expansion of dairies, rural roads and irrigation.

For the first time, we have a very bold budget. It is a bold Finance Bill. We are thinking of importing gold. This will give not only employment to goldsmiths, but it is anti-inflationary and employment-oriented. Certain features have not been looked into. For instance

they have liberalised the concession to let out residential buildings from Rs. 1,200 to Rs. 2,400. Nobody bothers from the opposition to appreciate this.

Then, the amendment of section 32 (1) (4) increases the depreciation to 40 per cent, which will give a boost construction of houses for employees. The relief under section 35-B is welcome. It will boost the export market. Of course, it is a support measure; it is no privilege.

Section 35 CC(a) is now amended. It is most welcome. Of course, when this amendment is made, it should not be misused. The fiscal authorities will have to be very careful and quick in disposal. Because, when you apply for exemption under sections 11 and 88G for charitable institutions, a lot of time is taken by the Government. I would request that donation in kind should also be given some exemption.

The estate duty limit has been extended from Rs. 50,000 to Rs. 1 lakh. This is one of the overdue concessions given in the Finance Bill. After reading the newspapers, I find that most of the suggestions given by the public have been accepted by our Finance Minister, particularly the suggestion regarding capital gains tax for investment.

Shri Venkataraman was very scared regarding the omission from section 80-A(4) of HUF. This is enlargement of the benefit to HUF, because it was available only to the individuals so far. I think, on the contrary, we should welcome this amendment.

One of the most important aspects which they have conveniently forgotten to mention is the exemption of industries upto Rs. 5 lakhs from the Central excise duty. This exemption upto Rs. 5 lakhs will do away with unnecessary formalities and will be welcomed most by the small-scale industries in the country. This exemption was not given till now, in spite of repeated requests from the small-scale industries. In fact, it fell into deaf ears.

It is good that some of the suggestions made here were accepted. Generally, most of the amendments to the Finance Bill are in conformity with the manifesto of the Janata Party. I would request the hon. Members of the opposition to appreciate it.

श्री कृप नाथ सिंह यादव (पतंगगढ़) : अध्यक्ष महोदय, मैं फिनांस बिल का समर्थन करते हुए सरकार का ध्यान इस बात की ओर आकर्षित करना चाहता हूँ कि जनता

पार्टी की सरकार को बने तेरह महीने हो गये हैं, लेकिन अभी तक धारक्षण की नीति स्पष्ट नहीं हुई है, जिस के कारण बिहार और उत्तर प्रदेश में दंगा-फसाद और हिंसा की घटनाएँ हो रही हैं। जो साधनहीन हैं, जिन के पास न जमीन है, न रोजगार है और न शिक्षा है, उन के लिए इस बिल में कोई भी प्रावधान नहीं किया गया है।

मैं सरकार का ध्यान केन्द्रीय उद्योग मंत्री, श्री जार्ज फर्नानडिस के अखबार में छपे एक स्टेटमेंट की ओर आकर्षित करना चाहता हूँ। यदि सरकार ज्यादा समय न ले कर तत्काल इस नीति की घोषणा करे, तो इस देश में जो दस पंद्रह करोड़ दबे-पिछड़े साधनहीन लोग हैं, उन को काम मिलेगा। श्री जार्ज फर्नानडिस ने जनता पार्टी को एक छः सूची कार्यक्रम दिया है, जिस के बारे में उन का स्टेटमेंट टाइम्स ऑफ इंडिया, 22 अप्रैल, के फर्स्ट पेज पर छपा है। उन का सुझाव है :—

"Job reservation for all socially and educationally weaker sections and for women. Sixty-five per cent of the jobs must be reserved, including the existing reservation for Harijans and Adivasis."

आज यह कान्ट्रोवर्सी चल रही है कि धारक्षण सामाजिक और शैक्षिक दृष्टि से हो या इकानॉमिक दृष्टि से हो। अध्यक्ष महोदय, जब प्राप जस्टिस, सुप्रीम कोर्ट थे, तो आपने यह क्लियर दिया था कि जो सोशली और एकैशनली बैकवर्ड हैं—प्राप ने इकानॉमिक आधार की बात नहीं कही है—आर्टिकल (15) 4 के अनुसार रिजर्वेशन का उन का हक है। प्राप की यानी सुप्रीम कोर्ट की यह क्लियर यह है :—

उस बैच में जस्टिस के० एस० हेगड़े, जस्टिस ग्रोवर और जस्टिस शाह थे।

"Mr. Justice K.S. Hedge (now Speaker of the Lok Sabha) sitting along with Mr. Justice J.C. Shah and Mr. Justice A.N. Grover, upholding the aforesaid view observed :

[श्री रूप नाथ सिंह यादव]

"The classification of backward classes on the basis of castes is within the purview of Article 15(4) if those castes as shown to be socially and educationally backward. . . . There is no gainsaying the fact that there are numerous castes in this country which are socially and educationally backward. To ignore their existence is to ignore the facts of life."

ये आप के कितने प्रगतिशील विचार हैं और ये विचार सारे देश पर बाइंडिंग हैं, सारी सरकार पर बाइंडिंग हैं। सुप्रीम कोर्ट का जजमेंट जब तक सुप्रीम कोर्ट उस को खूद सेट एसाइड न कर दे वह सब पर बाइंडिंग है, सरकार पर भी और नागरिक पर भी। तो बिहार के अंदर एक दो महीने से जो उपद्रव हो रहे हैं, हिंसा हो रही है, अमी अमीरवाद में तीन आदिमियों की जाने चली गई विरोध पक्ष के उपद्रव में, इस को समाप्त करने के लिए मैं चाहूंगा कि सेंट्रल गवर्नमेंट इस पर अपनी नीति की घोषणा कर दे और उसी के तहत एक रूजिंग सुप्रीम कोर्ट की और कोर्ट करूंगा जो लेटेस्ट रूजिंग है जिन के आधार पर जार्ज फर्नांडिस साहब कह रहे हैं कि 65 प्रतिशत रिजर्वेशन हो। यह सुप्रीम कोर्ट 1971 की रूजिंग पेज 1770 पैरा 24 में है :

"that in adjusting the claim of both the weaker and the stronger elements, the reservation for the former should be ordinarily less than 50% although no flexible percentage should be fixed and the actual reservation must depend upon the relevant prevailing circumstances in each case."

इस का मतलब यह हुआ कि 50 से अधिक भी हो सकता है और उन से कम भी हो सकता है। इस देश में कुल आबादी में अगर जोड़ा जाय तो 90 प्रतिशत हरिजन आदिवासी और पिछड़ी जातियों के लोग हैं जिन के नौकरी में एक प्रतिशत आदमी भी पिछले तीस वर्षों के अंदर क्लास बन, क्लास टू और क्लास थो में नहीं आए हैं। हरिजन के तो एक दो

प्रतिशत हुए हैं लेकिन पिछड़ी जातियों के बिल्कुल जीरो के बराबर है। यह इन के साथ बड़ा अन्याय है। यह संविधान में है, सुप्रीम कोर्ट की रूजिंग में है और जनता पार्टी के मैनिकेस्टो में दिया हुआ है, तो इस में क्यों देर हो रही है? मैं सरकार से कहना चाहता हूँ कि इस धारा को तुरंत लागू कर दिया जाय। संविधान की धारा 15(4) और 16(4) में इन के लिए आरक्षण की बात कही गई है। उस के अनुसार 60 प्रतिशत सीटें पिछड़े वर्गों के लिए आरक्षित कर देनी चाहिए। तभी 36 हजार करोड़ का जो यह बजट है उस का लाभ उन को भी मिलेगा वरना इस सारे बजट का लाभ बड़े बड़े घराने के लोग उठाएंगे, उन्हीं के बच्चे पढ़ेंगे और वही सरकारी नौकरियों में लिए जाएंगे। इसलिए मैं आप के माध्यम से सरकार से निवेदन करना चाहता हूँ कि यह जो मान्य नीति है जनता पार्टी के मैनिकेस्टो में उस को सरकार बिना किसी देर के लागू कर दें।

अगर आप की आज्ञा हो तो एक रूजिंग मैं और पढ़ दूँ। जो काका फालेलकर आयोग की रिपोर्ट बैकवर्ड क्लासेज के संबंध में है उस को आप ने सुप्रीम कोर्ट के जस्टिस के रूप में सही माना है। मैं दो तीन मिनट लूंगा।

"The contention is that the list of the social and educational backward classes for which reservation is made within rule 5 is nothing but a list of certain castes. Therefore, reservation in favour of certain caste based on caste consideration violates article 15(2) which prohibits discrimination on the basis of caste. But it must not be forgotten that caste is also a class of citizen and if the caste as a whole is socially and educationally backward reservation can be made in favour of such caste on the ground of it being socially and educationally backward within the meaning of article 15(4)."

Therefore, through you I request the hon. Finance Minister to give a definite reply to this question of urgent public importance.

श्री गोविंद राम निरी (सारंगड़) :
अध्यक्ष महोदय, भारत कृषि प्रधान देश है और इसीलिए हमारे पूर्वज कहा करते थे कि—

उत्तम खेती मध्यम बान ।

अधम चाकरी भीख निदान ।

जनता पार्टी के मैनफेस्टो में भी कृषि को प्रधानता देने की बात कही गई है । साथ ही साथ अन्त्योदय और गांधीवादी मितव्ययिता की आस्था को स्वीकार करने की बात कही गई है । किन्तु व्यावहारिक रूप में देखने से मालूम होता है कि गरीबों के लिए विशेष रूप से इस में कोई राहत नहीं मिल रही है । हम लोग अपने क्षेत्रों में जाते हैं, गांवों में घूमते हैं, लोग पूछते हैं कि आप जो मुनातूणा दिखाते हैं कि आप के लिए उद्योग खुलेगा, कारखाने खुलेंगे, राहत मिलेगी, यह कब तक होगा ? ठीक है, मैं मानता हूँ कि तीस साल की जिग्डी हुई अर्थ-व्यवस्था का आप एक साल में ठीक नहीं कर सकते हैं, परन्तु उसकी शुरूआत के लक्षण शुभ दिखाई दे रहे हैं—ऐसा भी अनुभव नहीं हो रहा है । मैं जनता की आवाज, जो उस क्षेत्र में रहते हैं, आप तक पहुंचा रहा हूँ । मेरा क्षेत्र अकालप्रस्त क्षेत्र है, जहां से प्रति वर्ष 75 से 90 हजार लोग कमाने-खाने के लिये उत्तर प्रदेश के विभिन्न इंटों के कारखानों में जाते हैं, क्योंकि हमारे यहां उनके लिये कोई उद्योग-धन्धे नहीं हैं और रोजगार के कोई भी अवसर उपलब्ध नहीं हैं । उत्तर प्रदेश में उनका शोषण इस प्रकार से होता है कि एक तरफ तो उनकी बहु-बेटियों की इज्जत लूटी जाती है और दूसरी तरफ उनका पैसा रोक लिया जाता है । उत्तर प्रदेश के पीपल-गांव, नैनी, रायबरेली में इंटों के अदृष्टों पर काम कर रहे सबदूरो का पीपल-गांव

भट्टे पर करीब-करीब 11,714 रुपया रुका हुआ है और उस और सरकार का कोई ध्यान नहीं गया है । यदि हमारे क्षेत्र में कुछ कारखाने खोल दिये जायें और कुछ वित्तीय मदद दे दी जाये तो इन लोगों को खाने-कमाने के लिये बाहर नहीं जाना पड़ेगा । उस क्षेत्र में लगातार 17 साल से प्रकाल पड़ रहा है ।

हमारे देश की कुल जनसंख्या में पिछड़े वर्गों की संख्या करीब-करीब 23 करोड़ है, जोकि कुल जनसंख्या का करीब 35 प्रतिशत है । आज हम इस प्रकार से कह सकते हैं कि देश का हर सातवां व्यक्ति हरिजन है । कहने के लिये तो कहा जाता है कि इनको प्रति वर्ष जमीन दी जाती है, उनको आसान दर पर कर्ज दिया जाता है, सब्सिडी दी जाती है, लेकिन व्यावहारिक रूप में यह फायदा उन तक नहीं पहुंचता है, केवल 55 फीसदी तक यह फायदा पहुंचता है, बाकी पता नहीं कहां चला जाता है ? इस बजट में 24.05 करोड़ रुपया पिछड़े लोगों के कल्याण के लिये रखा गया है, जोकि कुल बजट की धनराशि का 1 प्रतिशत से भी कम है । यह ऊंट के सूँह में जीरा के बराबर है । आप समझ सकते हैं कि यह वर्ग जो सालों से पिछड़ा हुआ और दबा हुआ रहा है, जोकि आर्थिक शोषण से पीड़ित है, उसके उत्थान के लिये क्या यह पैसा पर्याप्त है ? इसलिये मैं वित्त मंत्री जी से निवेदन करूंगा कि वे इस वर्ग के कल्याण के लिये अधिक धनराशि की व्यवस्था करें । इन वर्गों के कल्याण के लिये अभी तक जो छुआछूत अधिनियम था, जिसे "मानव-सुरक्षा-अधिकार अधिनियम" के नाम से बदल दिया गया है, उसके इम्प्लीमेंटेशन के लिये केवल 15 लाख रुपये का प्रावधान इस बजट में किया गया है, जोकि उनकी जनसंख्या को देखते हुए बहुत ही कम है । आप ही बतायें—क्या इतनी धनराशि से उसका इम्प्लीमेंटेशन हो सकेगा ? हमारे संविधान के अनुच्छेद 46 में भी कहा गया है कि राज्य के कमजोर वर्गों, खास कर अनुसूचित जनजातियों के आर्थिक और आर्थिक

[श्री गोविंद राम मिरी]

हितों पर विशेष ध्यान दिया जायगा तथा सामाजिक अन्याय व हर तरह के शोषण से उनका बचाव किया जायेगा। इसी प्रकार की बातें हमारे घोषणा-पत्र में भी कही गई हैं। जब इस प्रकार की हमारी नीति है, फिर क्या बजह है कि इन बेचारों की लंबोटी पर आज भी धोती चढ़ नहीं पाई है। आज गांव में महंगाई के कारण लोगों की कमर टूट रही है। शिक्षित बेरोजगारों को बैंकों में भटकाया जा रहा है। बैंकों का नाम-मात्र के लिये नेशनलाइजेशन हुआ है। मैं तो कहूंगा कि नेशनलाइजेशन के पहले जो स्थिति थी, उससे भी आज बदतर स्थिति है। मेरे पास, मेरे क्षेत्र से कई आवेदन-पत्र आये हैं कि शिक्षित बेरोजगारों को ऋण मंजूर हुए डेढ़ साल हो गया है, लेकिन ऋण अभी नहीं मिला है। मैं निवेदन करूंगा कि इस प्रकार की जो भटकाव और मृगतृष्णा वाली बात है, वह न की जाये, बल्कि बैंकों को कड़े निर्देश दिये जायें कि उनको आसानी से ऋण उपलब्ध किया जाये। हरिजन, आदिवासियों को ऋण देने की जो बात है, उसमें नियमों को शिथिल किया जाये और उन की सिक्योरिटी स्वयं सरकार दे, तभी वे आगे आ सकेंगे। आज वे व्यापार में नहीं जा सकते, उनके मजदूरी करने का कारण यही है कि वे आर्थिक रूप से पिछड़े हुए हैं, सामाजिक रूप से पिछड़े हुए हैं, उनको उठाना हमारा कर्तव्य हो जाता है। जब से जनता पार्टी शासन में आई है, लोगों की इच्छायें और आकांक्षायें बहुत बढ़ गई हैं। इसलिये मैं निवेदन करना चाहता हूँ कि आप इस ऋण में और अधिक रुपया दें।

बैंकों के बारे में मैं एक बात और कहना चाहता हूँ। हमारे गांवों में जो पुराने उद्योग-धंधे वाले थे, जैसे मोची थे, उनकी जगह बाटा ने ले ली है, जो लोहार थे, उनकी जगह टाटा ने ले ली है, जो हमारे यहाँ कुम्हार भाई थे, जो बर्तन बनाने वाले थे, उनके धंधे की हालत भी बहुत खराब हो गई है—इन उद्योगों

को पुनर्जीवित करने के लिये अधिक फाइनेंस की जरूरत है। मैं यहां पर यह मांग भी करता हूँ कि केन्द्र सरकार राज्य सरकारों को जो पैसा देती है, वह भी देखें कि जिस मद के लिये पैसा दिया गया है, वह उसमें खर्च हो भी रहा है या नहीं तथा इस नियम का कड़ाई से पालन किया जाना चाहिये।

बैंकों में रेक्यूटमेंट की जो पालिसी है वह हरिजन और आदिवासियों के लिये थोड़ी शिथिल की जाये। जिस प्रकार से पी० एम० टी० की परीक्षा में उनको कुछ प्रतिशत अंकों की छूट दी जाती है, उसी तरह से इन्कम टैक्स, कस्टमज तथा बैंकों में जो भरती होती है, उसमें भी हरिजनों और आदिवासियों को छूट दी जाये

अन्तर्जातीय-विवाह के लिये उदारता-पूर्वक धन दिया जाना चाहिये ताकि समाज में फैली हुई अव्यवस्था दूर हो सके। मजदूरों के वेतन में आज काफ़ी असमानता है एक ओर हम कहते हैं कि 4 रुपया या साढ़े चार रुपया दिया जाना चाहिये, लेकिन दूसरी ओर पी० डब्ल्यू० डी०, इरिगेशन आदि विभागों में 2 रुपया 70 पैसे से 2.90 रुपया रोज पर काम करा रहे हैं और इसका कारण यह बतलाते हैं कि फण्ड्स नहीं है

हरिजन और आदिवासियों को जो जमीन दी जाती है, वह बंजर होती है, अन-उपजाऊ और असंचित होती है, जिसमें वे खेती नहीं कर सकते हैं मैं चाहता हूँ कि इसके लिये आपकी ओर से बैंकों व प्रांतीय शासन को निर्देश दिये जायें ताकि उनको धन आराम से मिल सके

स्वर्ण नियंत्रण के बारे में मैंने एक प्रश्न पूछा था—अनस्टाईड प्रश्न सं० 4230, ता० 16 दिसम्बर, 1977—मुझे अभी तक उसका जवाब नहीं मिला है मैंने पूछा था कि 1962 से लेकर अक्टूबर, 1977 तक कितने स्वर्णकार प्रभावित हुए हैं तथा उनके

रिहिविलिटेशन के लिये केंद्रीय सरकार ने क्या-क्या किया है तथा इस नियंत्रण से क्या फायदा है और इसके न चलते रहने से क्या नुकसान है? लेकिन अभी तक मुझे इसका जवाब नहीं मिला है। आज भी जो सामान्य स्वर्णकार है, उनके रिहिविलिटेशन के लिये कोई काम नहीं हुआ है। इस काल से उन्हें कोई राहत नहीं मिल रही है। इस तरह की पेट्टीशन स्वर्णकारों की तरफ से मेरे पास आ रहे हैं।

अन्त में वित्त मंत्री जी से मैं यह निवेदन करना चाहता हूँ—हमारे संसद सदस्यों को जोकेसन और भत्ता दिया जाता है, वह बहुत ही कम है। कई राज्यों में यहाँ से ज्यादा तनखाह और सुविधायें दी जाती हैं। हम लोगों को जो 500 रुपये बेटन और एलाउंस का मिलता है, उसमें से टेलीफोन, मकान का किराया, घाने जाने वाले मेहमानों का खर्च चला जाता है। न पत्नी के लिये पास की सुविधा है, न बाल-बच्चों के लिये कोई सुविधा है, इतने बेटन में से क्या हम खाये और कैसे जमता की सेवा करें। उत्तर प्रदेश में एक एम० एल० ए० और एम० एल० सी० को 1 हजार रुपये बेटन मिलता है और हमको भी करीब-करीब उतना ही मिलता है। मेरी वित्त मंत्रीजी से प्रार्थना है कि वे इस ओर ध्यान दें और अधिक धन दें, जिससे हम प्रसन्नता और ईमानदारी से काम कर सकें।

इन शब्दों के साथ, इस आशा से कि जल्दी जो इन सुझावों की ओर ध्यान देंगे, मैं इस बिल का समर्थन करता हूँ।

SHRI H. M. PATEL : We have discussed the budget new fairly fully, thoroughly and exhaustively. I am sorry to say that the first speaker in the third reading the Leader of the Opposition, is not here. I had hoped that he would have been here because he said a number of things to which at least he should have waited to listen to what I had to say in answer to his observations. Some of them were extremely provocative, because he attributed motives. I do not mind

criticism. If he had begun by saying that this is a useless budget or something to that effect, I would not mind. But to say that various poisons have been included in the budget, in the Finance Bill, which have some ulterior motives to assist some special organisations, some business houses, some industrial houses, what right had he to make such an insinuation. There was nothing in it. He lives in an atmosphere of intrigue, suspicion and casting motives. That is how he has been brought here; that his party's motive. Otherwise, where is the necessity 'or saying, what was the need for saying that if in the capital gains certain changes are made then they are made only to benefit some people? What is that particular provision that those who make investment in new ventures, in new companies coming forward for investment and those who invest in it, will be allowed certain tax concessions? Is this for the benefit of any industrial house? My hon. friends, a number of them, sitting opposite would say, no. It is definitely in the interest of any body or smaller people who would invest in this. They get tax benefit.

Now, in any case, even that is not so. He had no business, whatsoever, to make any such suggestion. But that is not the only thing. He said on other things also similarly. But since he is not here, it would perhaps not be proper for me to say more in that particular context. He said that the entire budget scheme now and the last year's was designed to help industrial houses. He said; the industrial houses could go to rural areas. I am glad to see that Mr. Stephen has come in. He said that we suggested—last year's budget—that industrial houses may be given a certain concessions in order that they may do rural development work. That he thought was very dangerous. But now he said that we had gone a step further. We have said that they may make some contribution to authorised institutions which work for rural development. For that also, they would get concession. He thinks that this is the most monstrous thing that could have been done. He is apprehensive of all manner of things. This is a door opening to a vast amount of corruption. I am afraid he is a very wrongly informed and he has not taken the trouble to study the scheme. Obviously, again he is unfortunately so steeped in this particular atmosphere of corruption that he cannot get out of it. Otherwise, he would not have said that. Otherwise, he would have seen that the industrial houses going into the rural area for rural development work or the specialised organisations which are going to do this rural development work are going to be approved by a prescribed authority. Of course, then he says that the prescribed authority might be approach-

[Shri H. M. Patel]

able. Why does he suggest this? Why does he think that it is going to be so? Has he any reason to think so? Has he any reason to go into the question of who is the prescribed authority, if he has taken the trouble to see this? Then what he says is that all the highest officers of the Government of India are going to be approachable. So, was I wrong when I said that only jaundiced eyes could see these things? Nobody else could see it because there is nothing in it, there is no such thing. It is not for the benefit of industrial houses; it is for the benefit of rural areas and rural development work. The rural development work is going to be stimulated by this. Merely because you go on insinuating in this manner, it will not go in any different direction.

He then proceeds to say that all this business is solicitude for the rich, not for the common man. Coming from Kerala, perhaps, he does not understand the meaning of the word 'Janata'. The very party itself is meant for the common man. My friend comes from the area where the word 'Janata' is not known. But I would enlighten him on this that 'Janata' means the ordinary man, the people.

SHRI C. M. STEPHEN : I know the meaning. (Interruptions).

SHRI H. M. PATEL : I am very glad he has made this great discovery. If you know that, then you should know that the party which stands for people also goes on working for the people and is interested only in the welfare of the people. But being interested in the welfare of the ordinary man does not mean that you do injustice to those who are rich. That does not mean that. You may say that the rich should not be favoured. But I would like him to show where we have shown any special favour. None at all. We go on the basis of the main objective. The objective, as I said, in this particular matter was rural development what was the objective in the matter when he talked about capital gains concessions? It was not for the purpose of benefitting only the rich. The objective was that those who are less rich, those who have some assets which are tied up and immobilised, could release them, so that the immobilised money comes into circulation for the purpose of investment. What is our greatest need today? It is investment which is the greatest need.

He proceeded again to insinuate that the entire concept of electricity duty was to encroach on the States' rights. I think he might have given the Janata Government some credit for a reasonable amount of farsightedness. It understands

perfectly well what the States' rights are and what the Centre's rights are. You may take a different view of the law on the basis of which I have said that the electricity duty is perfectly justified; the Centre has the right to levy it on production. But his point is that this is the prerogative of the State Governments and that this is encroaching on their preserves. I would like to ask this of my hon. friend. Ultimately are the State Governments' development plans and projects in any way constrained because of financial resources? Have they been constrained in the last two years? Has not the Central Government gone out of its way in order to see that financial facilities are given to see that their development plans are not curtailed in any manner whatsoever in spite of the fact...

SHRI M. KALYANASUNDARAM: What did you do in the case of cyclone relief? Was the amount paid towards cyclone relief not accounted against Plan allocations?

SHRI H. M. PATEL: I am sorry to say that Mr. Kalyanasundaram does not understand. Although it is true that was also the result of the particular scheme of financial relief in the event of calamities beyond which we could not go. Nevertheless we did this we gave the money and said that it was an advance it was against subsequent Plan contributions. But he forgets what I said in this House that we would not allow this fact that the large finances will have been drawn and utilised for purposes of natural calamities to come in the way of development plans of any of those States. Whatever are the development plans we will see to it that they are made possible to the fullest extent.

We do not indulge in this kind of subterfuges as my Hon. friend used to. We meant what we said. When we said we will assist the State Governments so that their development plans do not suffer, we did exactly what those words meant, and the development plans were approved to the fullest extent.

SHRI C. M. STEPHEN: Now that he asked me a question about the State...

SHRI H. M. PATEL: No, I did not ask any question. I do not yield.

SHRI C. M. STEPHEN: If you will permit me...

SHRI H. M. PATEL: There is no necessity. I have not mis-understood him. I understand him perfectly. He spoke distinctly as is usually the case with him. He speaks in a most forceful manner—something which I am rarely

able to do. I think, therefore, that he does not need to repeat whatever he has said before, because he can only repeat it: there is no additional argument that he can advance.

SHRI C. M. STEPHEN: If you do not yield, I cannot say anything.

SHRI H. M. PATEL: I do not yield because I do not wish to give you more trouble.

And this is the most odd thing. When I maintained that these budget provisions will not result in inflationary tendencies, that we will be able to contain inflation, that we shall not allow prices to rise and that prices are in fact stabilised today, he said 'let the Finance Minister and the Janata Government live in the illusion of price stability'. We, Sir, live in no illusion. Unfortunately, perhaps the Hon. Member was not present when I replied to the debate and when I pointed out how the two indices⁹ the two criteria by which you judge the movement and trends of prices—the wholesale index and the consumer index—both these indices show clearly what the price position is. And both these indices form a method which not only this country but which the world recognises. Also, these indices were developed and formulated by the previous Government and the commodities and items that go into the working out of these indices were also determined by that Government. It is not a new thing that we formulated. It is on the basis of this that I maintained there is price stability and I would request my Hon. friend and the Opposition to bear in mind what I said in my budget speech: let them not create a price psychosis quite unnecessarily and let them not keep on saying the prices are rising when they are not rising. There is no need and end, in matters such as this, to try and gain any political advantage because it damages the country. In the national interest, I would request my Hon. friends opposite to keep away from unnecessary propaganda. It is a sad thing.

SHRI M. SATYANARAYAN RAO (Karimnagar) : One of your own Members raised the point.

SHRI H. M. PATEL : My advice will be the same to him also. There is no necessity to indulge in such talks, when it is not so. My Hon. friend had said 'go to the market and see whether the prices of pulses have gone down'. Of course they have not gone down because this is one commodity where there is shortage and there is no way of making good for the simple reason that it is not grown in other countries whence we can import : it can only be from within this country.

Shri Kalyanasundaram had a few points to make. But he has departed and so I think I will not say much on that.

With these remarks I would request that the House may now pass the Bill.

MR. SPEAKER : The question is :

"That the Bill as amended, be passed."

The motion was adopted.

16.45 hrs.

DEPOSIT INSURANCE CORPORATION (AMENDMENT AND MISCELLANEOUS PROVISIONS) BILL.

THE FINANCE MINISTER (SHRI H.M.PATEL) : I beg to move :

"That the Bill to provide for the acquisition and transfer of the undertaking of the Credit Guarantee Corporation of India Limited in order to serve better the need for providing credit guarantee to commercial banks, and further to amend the Deposit Insurance Corporation Act, 1961 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto, be taken into consideration".

Sir, this Bill seeks to provide for the acquisition by the transfer to the Deposit Insurance Corporation of the undertaking of the Credit Guarantee Corporation of India Ltd. in order to serve better the need for providing credit guarantee to commercial banks.

The Deposit Insurance Corporation deals with ensuring the safety of bank deposits. It was established on 1st January, 1962 by an Act of Parliament, with the object of giving a measure of protection to depositors, particularly small depositors, from the risk of loss of their deposits in the event of a bank's inability to meet its liabilities. When the Corporation was set up, a major part of banking in India was in the private sector. The State Bank Group was also brought within the purview of the Corporation so that its membership and consequential support, by way of insurance premia, of the Deposit Insurance Corporation would ensure the stability of the private sector of the banking system. Insured banks are required to pay to the Corporation premium at the existing rate of 4 paise per annum for every hundred rupees of their assessable deposits. The present limit of insurance cover is Rs.20,000 to a depositor in respect of all deposits held by him in an insured bank.

[Shri H. M. Patel]

The Credit Guarantee Corporation of India Ltd. was set up in January, 1971 under the Companies Act, 1956 to transact the business of guaranteeing and indemnifying of loans and advances granted by the commercial banks, cooperative banks and other financial institutions. One of the objectives of nationalization of the 14 major private commercial banks was that bank credit should be available to the weaker sections of the society, e.g. small farmers, small industrialists, self-employed persons and small transport owners and workers, in a much greater degree than hitherto. While the scheme operated by the Credit Guarantee Corporation of India is optional, a bank wishing to join this scheme is required to bring its entire lending to the specific sectors within the scheme. All commercial banks have joined the scheme in view of its advantages.

As the objectives of the two corporations are cognate, in that both seek to protect banks and depositor and since the resources of the Deposit Insurance Corporation are relatively larger as compared to the risk carried by it, while those of the Credit Guarantee Corporation of India Ltd. are relatively smaller, it is considered advantageous to transfer the undertaking of the Credit Guarantee Corporation of India Ltd. to the Deposit Insurance Corporation which will be renamed as the Deposit Insurance and Credit Guarantee Corporation.

At this stage, while commending the Bill for consideration, I shall confine myself to the relatively more important provisions. For the take over of the undertaking of the Credit Guarantee Corporation of India Ltd., by the Deposit Insurance Corporation, it is proposed to provide for the payment by the Corporation to the C.G.C.I. by way of compensation, an amount of Rs. 2 crores (which is equal to the total paid up capital of the company). The Deposit Insurance Corporation will take over all the assets, liabilities and business of the company. Provision has also been made for the winding up of the C.G.C.I. by the Central Government in course of time. The Deposit Insurance Corporation will carry the business of guaranteeing and indemnifying loans and advances granted by the credit institutions on payment of prescribed fees. The Credit Guarantee Scheme for small scale industries which is administered by the Reserve Bank of India on behalf of the Central Government, will continue to be so administered. However, an enabling provision has been included in the Bill that the enlarged Corporation may act as the agent for the Central Government

in guaranteeing the credit facilities granted to the small-scale industries concerned by the credit institutions at a later stage. The authorised capital of the Deposit Insurance Corporation is proposed to be increased from Rs. 5 crores to Rs. 15 crores in view of the additional business which the Corporation would have to undertake after the transfer of the undertaking of the Credit Guarantee Corporation of India. The Bill also includes certain amendments to the Deposit Insurance Corporation Act which are considered necessary in the light of the experience gained in the administration of the Act.

Without taking more time, I commend it to the House and I move.

MR. SPEAKER : The question is :

"That the Bill to provide for the acquisition and transfer of the undertaking of the Credit Guarantee Corporation of India Limited in order to serve better the need for providing credit guarantee to commercial banks, and further to amend the Deposit Insurance Corporation Act, 1961, and the Reserve Bank of India Act, 1934, and for matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

MR. SPEAKER : Now, we take up clause by clause consideration.

There are no amendments.

So, the question is :

"That clauses 2 to 9 stand part of the Bill."

The motion was adopted.

Clauses 2 to 9 were added to the Bill.

MR. SPEAKER : Now, the question is :

"That clause 1, the Enacting Formula and the title stand part of the Bill."

The motion was adopted.

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

SHRI H.M. PATEL : I move :

"That the Bill be passed."

MR. SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

SHRI B. SHANKARANAND
(Chikkodi) : It should be "The Bill, as
amended ..."

MR. SPEAKER : No, no, there are no
amendments to the Bill.

SHRI C.M. STEPHEN (Idukki) :
Now, Mr. Patel is satisfied that we are very
co-operative.

MR. SPEAKER : Yes, you are very co-
operative.

SHRI H.M. PATEL : I thank you.

MR. SPEAKER : Now, we have finished
the day's business and for the first time we
are adjourning much earlier than the
scheduled time. Now, the House stands
adjourned till 11 a.m. on 2nd May.

16.52 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Tuesday, May 2, 1978/Vaisakha
12, 1900 (Saka).*