

der; why they cannot say in categorical terms that when this report is called for judicial cognisance along with the various reports laid on the Table, they will be given. The Commission instituted under the Commission of Enquiries Act cannot take a judicial decision on these reports without seeing them and so they want it. Why cannot they say in categorical terms that this report would be made available? Secondly it raises a very delicate Centre-State relationship. Orissa is a surplus State regarding food. There is the law and order situation. We do not want that this cordial relationship should be snapped. We all want that cordial relations between the State and the Centre should continue. What is the wisdom in the Home Ministry decision to put all impediments in the State-Centre relationship?

Shri Y. B. Chavan: The hon. Member has offered his comments. I do not think he has asked for any information.

Shri P. K. Deo: I wanted a categorical answer to my question.

Mr. Speaker: You gave a long background. What is the question? Put the question.

Shri P. K. Deo: You know all that background. In view of all that, if the commission of enquiry asked for the report to take judicial cognisance of it, will it be made available to the commission?

Shri Y. B. Chavan: I said that if the commission requires it for purposes of evidence, certainly our intention will be to give it to them.

12.28 hrs.

ELECTION TO COMMITTEE

CENTRAL ADVISORY COMMITTEE FOR
NATIONAL CADET CORPS

The Minister of Defence (Shri Swaran Singh): Sir, I move:

"That in pursuance of sub-section (1) of section 12 of the National Cadet Corps Act, 1948, as amended by the National Cadet Corps (Amendment) Act, 1952, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Central Advisory Committee for the National Cadet Corps for a term of one year, subject to the other provisions of the said Act and the Rules made thereunder".

Mr. Speaker: The question is:

"That in pursuance of sub-section (1) of Section 12 of the National Cadet Corps Act, 1948, as amended by the National Cadet Corps (Amendment) Act, 1952, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Central Advisory Committee for the National Cadet Corps for a term of one year, subject to the other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

12.29 hrs.

GENERAL BUDGET—GENERAL DISCUSSION—contd.

Mr. Speaker: We have seven more hours for the debate. We shall take up the General Discussion now.

Shri P. K. Deo (Kalahandi): Before you go to the next item, regarding the privilege motion I have given notice against the Prime Minister....

Mr. Speaker: No, not here. It should be brought to my notice in the Chamber.

Shri P. K. Das: If she can correct her statement in the light of Major Gen. Rikhy's report....

Mr. Speaker: He can please write to me. He should not raise it here like this. Anything raised on this matter will not be taken down. The Swatantra Party has 21 minutes; Jan Sangh 35 minutes; DMK 26 minutes; Communists 17 minutes. SSP had finished their; the other Communists also have finished. PSP a'so finished their time.

Shri Hem Barua (Mangaldai): You may call Acharya Kripalani.

Mr. Speaker: Yes; Acharya Kripalani.

Shri Baburao Patel (Shajajur): Sir, on a point of order. What about one-man party?

Mr. Speaker: Point of order on what? There is no subject under discussion now. Now, Shri Ahmad Aga has to continue his speech. After that, I shall call Acharya Kripalani.

श्री अहमद अगा (बारामुल्ला): सभापति महोदय; मैं यह कह रहा था कि यह कांग्रेस पार्टी की सरकार ही है जिस ने एन्क्वायरी कमिशन अन्वाइंट किया और उन की रिपोर्ट के मुताबिक वही कांग्रेस सरकार होगी जो कर्माडिम हाइट्स को कंट्रोल करेगी। यह कांग्रेस सरकार ही होगी जो उन तमाम बिजिनेस हाउसेज को, जो कि 75 बतलाये गये हैं, और जिन में कंसंट्रेशन आफ एकानमिक पावर हो गई है, कंट्रोल करेगी। इस मिलसिल्वे में मुझे गांधी जी की भी एक बात याद है। उन्होंने कहा था कि :

"A nation can do without its capitalists, but it can never do without its labourers."

और यह हमारा इन्डस्ट्रियल प्रिंसिपल भी तो है। इसलिये यह खयाल करना कि कांग्रेस सरकार मोनेपोलीज को बढ़ने देगी नाइसस्त है।

मैंने बहुत सी तकरीरें सुनीं जो कि बजट पर हुईं। उन में मैंने यह देखा कि बहुत से मुवजाद प्रश्न यहां रखे गये। मसलन कि टैक्सेशन को कम किया जाये, इनकम पर 10 परसेन्ट कटाती और इम्पोज की जाये। यह बात रखी गई कि डिफेन्स बजट को कम किया जाये, यह सजेशन भी रखा गया कि डिफेन्स बजट को बढ़ावा मिले। यह बात रखी गई कि हम को अमन और सुलह से रहना चाहिये, साथ में यह बात रखी गई कि न्यूक्लियर वेपन्स को बनाना चाहिये। यह सब मुतजाद तजवीजें जो यहां आईं वह उभरी और डूबीं। मगर देखना यह है कि वह कौन सी बातें हैं जो सब ने कहीं, उधर से भी कहीं और उधर से भी कहीं। वह यह थी कि कीमतें बढ़ रही हैं, प्रोडक्शन और ज्यादा हो फूड फ्रंट पर भी और कन्स्यूमर आर्टिकल्स भी। यह कहा गया कि एक्सपोर्ट प्रमोशन को बढ़ावा दिया जाये, यह कहा गया कि हम को टैक्स स्ट्रक्चर बेहतर बनाना चाहिए। यही वह तमाम बातें हैं जो माननीय मंत्री के बजट की बेसिस है। और इमीलिये, मैं समझता हूं कि यहां पर मंत्री महोदय के बजट को जनरल सपोर्ट मिला। जो बेसिस बजट की है वही अप्रोज इस बजट के लिये सब माननीय मेम्बरों की है। लेकिन देखना यह है कि क्या बजट कोई छू-मन्तर है? यह छू-मन्तर तो ही नहीं सकता।

बहुत बरस हुए हम ने प्लैनिंग शुरू किया। इस उम्मीद से उसे शुरू किया कि हमारी कौम, हमारा मुल्क, हमारे लोग मेहनत करेंगे और मेहनत से हम बहुत आगे जायेंगे। इसलिये हम ने डेफिजिट फाइनेंसिंग की। मगर चूंकि मेहनत उस दर्जे पर नहीं हुई इसलिये नतीजा यह हुआ कि हमारे रुपये की जो ताकते खरीद थी, वह कम हो गई। साथ में जब प्रोडक्शन नहीं बढ़ा तो उस का लाजिमी नतीजा यह हुआ कि स्केप्रसिटी भी हुई और प्राइसेज बहुत बढ़ीं।

फिर हम को धूलना नहीं चाहिये कि एक तरफ तो चीन ने पंचनील पर इस्तक़त

किये और दूसरी तरफ उस ने जंग की वैधारी की। अचानक एक ऐसा बकल आया कि हिन्दुस्तान पर उस का हमला हो गया। हम को यह भी भूलना नहीं चाहिये कि हमारा एग्जेम्प्ट पाकिस्तान ने माघ भी हुआ। अभी हम चीन से निपट नहीं पाये हैं कि पाकिस्तान से निपटना पड़ा। पाकिस्तान से निपटने के बाद से दो माल लगातार ड्राउट (खुश्कसाली) हुआ। इस का नतीजा यह हुआ कि मुल्क के बहुत से पाकेट्स में बदहाली हो गई। यह सब बातें ऐसी थीं जो मुश्किलान पैदा कर सकती थीं। यह एक ऐसा बकल था जब मुल्क एक हो जाता, हुकूमत का हाथ बंटाया जाता और उस को इन सब बातों में फुरसत दी जाती ताकि वह मुल्क को रिस्कट्ट करती। बहुत से मुल्कों में जंग हुई और उन्होंने उस के बाद अपने को रिस्कट्ट किया। इस सीके पर कोशिश यह होनी चाहिये थी कि हम आगे जायें।

अभी दो रोज हुए मैंने अध्यक्ष जी आप का एक मजमून "योजना" में पढ़ा। उस में आप ने फरमाया था कि गेले सीके पर मुल्क की तमाम पार्टीज को एक हो जाना चाहिये जब कि ऐसी टर्मजेंसी हो। छोटी छोटी बातों को अलग रखना चाहिये। उस बकल से मेरे जहन में एक बात आई कि यह बात ठीक तो है क्योंकि भारत माता से सब को बफा है, भारत माता से सब को मोहम्बत है, कोई पार्टी ऐसी नहीं है जो भारत माता की श्रेयस नहीं चाहता। उस बकल से जहन में आया कि :

"अहले बक्रा के फ्रक से जीके बक्रा में फ्रक क्या जाओ मुझ अलग सही, मैं का अमर तो एक है।"

अगर यह बात हमें उस बकल याद आ जाती जब जंग के असरात थे, जब कहत के असरात थे, तब हमें कोशिश यह करनी चाहिये थी कि हम सरकार की मुश्किलान को कम करें और उस को मीका दें कि वह आगे जा सके। अगर हम ने क्या किया? हम ने यह किया

कि कभी स्टूडेंट एजिटेशन को हवा दी। कभी सूबे की मांग हो गई। और फिर काऊ एजिटेशन, और मुझे उम बकल बड़ा शक हुआ, जब मैंने देखा कि हमारे काश्मीर में भी एक डिमांडेशन हुआ। डेढ़ दो सी बरस से हम काऊ को मुतबरक मानते हैं। अब घाबत हो गई है और हर मजहब वाले उस को मुतबरक समझते हैं। अगर वहाँ डिमांडेशन हुआ। उस की जरूरत नहीं थी। सबाल यह है कि यह सब चीजें बकल पर होनी चाहियें। एक ऐसे बकल में जब कि मुश्किलान का समां था ऐसी बातों के उपर हमें अपनी एनर्जी को फिटर अवे नहीं करना चाहिये।

मैंने कहा कि बजट को हर तरफ से सपोर्ट ही घाई है। जो अग्रोच बजट में रक्खी गई है वही सब लोगों की है। इस मिलसिले में मैं चन्द प्रश्न आप के सामने रखना चाहता हूँ। मैं समझता हूँ कि जहाँ तक फूड प्रोडक्शन.

Shri D. C. Sharma: (Gurdaspur): The treasury benches are not attending to the speech. They are talking to each other. They are indifferent.

Mr. Speaker: The hon. member should conclude now.

श्री अहमद आगा : मैं यह कह रहा था मैं चन्द बातें यकी महोदय के विचार के लिये रखना चाहता हूँ। पहली बात यह है कि फूड प्रोडक्शन को बढ़ावा देने की बात उन्होंने भी कही और दूसरे लोगों ने भी कही। सब ने कहा कि ठीक है। अगर फिर भी मैं समझता हूँ कि चन्द बातों का कहना जरूरी है। मसलत यह काफी नहीं है कि हम इम्प्युट्स को बढ़ायें यह काफी नहीं कि बेहतर सीड्स और इन्सेक्टिसाइड्स दिये जायें। आज हमारे किसानों के पास होल्डिंग्स बात कम है। हर अकस ट्रेक्टर खरीद नहीं सकता है। उम के लिये वह एकानमिक पोलीशन नहीं है। मैं समझता हूँ कि हर स्टेट में एक कारपोरेशन होना चाहिये जो ट्रेक्टरों को किराये पर भी वे और हायर पर्चेज सिस्टम पर भी दे, ताकि

[श्री ग्रहमद भागा]

उस को ले कर हम बेहतर सीडबेड तैयार कर सकें। हमारा हल जमीन को खोदता नहीं है, उस को खुरचता है, इस लिये हमारी पैदावार बढ़ती नहीं है।

दूसरी बात जो मैं कहना चाहता हूँ फूड के सिलसिले में वह यह है कि मेरे पास एक किताब है जिसका नाम स्टैटिस्टिकल पाकेट बुक है, उस में दिया गया है कि यहाँ पर फनकल्टिवेशन बेस्ट 36 मिलियन हेक्टेअर्स है। फैलो 21 मिलियन हेक्टेअर है, फनकल्टीवेबल बेस्ट 36 मिलियन हेक्टेअर है और नाट-अबलेबल 50 मिलियन हेक्टेअर है। मुझे मालूम नहीं कि यह नाट-अबलेबल के क्या मानी हैं। इसका तजारीह नहीं की गई है। मैं समझता हूँ कि यह सारी जो जमीन है इसको जेर कायत लाया जाना चाहिये।

गवर्नमेंट यू० एन० स्पेशल फंड की मदद के फारेस्ट बेन्ड इंडस्ट्रीज का प्लान कर रही है, उसका सर्वे भी कर रही है। मैं चाहता हूँ कि इस काम में हकूमत, काश्मीर को याद रखे। वहाँ पर जंगल बहुत हैं और वहाँ पर फारेस्ट-बेन्ड इंडस्ट्रीज बहुत लग सकती हैं।

काश्मीर में फूट बहुत होता है। लेकिन फफसांस की बात यह है कि 33 परसेंट उस में से जाया हो जाता है। यह जो फूट है इसको गाय भी खाने से इन्कार कर देती है। यह जाया न हो, इसका तरीका हमें ढूँढना होगा। एक तो ट्री फाल होता है जो कच्चा फल गड़ जाता है वह होता है। उसको बाहर नहीं भेजा जा सकता है। इसके बाद जब फल पक कर तैयार हो जाता है तो उसको भी बाहर नहीं भेजा जा सकता है क्योंकि वह रास्ते में ही सड़ जाता है। इस वास्ते एक तो वहाँ पर कोल्ड स्टोरेज का इंतजाम होना चाहिये। पांच बरस से कोल्ड स्टोरेज की बात सुनने में था रही है लेकिन कुछ नहीं हुआ है। मैं चाहता हूँ कि इस तरफ ध्यान दिया जाए। एक बार

यह प्रश्न भी उठा था कि काश्मीर स्टेट गवर्नमेंट यहाँ की मिनिस्ट्री आफ डिफेंस के साथ इसकी कोलैबोरेशन से वहाँ पर एक फूट प्रासेसिंग प्लांट बड़े पैमाने पर बनाएगी। वह भी नहीं हुआ है। मैं पुरखोर अपील करना चाहता हूँ कि सेंट्रल गवर्नमेंट बहुत बड़े पैमाने पर काफी बड़े पैमाने पर सेंट्रल प्राजेक्ट प्रासेसिंग के लिए बनाये। यह बहुत जरूरी है।

वहाँ पर हैडीक्राफ्ट्स होती हैं। वे काटेज इंडस्ट्रीज इम्पोरियम के जरिये कभी कभी फारेन मार्किट्स में बली जाती हैं। लेकिन वह तो काटेज इंडस्ट्रीज एम्पोरियम है वह तमाम हिन्दुस्तान के हैडीक्राफ्ट्स का एक्सपोर्ट करता है। मैं अर्ज करना चाहता हूँ कि काश्मीर के जो हैडीक्राफ्ट्स हैं उनके लिए धरम से कोई इंतजाम प्राप करें।

फूट प्रासेसिंग के लिए शूगर हमें यहाँ से ले जानी पड़ती है। शूगर की कमी है और फूट कामटेन्ट बढ़ाया जा सकता है। बीट रूट से शूगर बनाई जा सकती है। मैं चाहता हूँ कि इसको बनाने का भी इंतजाम प्रापको करना चाहिये।

टूरिज्म को प्राप बहुत बढ़ावा देना चाहते हैं। इससे काफी फारेन एक्सचेंज भी मिलता है। काश्मीर में किस तरह से टूरिस्ट और ज्यादा तादाद में आ सकते हैं इसके लिए भी तदबीर सोची जानी चाहिये। इस वक्त श्रीनगर एयरपोर्ट इंटरनेशनल रूट पर नहीं है। वहाँ पर इंस्ट्रूमेंट लैंडिंग नहीं है। अब तक वह इंटरनेशनल रूट पर न आ जाए, उसको इंटरनेशनल रूट पर न रखा जाए तब तक हमारे यहाँ टूरिज्म को बहुत ज्यादा बढ़ावा नहीं जा सकता है। प्रापका एक रूट यू०के०—मास्को—दिल्ली है। मैं अपील करता हूँ कि इस रूट पर प्राप श्रीनगर को रखें। जापान से हिन्दुस्तान लोग आते हैं, पाकिस्तान यूरोप की तरफ जाते हैं, अगर श्रीनगर में

इंस्ट्रूमेंट लैडिंग हो और उसको इस तरह के कट पर भी लाया जाए तो मैं समझता हूँ कि बहुत से कारेन ट्रिस्ट काश्मीर जा सकते हैं। बाईस हजार के करीब जो लोग हिन्दुस्तान यू०के० से और 33 हजार जो अमरीका से आते हैं, अगर श्रीनगर को उतरे कट पर ले जाएँ तो वायव्य के काफी तादाद में वहाँ आएँगे।

काश्मीर में बाल नट बहुत होता है। लेकिन उसके एक्सपोर्ट का मुनासिब इतना नहीं है। आपके वहाँ पर सैटर में एक नेशनल फैब्रिकेशन है। वह जहाँ और चीजें एप्रिकलचरल प्रोड्यूस को खरीदती है और एक्सपोर्ट करती है, उसको चाहिये कि वह बाल नट की तरफ भी तवज्जह दे। अभी तक उसने नहीं दी है। उसको हिदायत मिलनी चाहिये कि वह काश्मीर के बाल नट को बेहतर तरीके से एक्सपोर्ट करने की कोशिश करे। वहाँ पर बाल नट की प्रोड्यूसर को बहुत ही कम कीमत मिलती है। उसको वे फिजूल की चीज समझते हैं। लेकिन इसके एक्सपोर्ट की बहुत ज्यादा पॉसिबिलिटी है। इस तरफ भी आपके ध्यान जाना चाहिये।

वेजिटेबल सोड के इम्पोर्ट लाइसेंस का आप से मुतालबा भी होता है और सीड इम्पोर्ट करने के लिए लाइसेंस की भी मांग बहुत ज्यादा होती है। आप कहते हैं कि काश्मीर में सीड हो सकता है। यह ठीक है कि वहाँ सोड होता है। लेकिन कम होता है। इस वास्ते आप पर जोर दिया जाता है कि हमें इम्पोर्ट लाइसेंस दो। लेकिन जो सीड वहाँ बनता भी है उसके मार्केटिंग की कोई इंतजाम नहीं है। दो तीन प्राइमी ही हैं जो उसको खरीद लेते हैं। एक पोशा है और एक सैटन है। वहाँ सीड की प्रापर मंडी नहीं है। मैं चाहता हूँ कि वहाँ पर इसकी मंडी हो, इसकी बिक्री का प्रापर इंतजाम हो।

Shri J. B. Kripalani (Guna): Mr. Speaker, Sir, to begin with, I have a complaint against the Chair. Shall I ventilate it here or in his chamber?

Mr. Speaker: It is left to the senior member. Whatever he thinks proper he should do.

Shri J. B. Kripalani: All right, I will do it in the chamber so that the time may not be lost here.

The Finance Minister is to be congratulated, and he is not to be pitied, as one Congress lady member has said, that he has made a fair analysis of our economic position. Yet, I must say that it is not an exhaustive analysis. He has pointed out certain vicious circles that have bound up our economy; he has pointed out certain vicious circles into which it has fallen. But if he had taken a comprehensive view of the whole economy, as it has developed since independence, his budget would not have been, what everybody has called, an orthodox or status quo budget; he would have had a budget which was radical, if not revolutionary. Chronic diseases of long standing require very drastic remedies and sometimes even operation. But here there is nothing like that. It is the book-keeping budget, which tries to make the two sides to square, and in order to make them square he has given us a dose of indirect taxation.

If we look at our economy from the time of our independence we will see that our economic career began with a good deal of inflation on account of the second world war. But, to counteract it we had a good deal of foreign exchange available to us in the sterling balances with England. What did we do with these sterling balances? As soon as we became independent we forgot the dharma of swadeshi and opened wide the gates to imports from outside of goods that were not needed or that we could have made ourselves. This is how we squandered away our foreign exchange. In those days any number of licences were being granted. I remember one Commerce Minister who seemed to believe in free trade. He told me that what-

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ever anybody required from any quarter of the world he should be free to get, including toilet papers. The licences for foreign goods were being freely sold in the market.

Afterwards; we wanted to strengthen our economy by our Five Year Plans. I submit, as I have said often, that these plans were not scientifically made, nor were they properly, that is to say, honestly and economically executed. That they were not scientifically made and that they were not properly or economically executed was admitted by Shri Asoka Mehta when he was inducted in the Planning Commission as its Vice-Chairman. He admitted that the plans were not properly made and that they were improperly executed. I do not know what his opinion now is, because he might have thought his induction in the Planning Commission would take away the unscientific character of the plans and that their execution will be more honest and efficient.

We began our planning with over-emphasis on capitalist industry to the neglect of agriculture and consumer goods industry. We did not understand that food, agriculture and consumer industries were the base of all industries. Throughout history it has been found that when nations have tried to industrialise themselves they have tried to see that the labourers get cheap food and raw good material is available for industries. Those in Europe got them from the colonies. England had to repeal the corn laws so that cheap food might come from the colonies, and Germany and France depended on the colonies for cheap food and raw materials for their industry. So far as America is concerned, it is considered the greatest industrial country. They can produce anything they like. They produced one ship a day during the last war. Their industry is entirely based upon their flourishing

agriculture. 7 per cent of the population, it is said, supply food not only to America but also to other countries which need it and which cannot grow in quantities in which the United States grow food. It is only in recent years, in the Communist countries, that this process was reversed and emphasis was laid on capitalist industries, because they wanted to militarise their country. Both China and Russia did that, but slowly and slowly, finding their mistakes, both China and Russia have now given more attention to agriculture and to consumer goods industries.

In planning we did not allocate priorities. Not to talk of the public sector, the private sector we left in a jungle, as it were. Anybody could ask for anything and these licences were freely given. A few days back we had heard of the licences given to Birlas who fore-cornered many industrial enterprises. The firm of Birlas is blamed for that. I do not think that Birlas are a philanthropic association. They take every advantage of the law in order to expand their business empire. The fault lies with the Government that went on issuing blindly these licences to them and when the licences did not materialise or when they did not put up the proposed plants their licences were not cancelled. Whose fault is that? Not of the Birlas but of those who allowed them to do these things and it was the Government. The Government neither allotted priorities nor did it co-ordinate business enterprises. It went on giving licences because the licensing authority was different from the planning authority. The planning authority did not know or did not care to know what licences were being granted and the licensing authority did not care to know what the Planning Commission wanted them to do because the Planning Commission had not decided upon the priorities and the co-ordination of industries.

What were the results then? The result is that we have very great inflation. I said on a previous occasion that inflation is robbery. Inflation is theft. It takes out of the pocket of the people what it has no right to take out. It is not an income-tax; it is not a tax upon what you earn but it is a tax upon everybody indiscriminately imposed in which the poorer sections of society suffer more than the richer section of society because the richer section of society has certain ways of escaping from this inflation, by black-marketing, by refusing to pay, by avoiding paying their due income-tax and other taxes. So, we must understand this inflation in its proper perspective. It is a theft which people rarely understand which the common people do not understand. But this inflation is called by a respectable and high-placed prince or financing. This is a respectable name. It is just like when a respectable and high-placed prince or a rich man commits a theft he is not called a thief; it is said that he is suffering from a disease called kleptomania. So, this respectable name does not make inflation less of a curse upon the people than it is.

I am very sorry that the Finance Minister had the hardihood to say that the rise in prices is not due to inflation. Of course, he did not use the word 'inflation'; he used the more respectable word "deficit financing". He also said that the rise in prices is not due even mainly to inflation. This, when it has been admitted on all sides, is something which I cannot quite understand. Well, the Finance Minister's economics must have been something very different from the economics of the specialists.

Inflation led to ever-rising prices and the result was that we went on borrowing indiscriminately from other countries. Today there is no country in the whole of Europe, the least developed, with which we have

not an adverse balance. We have an adverse balance with America, USSR, Canada and Japan. Even with a poor country, like Rumania, we have an adverse balance! So, this borrowing has gone so far that we have to pay this year Rs. 300 crores as interest only. It is not called interest but it is called by some other respectable name. It is called debt services. We are in such a plight that we have asked for a moratorium on these debts.

The result of these Plans has been that we have a great deal of idle capacity in industrial sector which we are unable to use. This has led to increasing unemployment and a fall in the real wages of the lowest, the poorest, strata of our society. This was voiced by one of the former Presidents of the Congress who was bold enough to say that after independence the rich have grown richer and the poor have grown poorer. Even our first Prime Minister was constrained to admit that though the poor have not become poorer, the rich have become richer. There were committees appointed to go into the question of monopolies. The Mahalanobis Committee was appointed to find out how monopolies had been created; there was the commission, recently, appointed, the Monopolies Commission under one Supreme Court Judge, Mr. Das Gupta and there was another committee under Dr. Hazari. All these reports show how big houses have become bigger.

Mr. Speaker: It is time we adjourn for lunch; he may continue after lunch.

13 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Mr. Deputy-Speaker: Mr. Kripalani may resume his speech.

Shri J. B. Kripalani: I was speaking about the painful influences and the result of those influences on our Five-Year Plans, which are unscientifically formulated and defectively carried out.

In addition to that we have an increasing administrative expenditure. One Congress Member said that it had increased seven-fold. I submit that the work load on the administration has not increased to that extent. Even Ministers have said that they could do with about 33 per cent reduction in administrative personnel and that efficiency would not decrease but increase. We had an example in U.P. where there was the strike of non-gazetted officers, once for ten days and another time for 25 days, and I do not suppose that the administration suffered very much; rather I know that after the first strike, on the administrative side, there was less confusion in the Secretariat than usual and files moved more quickly.

For all these reasons our economy has come to be in a sorry plight. It is said that the country is passing through economic crisis. All these things have resulted in our economy being as critical as it is and it cannot be cured by a budget which is a status-quo budget. As I have said, something more radical was required which would not allow our economy to move in the old grooves in which it has been moving. That means that if there are to be Plans, they have to be more scientifically made and more meticulously executed. Sometimes the money spent on particular schemes has been more than what was sanctioned and yet, the result has been 30 per cent or 40 per cent or even 50 per cent less in industrial production.

The greatest need of the hour is utmost economy in the expenditure of Government. I would suggest to the Finance Minister and to the Cabinet, if they have not already thought

of it, that some prestige posts should be run more economical. I do not see why the Rashtrapati who is only the Head of the State and who has no administrative functions to perform, should live with greater pomp and show than the Prime Minister who actually carries on the government. There are other posts also which could be downgraded so far as superfluous expenditure is concerned.

Then, we find that Government go on multiplying Ministries. I do not know how many Ministers there are in the Central Cabinet. I hear there are 52, and there may be one or two jokers also added, because now-a-days, a pack of cards carries two jokers.

Then, there are certain departments which are absolutely useless in the Centre. Take, for instance, Community Development Department. Recently, they took to some agricultural activities. These may be transferred to the Department of Agriculture and we could do away with this Department of Community Development altogether.

There are other Departments where all the work is to be done in the States, and yet we have elaborate Ministries here. Take, for instance, the Education Ministry. Education is a State subject and yet we have a full-fledged Cabinet Minister with all the paraphernalia that goes with it. It must be remembered that it is not the Minister alone that matters. Ministers have got their big tail of subordinate officers like secretary, joint secretary, deputy secretary, under-secretary, assistant secretary, and then not only these, but a number of clerks, stenographers and also a number of peons and class IV staff. I say that all these do not fit a poor country like ours that is suffering from chronic want of food and has to import food to the extent of millions of dollars worth every year.

I would also suggest that there should be rationalisation not only in the

civil but also in the military expenditure. This rationalisation would give us all the Rs. 150 odd crores that are sought to be raised by indirect taxes which affect all classes of society.

Then, there are various conferences and seminars. These conferences and seminars consist of about 30 to 40 people sometimes, and all these people gather in the cool climate of Kashmir or in some of the hill stations in the Himalayas or in the south. They never meet in the plains.

I am told that our Finance Minister, when he was not in office temporarily, talked of 10 per cent cut. But I say that 10 per cent apart, if he has a cut of even 0.5 per cent, his budget will be balanced without recourse to indirect taxes. I also hold that these indirect taxes are absolutely unjustified. They are unjustified on the ground that they do touch the poor man. Take, for instance, tea and coffee. Tea is taken in northern India. People have no milk to drink, and the price of sugar also, if you go to the market, has risen two-fold or three-fold. They have nothing else to drink. To deprive them of their tea or coffee or to make their tea and their coffee more expensive is, I do not think, warranted. One may be puritan enough as not to like tea and coffee, but they are the drinks of the poor man, especially today because he cannot get milk.

Shri Pileo Mody (Godhra): The price of beer has also gone up.

Shri J. B. Kripalani: Then the tax on rayon. Rayon is cheaper than cotton and even the handloom weavers use rayon, and it helps the poor man and the middle-class man.

The result of these indirect taxes, whatever the Finance Minister may say, would be to increase the prices. Not only they would increase the prices, but even before the Budget

announcing the taxes was out, prices had risen, because some people had a shrewd suspicion that our Finance Minister is allergic to certain things and those things were bound to be taxed. It is not only the commodities that are taxed, whose prices have increased, but in sympathy the price of almost every commodity has registered a rise. We are told that the Finance Minister will see to it that there is no rise in the prices.

It is said that certain taxes will not be paid by the consumer. This is a strange proposition, because the capitalists know how to throw every burden on the consumer, in spite of the good intention of the Finance Minister that commerce and industry will bear these taxes, it is the consumer who will have to foot the bill. I fear that our economy will be as sluggish as it has been heretofore. There is no remedy for that. I think inflation will increase not only because of indirect taxes but, as one of my hon. friends of the Swatantra Party said, owing to the fact that there are Rs. 144 crores or so of PL 480 funds also available the Government and that will add to our inflation.

Shri R. K. Amin (Dhandhuka): Rs. 135 crores.

Shri J. B. Kripalani: The unutilized capacity of our industry will not be utilised. Prices will go on rising and our economy will suffer, as it has been suffering before, and the suffering will be deepened, not mitigated. This is all I have to say so far as the Budget is concerned.

If you will bear with me for a few minutes, I will talk about what goes at the very root of our democracy. I am talking of the elections. It may be that this time, because certain high personalities in the Congress were defeated, it is possible to believe that the elections have been peaceful and also fair. But there have been

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certain States where the elections have been neither fair nor peaceful. It is my misfortune that I have always to come to Parliament through a bye-election. I had to fight two elections. From wherever I may stand in the whole of India, the Congress organisation at the Centre and in the States and the Congress Governments at the Centre and in the States make it a prestige contest. Every effort is made to see that I am defeated. For instance, the first time that I fought my election from Madhya Pradesh, Raipur, three days before the election, we were holding a meeting. That meeting was attacked. The magistrate had not declared the meeting to be unlawful, nor had he informed the people that they must disperse. The meeting had already been announced as having dispersed, by the chairman of the meeting, and yet there was a lathi charge. Against whom was the lathi-charge made? Not against the crowd. The police went directly to the stage, and attacked the people who were sitting on the platform. Some 12 people were injured, and nobody was there to take care of them or take them to the hospital. The people there had to take them to the hospital, and the hospital had no arrangements at that time. 12 in the night, to receive all these patients. They were lying, and I was called. I went there and I saw that some of them were bleeding, a couple of them were unconscious. I enquired where the magistrate was. The magistrate, they said, was in the kotwali. I went to the kotwali myself and told the magistrate about the condition in which the people were lying. I said: "You better see them now because you will have an idea of what has happened." He said he would not go. I said: "Go for humanitarian reasons", yet he would not budge an inch. He said after great argument that he was going to send his assistant. His assistant went there, but he did not record the statement of those lying wounded; those who were unconscious may get

conscious in a few hours. I said somebody should be there to record their evidence. He said he had not brought a police officer with him. I asked him to phone. He said he would phone, he remained there and made no attempt to phone. Then I asked him to go to the kotwali, he went there and never returned. After one hour, I again approached the district magistrate, but he did nothing. He went to the hospital at 9 o'clock next morning.

All this happened while the Deputy Home Minister of the Centre was present, and I believe the attitude of the officers was due to the encouragement that his presence gave them. He has now been exalted into Minister of State for what he did perhaps on that occasion.

If such things happen, we cannot say that our elections are free and fair. I phoned to the Election Commissioner. I wrote to the President of the Republic, I wrote to the Prime Minister, I wrote to the Home Minister, nothing was done. Afterwards when I came here I approached the Home Minister. I told him that I would be sending two people whom I had taken from here, whose arms and ribs were broken. He asked me to send them. I sent them, but nothing happened. Of course, the administration can say that my contention is wrong, and theirs is right. How can the truth be found unless they appoint a commission of inquiry! This is what happened in the first election.

In the bye-election, some 30 Government servants were transferred from my constituency. One police officer happened to have the name as of the Chief Minister. He was called Mishra. So, he told everybody to be careful. He said: "If you vote against the Congress, you will have to pay the price."

When the people approached the authorities for grain and for sugar, they were told that they must go to the Rajmata of Gwalior; since they had voted for her, she must provide them sugar and grain. Of course, they would get all the taxes but sugar and grain are to be provided by the others. I am sorry to say that one ex-Governor who happened to be there, even he told the people to go and seek relief from those for whom they had voted. Then, there were any number of officers transferred and new officers brought in.

I would submit that if the Government in office is not willing to resign, then they must at least see that official influence is not used in the way in which it was done. Especially in Madhya Pradesh, it was said that nobody can say anything to the Chief Minister because the Chief Minister himself had declared that he had not only once, but twice, put the Prime Minister in power and so nobody could touch him. I am sorry, he is not present here. I am saying all these things because they came out in the local press. When there are king-makers and prime minister-makers, we must know that the dynasty or the regime is on its last legs. We have read in history that when such persons appear on the scene, the regime is finished. I do not want the Congress regime to finish before their time. They must take care of these things. They must learn from the reverses that they had received this time.

The authority of the Election Commissioner should be increased. He should be able to send some mobile officer at once wherever there are serious complaints, more so in a bye-election when his hands are free and when he has the necessary personnel with which he can deal with such situations.

We have also the example of Bastar tragedy in Madhya Pradesh. The findings of the commission of enquiry are unable to bear out the contention

made here by the then Home Minister Mr. Nanda that the police firing was due to the desire of the Raja of Bastar to create an independent kingdom. (Time Bell rung). That would be madness without method. The Commission has said that it was not so. If you ring the bell, I think I have to finish somehow. Thank you.

Shrimati Lakshminanthamma (Khammam): Mr. Deputy-Speaker, the hon. Finance Minister while presenting his budget has taxed tea, coffee, cigarettes and such articles which are, according to him, injurious to health and while taxing them he says: it is not for me but for your health and longevity that I am taxing these. I agree with him. I do not grudge his taxing them, but how is it that he has conveniently forgotten taxing the liquors, beers, brandy or whisky? Article 47 in our Constitution says that in particular the State shall endeavour to bring about prohibition of the consumption except for medical purposes of intoxicating drinks and of drugs which are injurious to health.

Shri Pileo Mody: The endeavour has failed.

Shrimati Lakshminanthamma: It was for nothing that the Father of the Nation—a great son of a great country according to Mr. Madhok—put his soul into this problem. He said that if he were to rule this country for three days, the first thing he would do would be to introduce prohibition. How is it that our Finance Minister has forgotten prohibition? Is not prohibition an economic, social, political, moral, mental and physical problem?

Sir, the effects of drinking are well known to us in this country. Whenever prohibition has been successfully implemented, we have seen better houses, better family relations, better education for their children and better housing and all these things. As far as prohibition is concerned, it should not be left to the mercies of

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the States, the sweet will and pleasure of the States. The State Government which have half-heartedly tried this measure have found an excuse to scrap it whenever it suited them. This morning, I read in the newspapers that even the Congress Organisation is now relaxing this. The BPCC passed a resolution that it will leave it to the Government saying that if they feel that prohibition has to be relaxed, it should be relaxed. Even the Andhra Pradesh Government has relaxed prohibition. There are other States like Kerala which are on the way of scrapping it altogether.

An Hon Member: Already scrapped.

Shrimati Lakshmi Kanthamma: You have said that prohibition should be taken up as a total programme for the whole country, and so long as this is not done, the chances of success will be very slender. When it is taken up as a nation-wide programme, the financial and other implications will be worked out cogently and methods to implement it effectively will be found.

The present debate on the gains and losses of prohibition followed by vacillation and cynicism should be put an end to forthwith. If we are convinced that prohibition will not be successful, on mere sentimental grounds we should not hesitate to scrap it altogether. But before giving it a fair trial, it is not proper or realistic to jump to such conclusions based on half-hearted measures of some State Governments here and there. This is not the way of implementing the will of the people as enshrined in our Constitution. Either the constitutional provisions should be relentlessly carried out or it should be scrapped altogether. It appears to me that there can be no middle course and that any attempt to find a middle course is bound to fail.

We are a poor country. We cannot afford the luxury of drink. Drink is a luxury and also a calamity, according to the persons who take it. For me, I think it is in most cases a luxurious calamity. From any point of view, a poor country like India cannot afford the luxury of a drink. Whatever may be the distant calamity, the immediate calamity seems to be the greatest votary of prohibition becoming the Finance Minister of this country. In this process, the cause of prohibition has suffered most. Inasmuch as the Finance Minister who has earned the reputation of being fanatic as far as prohibition is concerned, has left this unhappy child to the tender mercies of semi-starving State Governments. What will become of it is obvious for everyone to see. I appeal to the Finance Minister to try out prohibition in every nook and corner of this country, with the zeal and determination which he is credited with, and the efficiency and thoroughness required for a programme of defence, for, to my mind, the programme of prohibition is part of the programme of defence.

Members from the other side, Mr. Masani and other Members of the Swatantra Party, have mentioned about the Plan cut. I would like to mention here what Pandit Jawaharlal Nehru had said. I will come to the implications of the Plan cut later on.

Shri Surendranath Dwivedy (Kendrapara): There is no Plan now; where is the cut?

Shrimati Lakshmi Kanthamma: Pandit Jawaharlal Nehru had said:

"Unless the process of socialism is speeded up, people may become impatient and discard peaceful methods of economic transformation."

He also had said about Indian capitalism.

"The Indian capitalists were apparently not aware of the latest trends of thinking in the capitalist world and their fear was that they would stand to lose if the country went the socialist way. They did not realise that capitalism would not survive long if it failed to secure social justice for the people."

He had also mentioned about the implementation of land reforms. He said that the delay in implementation was "unpardonable" and said it was a matter of great regret that legislations already adopted many years ago had not yet been enforced in some of the States. I would request the hon. Finance Minister not to pay heed to counsels of despair from the other side, dinning day in and day out, desperation and frustration in the mind of the Finance Minister. Whenever members from the Swatantra Party paid compliments to or sympathised with somebody on this side, it has always proved a calamity to the person whom they have praised. Mr. Masani and his party are against any progressive measures in the country. They are for the freedom of private enterprise and foreign monopolies. He mentioned about steel plants. It is a different matter if we have to give priorities to certain projects at a certain time. But to say we should not have steel plants in this country—what does it mean? As Mr. Pant, the Minister of State, said in his reply, even now we are able to meet only a little percentage of the demand in this country. There is a private Member's resolution of Mr. Nambiar which says that within 24 hours of the decontrol of steel, prices have shot up. If we did not have steel for the consumption of our industries and for making agricultural implements, we would have had to import more and more steel from America and other western countries. We would have been bound to these countries and we would have had to lose our freedom.

They want us to get bound more or less to the western world and lose our freedom. Let history not dub us as Hamlets, when just one determined push would steer the ship of the country out of these difficulties and place it on a progressive plan.

We have completed huge five year plans. The results of these five year plans are there for everyone to see. But there appears to be no correct and realistic evaluation and assessment of the five year plans. In particular, the outlay on the infrastructure should always bear some relation to what the people, as the ultimate beneficiaries actually receive at given time through a given programme. In addition to these two, there is a third factor, viz., the amount of saving from national income which is made available for ploughing back into the plan hotchpot.

There should be a wholesome relation among these three factors. The relation may vary from activity to activity or from State to State. But some rough and ready overall formulae should be improvised and aimed at in the implementation of our plans. There can be no absolute and unfailing method in planning a subsistence economy so as to make it a self-generating economy. Each method or approach has its own limitations. Each approach in order to succeed requires its own follow-up action, in addition to simultaneous action on many other fronts. The failure of this action and consequent setbacks should not make us jump to the conclusion that the original approach itself was all wrong.

We have had an interminable debate regarding a big versus a small plan. It was more or less our settled view that in a big country faced with big problems, a big plan alone could be effective. In pursuance of this, we have drafted our plan and we have started many things in a big way. Even deficit financing was accepted on a fairly large scale, not

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because its long and short-term effects were not known or anticipated, but because in the given conditions, it was considered a necessary evil. Where has this approach failed? Mainly in a price rise, the magnitude of which turned out to be more than what was expected. Obviously this failure in reality is not a failure of the policy as such, but the failure of the Government to take effective measures to supply the essential commodities at reasonable prices. This has nothing to do with the virtues of a big versus a small plan.

Sir, even if the reversal of a policy is to be accepted as inevitable, the transition to the new policy should not be all too sudden. All contingent situations have to be carefully studied and provided for. If this is not done, there will be only confusion everywhere, especially in the implementation of our Plans.

And, what is the next policy anyway? Is it our policy hereafter to make our Plans strictly in accordance with available internal resources? In that case, what happens to the rate of progress envisaged? Does it mean that the rate of progress envisaged is to be scaled down proportionately? Then what happens to the social objectives whose achievements within a stipulated time is the very starting point of all planning? Thus, is the stipulated time for the achievement of the objectives also to be prolonged suitably? If so, what happens to the aspirations of the people and the political and democratic expression thereof? Will the people accept a way of life which promises only stagnation on the economic front? I am asking my hon. friend, Shri Piloo Mody, whether the people are prepared to accept this stagnation in the economic front in the form of a cut in the Plan. Will the tremendous forces swaying the world, especially newly indepen-

dent countries, not sweep this country also and hurl it into totalitarian or other situations which may ultimately prove more disastrous than today's temporary adversities, like inflation and other economic adversities that we are now facing?

If, therefore, the real implication of a change in our policy is to be the survival or otherwise of the democratic way of life, is the price worth paying? Are we accepting the change in policy with fully realisation of the implications and with a full sense of responsibility? In particular, does it conform to the pattern of the manifesto which we have promised to the people for five years as far as the Central Government is concerned?

All these aspects, Sir, have to be carefully examined and all these questions answered satisfactorily before the essentials of our planning and the basic postulates involved therein are sought to be reversed. World experience clearly tells us that no nation can achieve progress unless it is prepared to make the sacrifices required of it in the short run. One who wants to eat the whole cake today cannot be expected to have anything for tomorrow. In our political obsession, we went on constantly increasing the urges and desires of the people, never daring to demand sacrifices from them and never setting an example in sacrifice and hard work. But this approach has now failed to bring in the expected political dividends and we find ourselves in a quandary today.

Today, since all important political parties are in power somewhere or the other this is a great opportunity when, without making such of small adversities, we should, all of us, go to the people and make them feel the responsibility.

Mr. Deputy-Speaker: The hon. Member should try to conclude now.

Shrimati Lakshminthamma: Sir, I must be allowed at least 15 minutes.

Mr. Deputy-Speaker: The hon. Member has already taken 15 minutes. I will allow her two minutes more.

Shri Umanath (Pudukkottai): Sir, when you have got a chance, why not be chivalrous? Where else can you show your chivalry?

Mr. Deputy-Speaker: I have to be chivalrous to this side also.

Shrimati Lakshminthamma: Sir, I have hardly taken seven to eight minutes.

Mr. Deputy-Speaker: No more arguments. The hon. Member should conclude in two minutes. She has already exhausted 15 minutes.

Shri Umanath: Sir, be kind to her.

Mr. Deputy-Speaker: Then I will have to curtail your time.

Shrimati Lakshminthamma: Sir, the policy of a big plan with specified

social objectives and a predetermined projection into the future so as to make the economy self-generating within a stipulated period, allowing various dynamic economic forces to function with sufficient freedom within the overall framework set by the Plan, this in essence is the process of planning adopted by us for this country.

Controls and curbs had to come as a necessary concomitant of this policy. Yet, it cannot be seriously contended that these controls had any crippling effect on the economy. It is true that where some people are determined to exploit every adversity faced by the nation and try to defeat every reasonable restriction imposed for the common good, the capacity of a democratic system to find antidotes to such nefarious activities is put to severe test. It is also true that in this test our governmental machinery has, by and large, not succeeded in delivering the goods. There is no point in denying these facts. But this failure does not prove that the basic policy adopted by us was wrong; nor does it indicate that the adoption of the opposite policy would have solved all our problems.

Today, Sir, after a somewhat boom period, the clouds of a sudden recession are looming large on the horizon. Unemployment is threatening to assume impossible proportions and to engulf the nation and its government into an unprecedented turmoil. Already in a single State like

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Andhra Pradesh more than 1,000 engineers have been thrown out of jobs while thousands are coming out of engineering colleges and polytechnics year after year. If the Plan is cut drastically, the whole nation will be plunged into enforced idleness.

At a crucial time when we are in need of all the sacrifice, all the zeal and all the intense activity, we are capable of, are we to tell the people that we shall hereafter sit idle, close our educational institutions, wind up our projects in panic and withdraw into the shell of backwardness and stagnation in sheer despair? Sir, how is this situation going to be better than the present inflation and high prices?

We wanted the State to take considerable responsibility in the supply of essentials like foodgrains, pulses, oils etc. We wanted the State to enter the rice-milling activity. We wanted the State to undertake procurement and distribution through the Food Corporation of India. Here I will not be revealing a secret when I say that most of the honest and sincere officers have chosen to leave the Food Corporation out of sheer disgust and frustration. The Food Corporation was started in a year of drought when it could do nothing. If there is a good crop in a harvesting season, I will not be surprised if the Food Corporation is dispensed with. Is this the way of implementing the food policy? For want of time I am not able to deal with the other problems.

Shri G. S. Dhillon (Taran Taran): Mr. Deputy-Speaker, so many words have been used to describe this budget during the course of this debate. While some hon. Members have described it as a stagnant and stale budget, others said that it is a budget of progress. Some said that it is an orthodox and status quo budget. While there may be difference of opinion about the allocation of funds here and

deductions there, certainly it is not a stagnant and orthodox budget. After all, when we are developing the country we have to build up our resources by taxation here, excise duty and customs duty there. All the credit goes to the Finance Minister for presenting before this House a very genuine and correct appraisal of the economic situation in the country. It is progressive, streamlined and rational. It is also production and export oriented budget.

So much has been said about the levy of taxes on ordinary day-to-day consumer goods like coffee, tea, sugar, footwear and tobacco. I must say that when these commodities are taxed very cogent reasons have been advanced, that the taxes inside the country are meant for concessions to be given to the exporters for tea, coffee and other things. Of course, the internal consumption, specially of tea, has gone up so high that we could not help taxing it. So far as tobacco is concerned, the Finance Minister has advised the use of less cigarettes and more bidis. The people of my community are least interested in it. As a matter of fact, I remember that when a Sikh was sitting by the side of a smoker, the smoker apologized but the Sikh said: do not mind, you are simply burning my enemy. So this tax on tobacco is a tax on our enemy. It is a greater torture to tax than burn one. If our people are happy that tobacco is taxed, they are also happy that hon. Finance Minister has taken a reticent attitude towards prohibition. He has also made an effort to rationalise the tax structure.

When we take an overall picture of production whether agricultural or industrial, on a bird's eye view, in 1951 we started with a production of 53 million tons of foodgrains in 1950-51 and how we came to 89 million tons in 1964-65. Of course, last year due to drought and other natural causes we were not able to reach that level

of production; still if we review the progress made, while before 1948 the average increase in production was half a per cent, after partition and independence, more especially after the planning started it increased to 3 per cent. I do not say it is much but it is quite creditable. In the field of fertilizers we have reached a figure from 5800 tons in 1951 to 1.3 million tons in 1967-68. The same is the case in the matter of utilisation of water power; from 17 per cent utilisation at the time of partition we have come to 33 per cent, almost double.

Then, the production of cotton has doubled. From 11 yards cloth per capita we have come to 15 yards in 1965-66 in spite of the growth of population. So it cannot be said that it is a stagnant budget.

In the field of industrial production, from the production of 99,000 cycles in 1952 we have come to about 1.6 million cycles; the same is the case with radios. Then, in the production of ingot steel, from 1.5 million tonnes we have come to 5.6 million tonnes. Same is the case with aluminium which rose from 4,000 tonnes to 6,000 tonnes and the same is the case with coal from 33 million tons to 70 million tons, cement 2.7 to 7 million tons and machine tools worth 34 lakhs to 32 crores of rupees.

As we see, there is an overall general progress. Much has been said about inflation. One of my hon. friends opposite said that excise and other taxes might lead to inflation I was not able to understand that. If we could not have gone in for that taxation, then of course on the other side there was the question of subsidy on food and so many other concessions. Inflation can be avoided only by one commendable decision of the Finance Minister, that to avoid deficit financing.

While putting before this House these few items for their attention, I can suggest certain economies so far as Punjab is concerned. I think, it was a very sad day in the history of Punjab when the partition of India took place. Punjab, which spread from Rawalpindi and came right up to the border of Delhi, was bifurcated. The remaining part of Punjab, which we developed with so much effort and sacrifice, for political reasons and expediency, not for national interest, was however further trifurcated into Haryana, Punjab and a part of it, with population almost equal to that of Haryana, went, over to Himachal Pradesh.

Shri Bal Raj Madhok (South Delhi): Will the hon. Member work with us for the reunification of Punjab?

Shri G. S. Dhillon: I think ahead I will go ahead of you.

The future of the State was decided more by sentiments and impulses than by national interest and by the interest of the State itself.

Coming to Chandigarh, if at all the State were to be trifurcated or bifurcated, all the States are without any capital. Both the States are just tenants of the Union territory, unheard of in history. I collected some figures the other day. The charges, both revenue and capital expenditure, are on the Consolidated Fund of India. When I see the Budget with the split-up from the date of partition, that is, 1st November, 1966 to 31st March and then for the current year, I am surprised at the way money in the Government of India is being employed for purposes which could have been avoided otherwise. It is high time that the arbitration on Chandigarh should

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have been given by the Prime Minister. It was not a decision in the hands of an ordinary persons who could back out; it was a decision backed up by both the then governments, of Haryana and Punjab. As the House will agree, a change of government does not mean that they have the right to back out from commitments made with each other and where the persons involved is of as high a status as the Prime Minister of India. It is so painful to read about the controversy between the two Vidhan Sabhas of the States and of the two Chief Ministers of the States and no decision coming forward.

As the House will see in this Budget—it is a charge on the Consolidated Fund of India—the administrative services cost during the interim period from 1st November, 1966 to 31st March, 1967, Rs. 32 lakhs, social services Rs. 79 lakhs, public works Rs. 18 lakhs, transport and communications Rs. 6 lakhs and other miscellaneous expenditure Rs. 5 lakhs. The total comes to 1.41 crores as against the current estimates of Rs. 2.91 crores. So is the case in capital expenditure. When we deduct expenditure from income, in spite of the fact that we are a tenant government there, we incur a loss of Rs. 23 lakhs. Why should Government allow the situation to continue, just for lack of decision, for such a long time as to make it not only a white elephant for the country but also to create a suspense in the minds of the people of both the States as to which place they are going to select for their capital sites.

Before this trifurcation of the already bifurcated state of Punjab took place—I am in full knowledge of it—I was a member of the States Reorganisation Advisory Committee both in 1956 and again during the last bifurcation and I know Chandigarh and surrounding areas known as Kharar Tehsil formed part of the Punjabi regional area. Whether due

to confusion or whether due to collusion, I do not know how this area was taken out and later on converted into a Union territory. Now Punjab is a border State and if Punjab is to be a border State, it is a well-admitted fact to my friends who have the background of history that at the time Sind and North-West Frontier Province were divided, the then Governor decided—I forget the name of the Governor—that all the cantonment areas should be situated in the border State and the Capital of the border State should be as far removed from the border area as possible. In this case Chandigarh is as far removed, so far as Punjab is concerned, from the border area of Pakistan as is possible. There is no further scope for Punjab to expand; it cannot go beyond this limit. We cannot enter into Haryana; we cannot enter into Himachal Pradesh; we cannot enter into Rajasthan. This is the maximum limit. But for Haryana, for any other State, there is ample scope. There may be reorganisation of U.P., Haryana and Delhi, Rajasthan or some other States later on. The only feasible step for them should be to have another capital which could be situated with foresight in the centre of the State which definitely is not Chandigarh.

I very well remember, when we approached Sardar Patel, when I was the Speaker of the Assembly, we put up the case of capital to him—there was so much agitation—and he said, "Place capital in such a way that it should be at equal distance for the hill area, for PEPSU area, for Haryana area and for Punjab area." That is the reason why we selected this central position. But the position does not hold good and now it is high time, whatever have been the decisions taken about reorganisation, whether right or wrong, let the Prime Minister honour her commitment. She should come forward for arbitration and give Chandigarh this way or that way I

do not think any Government would back out. They should not back out.

Now, coming to the border areas, I come from a border State, from the District of Amritsar in which the whole of the last war between India and Pakistan was fought. Lahore sector, Khaira sector and Khem Karan sector are all situated in my constituency and I am very proud to say that the people in my constituency gave a good account of themselves at that time. The battle they fought was not for their District or for Punjab but for the country. They fought as citizens of India. It was the duty of the Government of India to do something to properly compensate them when they have suffered so much. But I am very sorry to say that after the War—I can definitely say this—not a single Minister has found time to visit those border areas where the war was going on, not to talk of visiting during the war. They had no occasion to know, and had no information, about the sufferings and privations of those people on the spot.

15 hrs.

The city of Khem Karan, which was the pride of our district at that time, was almost in ruins. What did we get? 2,000 or 3000 or at the most 5,000 commercial establishments, shops and factories which had a value in terms of lakhs were given only a couple of thousands of rupees to build just their roofs and headcourses, and so far no compensation has been granted for crops damaged in war. I was shocked to hear the information which I got from the Ministry only last week. Mr. K. K. Shah, who was not a Minister at that time, was accompanied by me to Khem Karan because I happened to be a Minister at that time and be announced before the people that almost a decision had been taken by the Government to re-build the city of Khem Karan.

But to our great sorrow we find that there is no question of re-building, there is no question of concessions or liberal compensations. This is almost a neglected area. About Rs. 35 lakhs have been sanctioned only for building officers' buildings complex and nothing more. I do not think that even with that money, they will be able to rehabilitate those areas which belong to the various offices of the Government of India and Punjab.

Coming back to the city of Amritsar and the surrounding areas, Ferozepur and even Ludhiana, the cities which were the pride of Punjab are now deserted places. The business-men are almost migrating from there; they are shifting their factories either to Faridabad or to some other States because they cannot face the fear that even if they build up from their hard earned resources, there will be no security for the future, unless the Government of India provide rehabilitation facilities, and financial help and banking facilities. This is impossible unless some responsible people like the high departmental officers and the Minister of Commerce or the Minister of Industry go there and assesses the position.

Mr. Deputy-Speaker: He may conclude now.

Shri G. S. Dhillon: It is a very unfortunate area that has been neglected all these years.

Shrimati Suseela Gopalan (Ambalapurha): The Finance Minister says that whatever proposals he has made in the Budget are for the welfare of the poor and the down-trodden. He has said this and I quote:

"As long as we in this Honourable House remain responsive to the needs and aspirations of the poor and the down-trodden, there

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will always be need for the Government, no matter what its persuasion, to command a growing volume of resources from year to year."

But what has he done for this? I want to know this. Take the case of taxation, the indirect taxation. In 1951-52 it was Rs. 322.4 crores; in 1965-66 it was 1,271.2 crores and in 1967-68 it is Rs. 1,888.71 crores—that is the expectation. Generally the one target that the Congress Government has fulfilled hundred per cent or 150 per cent is only in indirect taxation. Last year itself what they have fulfilled is only indirect taxation. I can prove this with the relevant figures. As regards Union excise duties, the expectation in the budget was an yield of Rs. 1010 crores, but the revised estimate is Rs. 1030 crores. When you come to direct taxes, you can easily see the difference. As regards corporation tax, the expectation was Rs. 372 crores, while the revised estimate is Rs. 345 crores. In the case of income-tax, the expectation was Rs. 293 crores, but the revised estimate is Rs. 280 crores. In the case of wealth tax, the expectation was Rs. 8.1 crores, while the revised estimate is Rs. 6.8 crores. This means that direct taxation has come down as compared with what was expected last year. But in the case of indirect taxation, the revised estimates have exceeded the expectations.

Now, let us see what has been proposed in the present budget. In the

present budget also we find that indirect taxation has been increased. The expectation in regard to excise duties is Rs. 1160 crores, which is more than what was expected last year. Coming to corporation tax, however, we find that whereas they expected only Rs. 372 crores last year, this year, the expectation is only Rs. 350 crores. In the case of income-tax, the expectation last year was Rs. 293 crores, but during this year it is only Rs. 280 crores. In the case of wealth tax, the expectation was Rs. 8.1 crores last year but this year it is only Rs. 7.2 crores.

So, the leniency of Government towards the richer sections is clearly shown by this. When you impose indirect taxation, it affects the common people and goes down to the common people and by imposing indirect taxes, Government are hitting the common people. Yet, the hon. Minister of Finance is claiming that Government are working for the welfare of the poor and down-trodden. I ask you whether this kind of thing will help the poor people in the country.

This kind of thing has been going on for the last twenty years, and we have been suffering because of that in our country. The gulf between the living standards of the richer people and those of the poor is widening day after day. Twenty years have elapsed after the attainment of Independence, and yet we find that the gulf

is widening day by day. This is the plight of the people in our country.

Since the time at my disposal is limited, I shall mention only the main points. Let us now take the case of the States and see how they are functioning. The Congress will speak of *gramswaraj*. But what is the position of the States? I shall cite some figures which will show you how the dependence of the States upon the Centre has been increasing year by year. In 1951-52, the States had to give by way of interest on the loans that they had taken from the Centre about Rs. 5.2 crores; in 1956-57, it was Rs. 35 crores, but now it is Rs. 155 crores. Instead of making the economy of the State self-sufficient, we find that Government are making them dependent more and more upon the Centre. That is the consistent policy which the Centre has been following. Even after the Fourth General Elections, Government are not prepared to change this policy of theirs. The States are being made more and more dependent upon the Centre, and the Centre is tapping all the sources of revenue from the States; they are giving that money by way of loans to the States and the latter have to return that amount together with interest. In spite of the talk about *gramswaraj* that the Congress Party indulges in, we find that they are not prepared to allow the States even to stand on their own legs. This is what has been happening for the last twenty years. This is how Government have been carrying on at the Centre. In some cases, they have to revalue the loans and reduce them, and in some cases, they have to write off the loans.

Coming to the question of regional development, if we examine the pattern of regional development in our country, we can see very clearly that two States in our country are getting about 49.8 or nearly 50 per cent of the industrial progress of the country. All the backward States are being neglected. They are actually creating the people in these backward areas.

I can quote an instance. The value of machinery added in Delhi is more than that for the whole of Orissa State. If you take Assam, Orissa, Kerala, Jammu and Kashmir and Rajasthan together, the total increase in the machinery is 7.2 per cent. This is less than that for Gujarat State alone. In 1959, the value of machinery added in Kerala was 2.8 per cent; in 1963, it is 2.1 per cent. In the case of Assam, it was 4.1 per cent in 1959, but in 1963, it was 1.3 per cent. This is how regional development has been looked after for the last twenty years.

They always talk about national integration. How can national integration be effected if we are going at this rate? If they do not change this policy, which is nothing but cheating the people, how can we hope for anything better than the present state of affairs?

Take the case of Kerala. There we can cite instance after instance. Important projects are located in very few areas. Even in the case of the Shipyard, what is the position? It was begun in the Second Plan. Now in this House one Minister was courageous enough to come and say that 'something will be done before the end of the Fourth Plan'. This was his reply. I admire his courage.

There is another instance. There is a project called Hindustan Insecticides. I will tell you how Government have been cheating the people all these years. They have acquired 56 acres for that project. Now the Ministry of Petroleum and Chemicals in its study has made no provision for it in the Fourth Plan or the Fifth Plan. When the land has been acquired, people will naturally think that something is going to come up. This is how they are cheating the people.

Again another instance. Kerala has to depend very much on rice from other States. We are at the mercy of the Central Government in this respect. There is a scheme called Than-

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nirmutham Project which will cost Rs. 3.30 crores. It was to be completed by the end of the Third Plan. But upto now only Rs. 130 lakhs have been spent and this year I hear only Rs. 8 lakhs have been set apart. If things go on at this rate, it will take 20 years for that project to come into fruition. If the project is completed, we could have 50,000 tonnes more of rice production in that area. But Government are not taking that aspect into account. Still they talk about national integration. They never heed the wishes of the common people. Regional disparities continue; the States are not independent in these matters. No change in policy is visible. This is the history.

What is the remedy? In his budget? Our Finance Minister will asks us to reduce internal consumption of everything, even tea. One of our ministers was courageous enough to say that if we raise the tax of tea, it will not hit the common man of the country. I do not know what common man he meant by that. I know the people in my own village. Some weeks they got six ounces, in some weeks three ounces, and in some weeks no rise at all. What will they do when they are starving. So many of them in the morning, even little kids, take concentrated tea. No sugar will be there, no milk will be there, there will be a small piece of jaggery in their hands. They will take a bite of the jaggery and swallow a mouthful of tea. With that tea they can carry on for four or five hours. Now, our Finance Minister is coming and telling us to reduce the consumption of tea. What else is there to consume?

Shri Umanath: Water:

Shrimati Suseela Gopalan: Till this day at least now and then women were going to the kitchen. Now, when the budget is passed, there is no need for the women to go to the kitchen. They can be sitting with the men in the front. For giving that full equality to us, I am thankful to him.

So, my contention is that as long as this policy of giving more and more incentive to the rich and laying more burden on the poor is there, nothing can be changed in our country, and people know it. People know you cannot change it. You have been behaving in such a way for the last 20 years that they are sure that nothing can be changed without changing you. They are prepared for that. It has begun in the States, and the wave of current is coming. I do not think our Finance Minister will be given the trouble to pass many more budgets. Our Finance Minister is coming and telling us about health and all that. I think the post of a drill master will be more suitable for him than that of Finance Minister.

Shri N. K. P. Salve (Betul): Before I come to the budget, I should like to make a reference to certain comments made by Acharya Kripalani regarding the official machinery in Madhya Pradesh. My respectful submission is that that his comments were very highly unwarranted. The fact that he lost the election in Raipur does not mean that the election there was unfair. The very fact that he has won from the very same State with a thumping majority is a tribute to the fairness with which elections were conducted in this country. The fact that he lost at Raipur does not mean that the official machinery interfered and that the elections were not carried out fairly.

Coming to the budget proposals, I submit that the comments offered by hon. Members from different sections of the Chamber, if analysed, will be found to have emanated or originated from three basic objections to the budget proposals. The first basic objection is failure of the Finance Ministry to economise in wasteful Government expenditure, administrative and defence. The second basic objection is the adverse effects on the economy as well as on the common man consequent upon the selections of

the commodities and the quantum of increase in excise levies. And the third basic objection is failure to take adequate steps to resuscitate the stagnant economy and stimulate industrial activity.

Mr. Masani who initiated the debate on the budget suggested an alternative budget. He said there could be economy to the tune of Rs. 150 crores, Rs. 20 crores in civil expenditure, Rs. 50 crores in defence expenditure and Rs. 80 crores by dropping Bokaro and the Cement Corporation. Shri Dwivedy and Shri Dandekar and all the other Members who commented on the budget proposals found fault with the Finance Minister for not having made a provision in the Budget to bring about economy in Government expenditure. These Members seem to have suffered from temporary amnesia. If they had referred to para 54, the first sentence says "that by far the best way of mobilising resources is to economise on Government expenditure without sacrificing efficiency." They after enumerating certain measures which the Finance Minister proposes to adopt bring about economy in the Government expenditure in the last sentence, he says that in matters like this, it is best to take credit for success when that success is already achieved". Therefore, notwithstanding as to what the budget estimates are the question is no longer whether to be or not to be engaged in a crusade for economies. The question is whether the Finance Minister would have been justified in assuming that there is going to be economy without his being fully assured that he would be able to bring about such an economy. Everyone of us will be justified in levelling criticism against him should he fail to endeavour his best, as he should, to economise on both fronts civil and defence expenditure. But to assume for Budget estimates that there is going to be economy without there being an absolute hundred per cent guarantee that such an economy will be brought about would amount to deception simpliciter—capital 'd' and capital 'r'. He has used the most

judicious and conservative way of making a budget.

The excise levies have been attacked on two grounds. It is said that they would adversely affect the economy of the country. secondly, they say that they have an adverse effect on the common man..... (Interruptions.)

Mr. Deputy-Speaker: It is his maiden speech.

Shri N. K. P. Salve: ..of a knowledgeable person. The excise levies, Shri Dandekar said, were going to affect the cost factor adversely, volume factor adversely, profitability adversely and the various other factors adversely and that it was going to strengthen inflationary forces. Members should carefully consider in this connection the second part of the budget speech where the Finance Minister enumerated areas of immediate concern which had been ascertained and which need to be fully catered to by the budget. These relate to certain problems, namely, relief to scarcity areas, arresting the rising prices, reviving industrial activities and reversing the adverse trend in export trade. For this purpose, it was necessary that not only the available resources had of necessity to be diversified but additional resources were also to be found. He has to provide Rs 55 crores more by way of assistance to State plans over and above what was provided in the interim budget, 38 crores for scarcity areas, 10 crores for financial institutions and Rs. 16 crores for contingencies. In the interim budget rates of levies of magnitude there was no contingency provision for escalation in expenditure etc. If the critics were to consider budget from this angle. What wrong was there in the increased quantum of expenditure? The Government expenditure has been reduced to a point beyond which it could not be reduced. And at such point if we take the revenues on the basis of the despite its direct and indirect taxes at the 1966-67 level, there was a shortfall of Rs. 68 crores. There are some known ways of meeting this shortfall. This is the

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difference, between the enhanced expenditure on the expenditure side and the levies on the revenue side. It was possible for the Finance Minister to issue treasury bills, and print notes, which would have led to commencing yet another round of general price increase, and boost to inflationary pressure. I am sure no hon. Member here would like to be saddled with this proposition. If he had done i.e., had he printed notes, that would have unleashed another round of fresh increase in prices.

Secondly, it was possible to increase the excise levy on a larger number of commodities than he has hitherto. That too would have resulted in the same adverse effect as printing of notes. Thus, it was necessary to adopt an expedient which was least harmful and would keep the adverse effect on our economy to the barest minimum.

So far as direct taxes are concerned, I submit that there is no scope for augmentation of revenues. There may be scope for increasing indirect taxes, but there is absolutely no scope left for augmenting revenues by way of direct taxes by increasing rates. Just as, in case of a horse, on continuous and merciless whipping, will go on increasing his speed only to a point and any further lashing only means a recession in the speed, we have already whipped our taxpayers by high rates of direct taxes, far beyond the point of no return.

Reference was also made to collection in respect of direct taxes. I had pointed out that there was a total shortage of Rs. 44.42 crores in the collection of direct taxes, as compared to last year's budget estimates. The result, that the tax revenues fell, was due to high rates of direct taxes. And therefore, when all these aspects are considered, the Finance Minister could not print notes; he could not increase the indirect levies on a larger number of commodities; he could not increase the direct taxes. So, what was the way out to raise Rs.

68 crores. The way out was the one that he has followed; to find Rs. 67.86 crores which consists of Rs. 41.98 crores to meet the net enhanced expenditure over and above that provided in the interim budget, Rs. 10 crores as additional provision for financial institutions and Rs. 16 crores by way of contingencies. Thus, the balance between the expenditure and the receipts was brought about.

My submission is that so far as the increase in indirect levies are concerned, the Finance Minister has enumerated certain tests, on the basis of which he said he was going to increase the levy of indirect taxes. These tests were, restraint on domestic consumption to augment export, high profits and other items where increase in prices are socially undesirable. Now, applying these tests, let us see the position. There has been no criticism against these tests. Applying these tests, the items he selected were too most apt and proper item. One of them is cigarettes, which would additionally yield Rs. 28.50 crores; the next one is motor spirit, refined diesel, vapourising oil and certain other petroleum products, which would further yield Rs. 25.60 crores. The third item is rayon synthetic fibres and yarn, which additionally yield Rs. 22 crores. Thus, he collected a revenue of Rs. 103.84, crores. After giving a share to the States amounting to Rs. 22.98 crores, he would have been left with an additional revenue for the entire year, amounting to Rs. 80.86 crores. For the rest of the financial year, he would be left with Rs. 67.86 crores. Therefore, I submit that the allegation that the burden has fallen on the common man is not fully correct for the simple reason that the levy on footwear is only the duty which was withdrawn in 1965. It was levied earlier and withdrawn in 1965. It has been reimposed. Further, there is no duty on hand-made shoes or shoes made in small power operated establishments. So far as coffee and tea are concerned, there is to be a lesser increase on cheaper

variety of coffee, Robusta or Liberica, and the higher increased levy is only on the superior variety of coffee, such as Arabica. In regard to tea, there is a higher levy only on superior variety of tea. Therefore, I submit that those who show considerable concern for the fate of the common man in this country, fail to see that the levies which are going to fall on the richer man are far more than those which fall on the common man. It was thus the Artistry of Financial Wizard in giving what I consider to be the most judicious and wisely devised financial programme of the Government in the budget for 1967-68 within the principles followed by the Finance Minister. But I have my own apprehension. The implementation of the programme calls for top efficiency and strict watch on any further increase in wasteful expenditure. Therefore, before I offer my congratulations to the Finance Minister on this budget, I shall wait and watch until 29th February, 1968, which is a leap year—I understand it is his birthday. If I find that in case of failure of monsoon, the deficit does not exceed Rs. 150 crores, and in case there is no failure of the monsoon if the deficit does not exceed Rs. 50 crores, then I shall congratulate him and offer my felicitations.

So far as direct taxes are concerned, I submit there is no scope for their augmentation. In fact, they need to be reduced. Have a good look at the state of our economy, the pace of our savings as reflected in the investments by the general public and determine whether there is any scope left to take chances in our reckless spree of raising tax rates still higher. The wholesale price index has risen by 16.5 per cent in 1966-67. New capital raised is Rs. 46 crores, out of which less than Rs. 8 crores only is by the general public. I submit it is necessary for us to examine our tax system, which provides the vital life-blood to the economy of the country. What human blood is to the human body, tax revenues are to the economy of any

country, pledged to a democratic way of life. The tax system of our country is suffering from a dangerous disease. It is suffering from Leucemia, cancer of the blood. The treatment needed is massive doses of radiation in the shape of a bold, courageous, incentive-oriented fiscal policy.

Just see the trends of fiscal policies of the countries which have achieved a marvel of economic growth and unmatched standard of living. We need without any delay a stable long-term fiscal policy which will create a climate of confidence in the minds of the citizens, so that any honest citizen who helps strengthen the economy of the country by adding to the stream of national products by larger and larger qualitative and quantitative production of goods and services is assured of successive reductions in tax rates, provided the tax cuts in their wake bring successively higher tax revenues to the Government exchequer.

In all humility, I suggest three changes in direct taxes. I should have made this suggestion at the time of the discussion on the Finance Bill, but since they have their ramifications, I am making them now. I suggest three changes which are not only imperative as expedient fiscal measures, but have to be adopted for making our tax laws just fair and civilised. Firstly the exemption limit to taxation must be raised from Rs. 4000 to Rs. 6000. Secondly, the annuity deposits must be abolished. Thirdly, at a cost of Rs. 16.5 crores, the maximum rate of taxation on individuals at the highest must be reduced to 65 per cent. I submit that if this is done, our tax revenues will be augmented. There is no necessity to provide any amount for counterbalancing consequential loss to the exchequer. It will by itself be adjusted. But if it cannot be so done, for the sake of balancing the budget, let liquor be taxed. After all, I am sure the strong anti-prohibition opinion has not bludgeoned the Finance Minis-

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ter into a compromise to a point that he is not willing to tax something which is necessary in the name of social justice, in the name of economic justice and in the name of welfare of our people. I submit that these changes may be brought about.

Shri Humayun Kabir (Basirhat):
Sir, I would like to congratulate the Finance Minister on a very clear assessment of our predicaments; I would have been happy if I could have congratulated him equally honestly on the solution of the problem which he has indicated. I think while his analysis has covered a very wide field and has pointed out many of the major defects and difficulties from which we are suffering today, two aspects have not been adequately dealt with. This year only a few days ago we had the anniversary of devaluation. While the Finance Minister is conscious of the evils of devaluation and he has referred to it in passing in his speech, I would have been happy if some attempt has been made to see how devaluation has affected almost every aspect of our economic life. Our exports have not gone up. Our imports have increased. On both grounds we have lost heavily. But even more, in practically every sphere of economic activity the unprecedented folly of devaluation last year has left a mark which cannot be wiped out so easily.

I would have congratulated the Finance Minister most sincerely if he had taken measures to eradicate that evil. I will mention only one example of the effect of devaluation, though I could have given many. I do not want to refer to the general price index which has risen by over 16 per cent within twelve months. The general price index does not mean so much for the ordinary man. It is his food which is the essential part of his budget. This has been affected in a disastrous way by devaluation last year. The price of food articles has gone up by 24 per cent. If we take foodgrains alone, the price has gone up by almost 30 per cent. This,

I think, is the price of devaluation, and I would have been happy if the Finance Minister in his speech had dwelt a little more—there is, no doubt, a reference to it in the Economic Survey—about some of the measures by which he proposes to take the people out of the present economic difficulties from which they are suffering.

Another field where the Finance Minister would have rendered a great service to the country would have been if he had gone into the problems of planning. It is obvious that in an economy where demands are many and resources are inadequate some planning is essential. But the question is, what kind of planning? I think I have to say with regret that the type of planning that we have had has been based more on theoretical considerations, more on slogans, than on the actual requirements of the people. It is true, we have said that we shall plan from the bottom and sometimes there have been exercises, there have been plans prepared from States, from districts and sometimes even students have been asked to have discussions about plans in school and university forums. But we have not built our plan from the bottom, we have imposed it from the top. I will give you only one example.

If we had planned from the bottom, if the minimum plan had been to provide two square meals for every citizen in this country, at least four dhoties or four sarees for every adult individual, one or two pairs of shoes—I think, he must have a decent roof over his head,—the minimum educational facilities for his children and the minimum essential health services, then we could have worked out the implications and set for ourselves what we require in terms of steel, what we require in terms of chemical fertilisers, in terms of cement and so on. Instead of that, very often the plans are being super-imposed from above, from abstract theoretical considerations. I remember one discussion in one National Development Council

menting. When the Chief Minister of one State—I can name him—the late Dr. B. C. Roy, asked why a particular target of 6.5 million tons of steel was fixed, the answer was not that this is the amount that we require for fulfilling our social objectives but that if China could produce 16 million tons, if the United States could produce 70 to 80 millions tons, if the USSR could produce so much, why India should not produce 6.5 million tons. The consideration was more often theoretical. That is the one reason why we have not been able to get those results from planning which everyone has a right to expect.

I do not for a moment deny that planning is essential. Especially in an economy like ours where scarce resources have to be distributed and directed towards the advance of economic life, where need is the greatest and where profits may not be the greatest, planning is necessary. But this should have been, what I would call, employment-oriented planning. Our planning should have been man-oriented. Instead of that, we have sometimes talked of agriculture-oriented and sometimes of industry-oriented plans. If they had been plans which were man-oriented, plans which had been employment-oriented, we would have got increase in both agriculture and industry without some of the social costs we have paid in recent years.

Another result which has followed from this kind of planning, and this has permeated the entire national life, is a lack of sense of commitment. There is not that sense of involvement of every man in the total national effort. I think here the Finance Minister will not disagree with me when I say that many of us are concerned only with our own immediate personal objectives. There is not that sense of national purpose, there is not that sense of everyone being involved in a total effort, where

sacrifices can be made because everyone feels that he is contributing, he is a creative partner in a gigantic effort to recreate national life. We have not been able to create that sense of participation, and that sense of participation has not come primarily because, I think, the planning has been theoretical, planning has been from the top, planning has been according to slogans, planning has not been actually for involving the individual in the upliftment of the nation. Now, if this sense of commitment were there, we would have got the results or consequences immediately all these years.

I know that the Finance Minister has made a very eloquent defence of the finances for defence and I quite agree with his ends. I am sure that there is not a single member of this House who does not want that every penny required for defence should now be allotted to it. On that point I do not think there is a single dissentient opinion in this House. But I believe that there are people in this House who say, and I am sure the Finance Minister will agree with them here, that we must also ensure that every penny spent on defence is actually spent profitably and usefully. We do not want money spent on roads which were never built, which existed only on maps; we do not want money spent on old and obsolete and what was sometimes called re-conditioned but what actually was de-conditioned instruments which we brought from abroad, things which were almost junk. We should not spend any money on any luxury items in defence. We are sure that if the money had been properly spent, perhaps the same amount of money or even a smaller amount would have given a far greater return to the nation.

In that context, I would also like to place before the House and, through you, Sir, before the Government and the Finance Minister that defence is most effective when it is backed by

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the morale of a happy, contented and proud people. It is not money alone which can ensure the defence of the country. Take the example of Vietnam. Whatever you may think of what is happening there, one thing is certain. Here you have a people who have not invested very heavily on defence but who through their sense of dedication, who through their sense of commitment, who through their sense of participation in national life, who through their sense of national liberty and freedom, who through their sense of service and sacrifice for the country have been able to resist the mightiest military machine that the world has ever known; and this has been going on for a number of years. Defence, therefore, depends on a contented people. In providing funds for defence we have also to remember that the expenditure, that the burden on the ordinary man, should not reach a stage where perhaps money is spent but results are not obtained. We have seen in our own life time in China how colossal expenditure on defence does not always lead to adequate defence of the country; very often it has resulted in unfortunate and unexpected results.

15.45 hrs.

[SHRI G. S. DHILLON in the Chair].

I hope the Finance Minister will keep this in mind and see that whatever is spent on defence is properly and adequately spent and that in the name of defence a hush-hush policy is not followed. Sometimes it has happened in this House and elsewhere. It is a fact that in many Parliaments of the world, defence is discussed in a far more devastating manner, in far greater detail and Members go into questions which here are not very often discussed on the ground of so called national security. There cannot be any national security question when Parliament is concerned. Therefore, I would plead with the Finance Minister, through you, that he should also look into this aspect of the question.

In his very able analysis—I have said earlier that it is a very able analysis and that credit should be given to him—the Finance Minister has stated that he is disturbed by certain areas of concern. If I had the time I would have liked to touch on all of them but since the time at my disposal is very limited, I shall touch only two or three areas of concern. Very rightly, he has mentioned food as his first area of concern. On that question, there is no doubt in this country that we are faced with rather unfortunate results. Three plans are over and we do not know where the Fourth Plan is. We do not know if there is a Fourth Plan. I believe this is the second year of the Fourth Plan, and yet its shape, its objective, its magnitude, all these are matters of speculation. There has been, whether we like it or not, a *de facto* holiday from planning. These two years nothing has happened. But even in the earlier Five Year Plans, it is a tragic commentary on our planning and on our accomplishment that while in the First plan on an average we imported roughly about 1 million tons of grain every year, during the second Plan we imported on an average about 2 million to 2½ million tons every year, in the Third Plan it went up to 5 million tons while in the last two years it has been of the order of 10 million tons.

I know that it will be said that there has been unprecedented drought in the last two years but this, I do not think, is an adequate excuse. In a vast country like India it will never be that all the areas will get equal monsoon every time. Then, drought also, to some extent, can be fought by man.

When I was in the United States recently, throughout people challenged us and said, "It is true, you have had drought but you also have 500 million people; you have 200 or 250 million adults which means about 125 million adult males; could they not do something to bring underground

water up to the surface? You could have canals and other irrigation schemes by which water could be brought". In America water is brought to California from 600 miles. It will have to be admitted that we have not paid sufficient attention to this aspect.

Very often—I do not refer to the present Finance Minister—Ministers have come forward and said, "What are we to do? God was unkind." But God is kind only to those who help themselves and we have not helped ourselves. Let the Finance Minister set a target before this country. This year, I think, we are perforce compelled to import something like 10 million tonnes of foodgrains. Let him announce here and now that next year it shall not exceed 5 million tonnes, the year after 2 million tonnes and in the third year we will not import foodgrains and we will see to it that we produce enough foodgrains within our country. After all, what is the shortage today? According to some estimates it is 5 per cent. Even the maximum estimate of the shortage is not more than 10 per cent. With proper and equitable distribution, with proper handling, 10 per cent shortage is not such a thing that it cannot be handled by a great nation like India. If, therefore, he sets this target that whatever happens, next year we shall not permit more than 5 million tonnes of foodgrains to be imported, the next year 2 million tonnes and in the third year there shall be no imports and we will have to make do with what we have—You cannot do that this year because the people have not been given sufficient warning or notice—if the Government work to a plan like this, I am confident that within three years' time the food deficit in the country can be wiped out. The moment the food deficit is wiped out it will have a number of consequences, internal and external.

Today we are like a nation of beggars. I have never felt so humiliated in my life as I did when I went out

last year. Even when I was abroad as a student and when India was not free, we did not have this sense of humiliation. We were then a subject country and were fighting for freedom. All the countries honoured us as a nation deprived of freedom by unfortunate circumstances but which was trying its hardest to regain its freedom. But for 19 or 20 years after freedom we have been going with a beggar's bowl to big and small nations. This humiliation has to be wiped out. There will be new stances of foreign and economic policy inside and, therefore, I appeal to the Finance Minister, through you, that he should give a direction to all his colleagues that there shall be no import of foodgrains after three years and we have to produce what we need within the next two years.

On this point I would like to add one or two comments more. The measures which have been suggested for the reorientation of agriculture are welcome so far as they go. They are moving in the right direction but I do not think they go far enough. One of the major reasons why agriculture is not more productive in this country, I think, is firstly, that many of the people are not involved; they do not have a sense of commitment. Till we have land reform measures and till we give the actual peasant a sense of participation and ownership in the land, we cannot get that kind of productivity which we get where the peasant is the owner of his land.

We have talked of ceilings; we have not generally talked of floors in this country. Both ceilings and floors are necessary. But in respect of ceilings, I would like to remind this House that in a country like Japan, which has perhaps the highest productivity per acre in the world, the ceiling is only 10 acres in a country like Taiwan or Formosa it is only about 7 acres and in Denmark—I have myself visited it and seen—the vast majority of farms are three acres or less. And the productivity in these countries is perhaps the highest in the world because the number of owner-farmers

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is the largest and the number of landless labourers the least.

We have also to work towards a state where the largest number will be owner-farmers and the smallest number landless labourers. That will require a kind of a peaceful revolution throughout the countryside. This can be done only if we find alternative employment for the millions of people who will be taken off the land. The major cause of the distress of our agriculture is that about 70 per cent of the people depend on land and the land cannot support 70 per cent of the people. The most prosperous country in the world, the United States, has only about 9 or 10 per cent—perhaps, the figure is even lower today—depending on land for a living.

We cannot do it immediately; I cannot even think about it. If we could reduce it to 60 or 55 per cent, there will be an immediate upsurge of economic activity in this country provided we find employment for those who are taken off land. For this, what is needed are tens of thousands of small rural industries of every type. Japan, Taiwan and Denmark have, to a large extent, succeeded in their agricultural policy, because they have linked up their agricultural policy, their agricultural programme, with small-scale industries, cottage industries, dairy farming and various other types of industries. For this, it will be necessary for the Government, I think, the Centre itself, to initiate measures to provide funds, to provide credit, so that there will be whole-time jobs for those who are taken off from the land entirely and part-time jobs for a vast number of people who have spare time during the off-season in agriculture.

I welcome the development of chemical fertilisers; but I would like to add a word of warning. Chemical fertilisers extremely useful but like many other good things, they are excellent if they are our servants and they do not become our masters. Chemical fertilisers, without water and without

the support of organic manure, will sometimes do more harm than good. Here, I have to say with regret the same emphasis has not been given, in spite of our protests, to small-scale irrigation and to the development of organic manures of various types. I understand, in West Bengal, in Calcutta, they are now trying to develop organic manure from the sewage, the garbage and other waste of the city. I understand that a plant like that would cost only Rs. 1.20 crores with Rs. 20 lakhs of foreign exchange element and will give about 50,000 to 60,000 tonnes of manure per year at a value of Rs. 70 lakhs to 75 lakhs. This sort of thing should be pursued to ensure that there is adequate supply of organic manure of various types.

My hon. friend, Shri Yajnik, the other day raised a question, which has both economic and social implications, viz., the use of night soil and various kinds of wastage that go completely waste. Even cow-dung, largely, goes waste because so much of it is burnt. Even in this age of atomic race, so far as its development for peaceful purposes is concerned, we compete with so many advanced countries of the world, even today—I think, I am not wrong—20 per cent of the energy consumed in this country comes from not even coal and other traditional types of sources but from cow-dung and various types of vegetable waste. If this cannot be changed, we cannot change the village economy. I hope Government will pay adequate attention to this aspect so that we can have a simultaneous development of agriculture and industry in the countryside and transform our economy.

I now come to the second area of concern mentioned by the hon. Finance Minister and that is inflation and prices. I have briefly, referred to it when I mentioned the question of devaluation. Actually, it is inflation and rise in prices which is one of the most dangerous diseases which haunt

the land today. Unless we have a change in the fiscal policy, I do not think we can stem the rot. The Finance Minister has indicated some of the evils. But I am sorry to find, while he has indicated the evils, he has not suggested any measure, as to how to stem the rot. He has himself indicated that there is investment today in land, in gold and in various other kinds of unproductive things where, because of the devaluation and the falling value of money, the profits of the investor go up. There is, therefore, a tendency today to invest in these useless and unproductive types of investments rather than in industries where there will be a definite addition to National Wealth. As I suggested a moment ago, in the field of industrial policy also steps must be taken to see that, as far as possible these resources are directed to those channels where there will be the largest employment of men, that is, small-scale industries and cottage industries, so that a vast number of men are involved and in this way we have both products and also employment for a very large number of men. I would call him, not an investor but a speculator who wants to run to gold and land. If the Finance Minister had put a tax on unearned increase in land values, in urban areas, if he had put a tax by which houses, above a certain capacity, costing more than a certain amount, were subjected to very severe curtailment, I think, this would have given him additional resources and it would have been generally welcomed by the entire House.

But instead of this, there have been taxes on a number of articles which have become necessities. Tea is no longer a luxury. I know that the Finance Minister will say that it is not a luxury thing that he has taxed it, but he has taxed it in order to curb consumption. But I think that this is not the correct way. What we really want is increase in production. For dealing with the whole question of inflation and rising prices, the first and most important thing is to see that the productive process is given an impetus and the total production in the country

is increased, which unfortunately has not been done. If socialism means anything, it means equality in economic, political and social spheres. This can be guaranteed only if we have taxation measures by which disparities are reduced and in that direction, I do not find sufficient indication in the Finance Minister's budget which will lead us towards a socialistic society, a society where there will be equality....

Mr. Chairman: He may conclude now.

Shri Humayun Kabir: I will finish in a minute or two.

I would also suggest that forward marketing should be stopped in all edible products and not only in foodgrains. This also is a source of speculation. When you have no forward marketing in foodgrains, why should there be forward marketing in edible products and various other things.

I would also suggest for his consideration de-monetisation. This looks rather severe, I am not suggesting confiscation, but I am only suggesting de-monetisation so that all the black money which today is hidden and which is acting as a check on the growth of industries and economic activities in this country will be forced to come out in the open. If this measure is taken and is backed up by other measures by which any payment above a specified limit—whatever may be the limit, it may be Rs. 250 or 500—would be only through cheques, then you will immediately induce the bank habit in the country and you will also force the hidden money to come into the open so that there will be no occasion in future for this kind of hoarding or black-marketing.

I would also urge very strongly simplification of the tax structure. Today the honest tax-payer is the most persecuted man in this country. Every one who has a salary or a fixed income knows that he is harassed at every point whereas those who have various devious ways of income very often do not pay taxes at all. In a country like

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the United States, in cases of persons with an income of 5,000 dollars or less, the income-tax officers examine only one per cent of the assesses. A thorough examination is undertaken in respect of only one per cent of the persons where as in our country, whether the man's income is Rs. 4,500 or Rs. 6,000 or Rs. 8,000, the income-tax officers go through every single case. This is the category of tax-payers who are the least likely to defraud because they are very often salaried persons. If some methods were introduced by which income-tax officials do only sample checking at lower levels of income—it may be Rs. 6,000 or Rs. 8,000—these very officers would get a lot of relief so that they could pay far greater attention to those cases which deserve attention and where actually frauds take place.

Similarly, I suggest that you do something about sales-tax also. There are a number of returns and they drive an honest man to become dishonest. A small shopkeeper cannot give an honest return and, therefore, very often he has to cook up some figures. If some device could be found—of course, with the agreement of the States—to have either excise or Central sales tax so that there could be taxation at one point as is the case in respect of cloth and several other items, you will perhaps stand to gain: you save harassment, release creative energy and at the same time get a much larger income than you do today.

I have seen a report by an expert who suggests that without imposing a single new tax, with simplified procedure and more rational tax structure, the existing taxes can yield about Rs. 500 to 600 crores more per year. If that could be done, there will be no occasion for imposing new taxes every year as has been the practice almost every year. This, I think, is a matter to which I would draw the attention of the hon. Finance Minister. I have already mentioned that one

rather peculiar feature of the present budget is that while some of the necessities have been taxed, some of the luxuries have been left untouched. My hon. friend who spoke just before me in a very able maiden speech twitted the Finance Minister a little about his reluctance to tax spirit and liquor. I do not know what the reason is, but whatever the reason may be, I would suggest that before taxing tea or coffee, perhaps, liquors and spirit might have been a more profitable source of revenue, and this could also have been more in conformity with the social philosophy of the Finance Minister himself.

Before I conclude, I have just one more word to say.

16 hrs.

श्री श्रीकार लाल बेरवा (कांटा) : रुभापति महोदय, श्री शिवनारायण जी मो रडे हैं ।

Shri Humayun Kabir: If my speech has a soporific effect I think I should take a patent, and I ought to tell those hon. Members who cannot sleep otherwise that they should come and listen to speeches of mine like this.

In conclusion, I would say that what we really want in this country is a sense of involvement. Millions of people must be involved in a creative effort, and this can be done if we adopt programmes and policies which will find employment for everybody. Today, there is educated unemployment. I personally have never recognised any distinction between educated and uneducated unemployment. In my opinion, unemployment is unemployment, whether educated or uneducated. When there is complete literacy in a country, all unemployment will be educated unemployment. But today there is educated unemployment as different from uneducated unemployment. If we take up a programme to wipe out illiteracy from this country within the next five years, there shall be no uneducated unemployment left. If similarly we

take up programmes that within the next five years we shall provide better housing for everyone in a village or a town, if we take up an enormous housing programme in which they are involved, if we take up programmes of construction of roads, so that every village is connected with a main highway or with a town, we shall find employment for millions of people. Someone may say that all this will lead to inflationary pressures and may ask where the money would come from. But many of these things can be done without direct involvement in the money market. I think the Finance Minister may have seen,—and I am sure the Planning Minister has done—what is called intermediate technology. Studies are being made in Europe where you develop comparatively economically less developed countries through an intermediate technology where high capital investment is not necessary. In this country itself, we have also had experiments by which thousands of people have produced additional goods; they have produced goods in addition to those in the market; these goods do not have any sale in the market perhaps, but they have a sale within a limited circle, and in this way, new wealth is created.

I was told that in Wales, an enormous amount of national wealth was created without any capital investment. In Wales, they had taken up a programme where every school-child was required to plant one tree and he was asked to tend that tree for five years. In this way, there was competition between schools and there was competition between children in the same school, and within about ten years, there were several million trees which added greatly to the wealth of the country. This kind of afforestation is necessary for agriculture and for many other purposes. In this way, by unorthodox methods, by slightly revolutionary methods, if you like, we can add to the money economy. We shall not add to the actual money in circula-

tion, but we shall create wealth in terms of trees and houses, roads and tanks, cloth and household articles. If the hon. Finance Minister would direct his attention to this sphere and see that millions of people are involved in a national creative effort, we can have sound budgets, not budgets of despondency, not budgets of *status quo*, not budgets which always tell us to restrict our consumption, but we may have budgets which will tell the people to consume, have a good life; enjoy new goods and services and make this country a beautiful country, a glorious country, through our own efforts and through our own labour.

The Minister of Planning, Petroleum and Chemicals and Social Welfare (Shri Asoka Mehta): We on these benches are grateful to the many hon. Members who have shed valuable light on the various proposals and policies that the hon. Deputy Prime Minister has put forward. We would have welcomed somewhat precise and pointed comments on what the Finance Minister has had to say in his speech because it is there that he has spelt out the whole complex of economic policies of Government. If more attention had been given to what the Finance Minister had said in the first part of his budget speech, it would have helped us to modify and to improve the patterns on the rich and varied tapestry that the Finance Minister has woven for this House.

Every member of the House is entitled to criticise; he is not only entitled to but has to be vigilant and critical. But vigilance and criticism should not mean that one only sees the dark side of the picture, nor does being critical mean that one indulges in the luxury of contradictions. About any country in the world, about any economy, one can always point to the dark side.

I am sorry Shri Dange is not here. I would have invited his attention to an article which appeared in *The New Statesman* of 2nd June. It talks about an underground millionaire in the Soviet Union.

[Shri Asoka Mehta]

"When Rule was finally arrested, the militia found government bonds and valuables worth 157,000 roubles in his garden and over 1,500,000 roubles in old bank notes which had lost their value during the last devaluation."

Should I judge Russia's economy, Russia's efforts, by this kind of aberration? One can collect these little pieces and oddments, as much as one likes, about any country, but one has to take an overall view of what is being done, where we are going, and within the resources at our disposal, what can really be attempted. I say that if that kind of effort is made, it will be found that on the whole, we are discharging the responsibilities that have been placed upon us creditably and efficiently.

May I point out that this country is committed to an ambitious programme of development? Our public finance has to be development-oriented. What are the main ingredients in a development-oriented public finance? Firstly, we have to give priority to development. Many things my hon. friend, Prof. Kabir, talked about have to be done, can be done, provided one is able to mobilise a great deal of resources for these kinds of development. Even when one talks of doing things on credit, one cannot draw upon credit unless there is an equal amount of savings in the economy. The ability of the economy to move forward is ultimately conditioned by the quantum of savings that it is willing to mobilise. Over and over again, the Finance Minister is advised about ways and means of developing the economy, but when he comes forward with his proposals to mobilise savings, there is sharp criticism of them.

Secondly, we are committed to the expansion of the public sector. With the exception of a small segment of the House, the rest of this House is committed to a rapid expansion of the public sector, which means that savings generated in the households have to be transferred largely to the public

exchequer so that development may take place in the public sector. There is, therefore, an inherent, ineluctable, irresistible need for transferring, year after year, a particular proportion of new savings that come up to the public exchequer. Otherwise, let us not talk about development orientation towards increasing expansion of the public sector.

Thirdly, anyone who has studied economic development and social change in any country of the world will realise, and will agree with me, that even more than the improvement of tools and techniques of production, what has enabled increase in wealth, what has brought it about, has been the qualitative improvement of inputs. That was what my hon. friend, Prof. Kabir was referring to when he talked about 'thinking of the man', what we invest in education, in health. Almost three-fourths of the increase in productivity that has taken place in the western world is now traceable to what one might call improvement in the quality of inputs. This requires a tremendous amount of transfer of resources because education and health, I am sure even under the dispensation of the Swatantra Party, will be overwhelmingly organised by the Government.

In any developed economy today 40 per cent of the national income is handled by the Government. Almost 20 per cent is used for purposes of transfers and for purposes of providing social overheads. Something like 10 per cent or more is used in investment, something like 10 per cent is used for Government's expenses. In our country today the Finance Minister is able to transfer only 18 per cent of the national income. Our inability to do things arises from the fact that our national income is low. We have to increase our national income; from that increased national product, he and his successors will inevitably have to transfer proportionately larger and larger resources to the public sector if the

whole development programme that we have undertaken is to be carried through. That rationale, that inescapable logic of development we cannot jibe at.

The next point that I would like to point out is that if we are to develop, we have to develop a much higher rate of saving and investment in our country than we are doing. When we began our development programme, we were saving and investing only 5 per cent of our national income, with the result that the annual increase in our national income was about one or 1-1/2 per cent. There was an almost equal increase in population, and the economy remained completely stagnant. Over the past few years we have been able to step up the rate of saving and investment, the rate of saving and investment made out of our own savings, to 10 per cent of our national income per year. It is necessary if the dreams and visions that we have, if the objectives that we have cherished are to be realised by 1975-76 or 1976-77, that in this decade we step up our rate of saving and investment from 10 to 20 per cent of our national income. From a larger nation's income, from an ever-increasing national income, unless we are willing to transfer greater and greater resources to the public exchequer, the whole pattern of development as we have envisaged, which is for the purpose of developing the human resources of our country and developing the material resources of our country, cannot be realised. Which means that every year an additional one per cent of national income, has to be saved and invested for a period of ten years. After that we will reach a plateau and it will not be necessary to move forward in that direction, but for a period of ten years, the saving and investment programme has to be stepped up. There is no escape from it, no matter what particular party, what political colour a particular government adopts. If this is to be done, you will find that with a 6 per cent rate of growth in the

economy, our national income would increase by about Rs. 900 crores per year; with a 5 per cent rate of growth in the economy today, the increase in our national income would of the order of Rs. 1,200 crores.

The minimum marginal rate of saving will have to be about 25 per cent.

In the first plan, which everybody praise here, I am sure Prof. Kabir will bear me out when I say, the marginal investment envisaged for five Five year plans was 50 per cent. But even if we have a lower marginal rate of saving, it is obvious that anything between Rs. 250 and Rs. 300 crores has to be channelled in the direction of saving and investment, and a great part of it has to be done by the Finance Minister. If we want to carry through our programme of development, we have got to agree that up to Rs. 250 to Rs. 300 crores of additional saving and investment have to be made, and anything up to 50 or 60 per cent of that, or perhaps more, will have to be through the public exchequer. Therefore, any Finance Minister who is committed to a programme of development has no escape. It is his sacred obligation to come to the House and say that he has to raise Rs. 150 to Rs. 175 crores year after year for a period of 10 years. That is inherent, as I said, inescapable, in the whole logic of development that we have accepted.

Thirdly, it has been argued that all this should be done by higher direct taxes. I believe that the base of the direct taxes should be lower. As a matter of fact, the Finance Minister when he was in charge of this particular portfolio some years back had lowered the base of direct taxes. Why? Because more and more incomes are going to come near the base. The base should be broader where from a large number of incomes are going to come. Hon. Members who are fami-

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lar with the tax structures in developed countries know what a large percentage of people pay direct taxes. It is necessary to catch as large a number of people in the net of direct taxes as possible.

Prof. Kabir talked about simplification of tax structure. All that is being done. The Finance Minister will be able to show you next year the result of the simplification of the tax structure and the nationalisation and streamlining of the tax structure that he is engaged in just now. I have no doubt in my mind that the Finance Minister will have in course of time to come forward with proposals on these lines. On the one side we try to raise the incomes of a significant section of our people and each one of them has to pay something by way of direct taxes. You may return them to these people in various forms of social benefits but it is necessary that the tax structure is widely spread and that the net is widely spread.

Even if we accept Dr. Lohia's suggestion, we cannot finance everything by direct taxes. My friend Dr. Lohia said that if he had the opportunity, he would restrict the consumable expenditure at Rs. 1,500 a month, that is, Rs. 18,000 a year which would mean that at the level of income of Rs. 40,000 and above, the tax will have to be 100 per cent. I am prepared to accept that but even when you do that you get only Rs. 25 crores more. Even after stepping up taxes whereby any person earning more than Rs. 40,000 per year will have to pay 100 per cent tax which would leave him with no income after taxes after he has paid all his life insurance premium, etc. the net accretion to the resources of the Finance Minister would be of the order of Rs. 25 crores or thereabout. What would be the result of the evasion of tax and all that—it is for you to consider. One of the bright young economists in some Banaras School

came and told him that Rs. 1,000 crores could be obtained. Surely he could have gone to the Finance Minister and the whole machinery of the Government is at his disposal. Dr. Lohia should not depend for formulating policies for the country upon what he considers to be bright young men in his entourage.

Shri D. C. Sharma: There is no room for bright young men in this country.

Shri Asoka Mehta: A great deal has been said against excise duties. It is true that excise duties which yielded a revenue of Rs. 67.5 crores in 1950-51 will yield 1214 crores in 1967-68. Half of this revenue comes from new commodities. We must realise the changes taking place in the structure of our economy. Secondly, there have to be excise duties because how do you get at do these things? If there is Rs. 250 or Rs. 300 crores rise in national income, in a country like India, how do you get at even a marginal rate of saving? We expect agricultural production to double during the current plan period. If that happens, you will not be able to mobilise any considerable amount of savings from the agricultural section. One of the ways whereby you can mobilise savings from them is through excise duties. You cannot get away from the excise duties. My friend Mr. Dange says that every excise duty is a call for a struggle, for a general strike. If it is so, all that I can say is that he will have to work for a continuous, interrupted general strike in this country. Because, excise duties will be there and will come on. He can be a super Trotskyite and work for a permanent general strike.

A lot has been said against foreign aid. I can assure every hon. Member of this House that no one wants foreign aid for the sake of foreign aid. I do not think that any particular section of the House has a greater sensitivity

of national honour compared to the rest of us. But what is the position? There are in development, two traps in which an economy gets caught: one is the savings trap. Your investment requirements are larger than what you can save in your own economy. Therefore, you try to augment your savings by borrowing from outside. And the other is the foreign-exchange trap. Your requirement of foreign exchange in the period of development is much greater than what you can earn by yourself, and therefore, you have got to augment your foreign exchange by getting foreign-exchange loans from outside. We are investing today 13 per cent of our national income, while we are saving only 10 per cent. The difference of 3 per cent comes from the loans that we are raising. The difference between our imports and our exports is roughly of the order of Rs. 800 crores. This foreign exchange gap is covered by the loans that we are raising. This we are doing because we are convinced that as an agriculturist takes credit in order to build up his economy, as an industrialist takes credit in order to build up his industry, as a businessman takes credit in order to organise his business, it is to this country's advantage to try to get credits. We will pay them after a period of time, but we cannot transform our economy quickly enough unless we are willing to take this credit. The minimum, the essential, credits have to be taken. I would welcome the most careful scrutiny by this House of the credits that we are seeking, but merely to make a general attack on foreign credit is no good. There is no aid because almost 97 to 98 per cent of the so-called foreign aid that we are getting as credit is a thing which we have repaid, which we are repaying and we shall be repaying in the years to come.

Here again, therefore, the question is would we like to cut down our development programme. Would we like, or are we prepared to step up our exports here and now so that we will

be able to meet our foreign-exchange requirements fully? How do we hope to overcome the savings gap and the foreign-exchange gap? It is amazing that when the Finance Minister comes forward to augment the savings in the economy, he is shot at: at the same time, he is being told, "push forward your investment programme, but do nothing to augment your savings and do not go in for foreign credit." If he comes forward to raise the exports, it is said, "why levy excise duties?" Because he said, "I have got to curtail consumption, internally, in order that the surpluses are created for export." The moment he does that, he is being shot down. And he is also told, "under no circumstances can you have foreign credit." This is what I am unable to understand, the sheer contradiction in which hon. Members are indulging. I would submit, if not today, some other day, when they will have the responsibility of sitting on these Benches, these very words of theirs will come home to roost, and this very contradiction will ultimately tie a knot round their necks. (Interruption).

The Indian economy is not yet fully developed; but it is not also underdeveloped. We are as it were in the mid-stage of development. When a country is at the mid-stage of development, there are many difficulties and problems, that are peculiar to that stage of the situation. For instance, we have the capacities for fabricating various kinds of equipment, but there are people, hon. Members of the House themselves, who sometimes favour imported equipment to indigenous equipment. Members from a particular State—I do not want to mention that State—came to us and said they must not the turbines and the power plant from a particular country, because the credits are available; the credits have been tied up. Why? Because then alone they will be sure of that power being available at a particular time. If they depend upon indigenous equipment there will be some slipping back. Over and

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over again, we find this kind of contradiction. The effort on the part of the Government is that we move ahead with our own indigenous equipment everywhere, but certain credits have been tied up; certain agreements have been made during a period of years; there is a recession; inevitably earlier agreements have to be honoured. We find we are not able to take full advantage of the capacities that we have built up. But as we move forward, increasingly we are going to be dependent upon our own resources. In the next three years in transport, power and a number of other sectors, we shall be completely self-reliant.

One has to remember that as the economic situation changes and as development proceeds, economic policies also change. In the Soviet Union far-reaching changes have been brought about recently in the economic policy and even in the economic philosophy itself, because at a particular stage of development, the earlier policies become a strait-jacket. That is what this Government has been trying to do. Hon. members opposite remain wedded to some kind of shibboleth and obsolete ideas. They do not realise that the policies have to conform to the stage of development.

I was quite happy to hear Mr. Dange pleading to inject some kind of pragmatism as far as the managers in the public sector undertakings are concerned. But I am surprised that the same Mr. Dange is blessing today 165 gheraos in Calcutta, which are undermining, damaging in an irrevocable manner, the morale of the managers. You can do what you like to the industrialists, the men of capital, but in Calcutta it is the supervisors and the managers whose authority, whose goodwill, is being undermined. Calcutta will soon be a place from where—whether there may be flight of capital or not, I do not know,—there will be flight of managers and supervisors. Does Mr. Dange want that? With his conception of prag-

matic approach, to managers, how can he at the same time, be responsible for blessing the gheraos?

I am sorry Mr. Surendranath Dwivedy is not here. He talked very eloquently about the need for an integrated incomes and prices policy. Here is a recent report—*Report on a Framework for Incomes and Prices Policy*. I would like to state that the Government is as vigilant in this matter as hon. members' opposite. But may I invite his attention to the conclusions that this report has come to: With your permission, Sir, I would like to read three or four sentences out of this:

"Though the need for an incomes policy has been under discussion in most of the developed countries in the last few years, hardly any operational incomes policy has been evolved in any country except the Netherlands.

The general context for an incomes policy in India is different from that in the developed countries.

The policy instruments have to be different and more complex than in the developed countries. Incomes policy has to be coordinated much more effectively with other economic policies."

This is a very complex problem. It is easy for Mr. Dwivedy to say, why don't you have an integrated incomes and prices policy? We have been carefully examining this problem and analysing it. We know it will take considerable time before the various pieces can be brought together and a coherent coordinated policy evolved.

Mr. Dwivedy was also very eloquent about the progress that Pakistan has been making in the last five years. But may I point out that Pakistan gets three times per capita foreign aid as compared to India. Pakistan's tax structure is something which

Mr. Dwivedy will not like, where a great amount of private savings are being deliberately encouraged. Then, many of the developments that have taken place in Pakistan are of what one might call "one shot" character and they are not going to be repeated. Fourthly, Pakistan is at a stage of development where we were earlier. Some of the excitement we felt in our first plan and a part of the second plan, Pakistan is feeling today. When she comes to our stage of development, Pakistan will experience the same difficulties.

Shri Piloo Mody: It will if you go there. (laughter).

Shri Asoka Mehta: That is not at all a joke, I can invite the attention of the hon. members to a very valuable study made by Prof. Edward Mason, who is a Professor of Harvard University, who has been Economic Adviser to Pakistan's planning authorities for a long time. In this recent study, he has compared the economic development in India and Pakistan. You will find that the conclusions I have quoted here are bodily lifted from that report. You can laugh at Asoka Mehta. But the laugh will come back on you when you find that this is what the economic expert of Pakistan himself has to say.

Shri Piloo Mody: 400 million people are laughing at you, not merely the members of the House.

4.30 hrs.

[MR. SPEAKER in the Chair]

Shri Asoka Mehta: There are 500 million. I am glad that 100 million are not with you. I am glad your knowledge is so defective.

I would like to come to one criticism that Dr. Lohia made. He said that the Plan provision for the year 1966-67 was Rs. 2250 crores while this year it is much less. Probably it is. But last year as against Rs. 2250 crores of planned provision the budgetary resources that were found actually were Rs. 2000 crores. Therefore,

there was a deficit financing of over Rs. 200 crores. We do not want that to happen. Therefore, this year the planned provision is likely to be in the neighbourhood of Rs. 2100 crores less than last year as far as outlays are concerned, but more than last year as far as real resources are concerned. The whole effort is to move forward on the basis of real resources we can mobilise.

He talked about the Finance Minister sharpening the razor to cut my throat. May I point out that the sharpening is being done by somewhat inexperienced gentlemen on the other side, inexperienced in the use of razor. Sir, Firstly, as the Economic Survey has pointed out, Centre's revenue in 1967-68 compared to normal expectations are down by Rs. 400 crores. Why? Because there has been 20 per cent decline for two years in food production, in jute, in mesta, in tobacco and in oilseeds. In various directions our economy has suffered a severe setback and the result is reflected in the finances of the Government of India. Should we project Rs. 400 crores in the remaining four years of the Plan? The Finance Minister does not want me to do so, but Dr. Lohia wants me to do so. Who is sharpening the razor?

What has the Finance Minister said in his Economic Survey? He has said:

"Industrial output levels for the later years of the Fourth Plan must be planned on the basis of the higher levels of agricultural production that should be achieved by then and care should be taken to avoid a hiatus in growth during those years as a result of undue pessimism based on current agricultural performance."

It is this undue pessimism to which so many hon. Members have led themselves to become victims. If we are not finalising our Plans here and now, it is because we want to be sure that while we do not embark upon optimistic expectations, we do not also become victims of pessimism.

[Shri Asoka Mehta]

That kind of very accurate assessment will be possible only after two or three months, partly because we want to see how the food situation develops and how the agricultural production develops, and partly because we want to see what fiscal policies the seventeen State Governments in India are going to follow.

The economy has changed. There is no getting away from the fact that our structure of economy has changed. We were producing machinery worth Rs. 30 crores in 1950-51, today we are producing Rs. 500 crores to Rs. 600 crores worth of machinery. By the end of the Fourth Plan, given the goodwill and co-operation of all concerned, we will be in a position to produce Rs. 1500 crores worth of machinery. All talks of transforming the economy ultimately depends upon our ability to bring in new tools and new techniques.

A lot has been said about neglect of irrigation. May I point out that major and medium irrigation has added 14 million acres in the last sixteen years, minor irrigation has added 31.6 million acres in the last sixteen years, in Uttar Pradesh and Bihar in 1965-67 more wells were energised than in the previous fifteen years and there is today a new tempo in all these things.

Shri D. C. Sharma: If that is the case, why is there food shortage in the country (Interruption)?

Shri Asoka Mehta: I would like to point out, Sir that next year when we discuss the budget we will find that our food production has increased very significantly because the potential today is anything between 95 million to 100 million tons and there is no reason why that potential cannot be realised. But I would like to point out that the strategy of agricultural development that the whole House has endorsed involves that 80 million acres of land will produce by

the end of the Fourth Plan 72 million tons of foodgrains while 220 million acres of land will produce only 48 million tons of foodgrains, because these 80 million acres of land will have all the combined inputs that Professor Kabir talked about. Therefore, it is necessary that one has to have the appropriate fiscal policy, because otherwise benefits will remain with those who own 80 million acres and nothing will go to those who own 220 million acres. This transfer of income has to take place and it can take place only through proper fiscal policy, which cannot exclude constant increase, constant widening and constant diversification of excise duties. I would, therefore, like to say that the Government would like to support the budget that the Finance Minister has put forward, because he has brought them forward in conformity with the overall strategy that he has outlined in Part A of the budget. It is a matter of regret that the policy projected has not been fully examined so that members could have come to the conclusion that what he has suggested is in conformity with the needs and requirements of our development.

I would like to point out that today we are giving Rs. 118 crores as food subsidy. I hope and trust that as the food situation improves this subsidy will not be necessary and these resources will be available for accelerating our further development programmes.

I agree that there is need for vigilance and there is need for correction in every direction. I recognise that we have to improve our efficiency and we have constantly to strive for economy. All this advice given to us are welcome. They are necessary. But, at the same time, may I point out that we can do all this if we move forward with confidence based upon informed faith. If the course is rightly set then members are welcome even to steel the ship. As the cap-

tain has rightly said, they can quarrel with the navigators, with the ship even, but not with the course that has been charted. The main danger today lies in confusion, weakening of the will, petering out of the dynamism. My hon. friend, Dr. Lohia, with whom I have been having a sharp argument for the last fifteen years, was pleased to say that the grapes of wrath are ripening. But we in this section of the House, having full confidence in our people, believe that these are grapes of hope, and not grapes of wrath, and that these grapes of hope are filling up and getting ready for vintage.

Shri G. Viswanathan (Wan-Diwash): Mr. Speaker, after 20 years of political independence and after three big Five Year Plans, still India has not attained economic independence. Though day in and day out we are raising our voice against monopoly and monopolists, it has achieved no purpose. This monopoly has come into existence only by the inefficient licensing policy of this Government. The economy of this country is not controlled by the Union Ministry or the Finance Minister of India but by a few groups, 75 big business groups of this country, comprising 1,536 companies, and their total assets come to Rs. 2605.95 crores. After all, this monopoly is not unexpected. It was anticipated even by the fathers of our Constitution. For example, one big business group is able to control almost all the industrial products of this country.

I would like to quote from the report of Shri Hazari—

"Except basic steel and power generation, almost every kind of industrial product capable of domestic manufacture is covered in the Birla perspective plan. There is evidence of interest in new and rapidly growing industries, particularly, aluminium, electrical goods, chemicals, cement, man-made fibres

and yarn, heavy engineering, alloy steel, pig iron, tools, timber products, newsprint and pipes and tubes but traditional industries like cotton sugar, vanaspati and paper are by no means ignored."

The empire of the Birlas is bigger than Asoka's empire and even Alaud-din Khilji's empire. Would you like to know the boundaries and extent of the Birla empire?

"While West Bengal and Maharashtra continue to be their prime location, Birlas have ventured on a large scale in recent years into Madhya Pradesh, Andhra, Rajasthan, UP and Gujarat, and are also developing interest in Assam, Madras, Kerala, Punjab, Orissa and Bihar. There is one project in Kashmir (and the blank on the Birla map in Mysore has been filled up of late by the acquisition of a cement company and a machine tool company)."

When I speak of Birla I take him as a representative of the big business groups. Birla for me includes Tatas, Dalmias, Jains, Singhanias etc. This is how the Government is running this country.

After all, how did this happen? Why were these people alone preferred in issuing licences? The reason is simple. It was because they contributed very liberally to the Congress election fund. I am not talking in the air; I can substantiate my argument from the report of the Monopolies Inquiry Commission. On page 135 it has been categorically stated—

"In fairness, we have to add that some at least of the industrialists who appeared before us did not seem to be quite happy about these contributions."

I mean, contributions to the election fund of the Congress Party.

"One member of the delegation of the Indian Chamber of Commerce blurted out a complaint

[Shri G. Viswanathan]

that industrialists were compelled to make those contributions, but that they got no return."

What a shame on the Congress Party?

"The leader of the delegation made the interesting modification of his colleague's statement by saying that it was not compulsion, but persuasive pressure that was responsible for much of these contributions."

This is how the Congress Party was issuing licences only to these big business groups and to no one else. The money they contributed went to the Congress fund and the licence was issued to the parties. This is how monopoly in this country has been created.

The Finance Minister speaks of price stability. He admits, rather he confesses, that over a period of three years a 48 per cent rise in prices has taken place. To talk of price stability in India is to talk of snakes in Iceland. The Central Government has so far done nothing to arrest the prices or to hold the price-line. At the same time they are not also willing to help those who are taking some steps in this direction. For example, the Government of Madras has very recently started giving subsidised rice at a low price to the poor people and to the down-trodden people. They are giving so much subsidy to the rice producers. They expect some help from the Central Government but our Finance Minister is not generous enough to help the Madras Government.

Now-a-days the Central Government seems to be too aggressive. They want to encroach upon the jurisdiction of the State Governments. The people now-a-days stand for decentralisation of power and not for concentration. Very recently two Bills were introduced in this House and in the other House, namely, the Central Industrial Security Force Bill and the Unlawful Activities Prevention Bill. The Industrial Security

Force Bill is definitely within the jurisdiction of the State Government. but I am sure no Chief Minister was consulted definitely non-Congress Chief Minister was consulted before bringing this measure. I would like to state before this House that federalism must be kept up in this country at any cost.

The Finance Minister often speaks of restraint in public expenditure and economising on Government expenditure. I welcome his proposal to reduce the strength of ministries. But at the same time I would like to ask one question. When reducing the strength of ministries, why cannot he reduce the strength of ministers? we have got ministers without portfolio; they have no work. I am told that the other ministers are afraid of these ministers because they might steal away some portfolio from them. These ministries should be abolished immediately. They have no work and they should not be paid. I am reminded of the Finance Minister's statement in the House the other day. When dealing with cooks and water carriers in the Defence Department he said that those people did not work any more and they should not be paid. The same rules must be applied to Ministers also.

The other day, we were invited to the Rashtrapati Bhavan. I entered that palatial building for the first time and there I saw place guards standing on either side and no step was vacant and every guard was standing like a statue. In a poverty-stricken country like this, there should not be any place for pomp and show. This should be immediately abolished. All this criminal waste should go.

When we speak of economising expenditure, the Finance Minister has gone to economise the shape and the size of the currency notes. Very recently, new notes have been issued and it is very difficult to find out whether it is a ten-rupee note or a one-rupee note. Very often, the people in rural areas use these notes by the shape and the size of the

notes; they do not read into the notes. They now find it very difficult to identify these notes. This Government seems to be penny-wise and pound-foolish.

I would like to remind the House of an advertisement at the time of election, in my place, Vellore. In theatres, slides were shown and the people were asked by the police to beware of counterfeit notes that were in circulation. This one advertisement is enough to show the incompetence, the inefficiency and the importance of this Government.

Again, the Finance Minister speaks of lower-income groups in his Budget speech. He says:

"When real income are eroded by increases in the cost of living, some compensation to the lower income groups becomes not only unavoidable but also necessary in the interest of maintaining social harmony and good industrial and service relations."

Let us look at the taxes he has imposed. He has raised excise duty on coffee and tea which, definitely goes against the interest of the common man. Amongst the cuts of Mr. Morarji Desai, the unkindest cut of all is the excise duty on aluminium. It is the poor people, the scheduled caste people, who are now switching over to aluminium from mud-pots. At this juncture, the Finance Minister has imposed a tax on aluminium. It is very unkind to the poor people. Is this the way of compensating the lower income groups? Is this the way you help the vulnerable section of the society?

Again, he has raised the duty on synthetic fibre. Because of this, hundreds and thousands of handloom weavers will be affected. Our Finance Minister has got a pious wish. He says:

"It is my expectation that in the case of aluminium, rayon and synthetic fibre, it should be possible for producers to absorb the increase in excise duty without any increase in the prices charged to consumers."

He goes on to say:

"In any event, producers of these products will not be allowed to increase their prices without prior consultations with the Government."

I would like to ask him how many people have come to you, for prior consultation as to whether to raise the price or not. When he rises to read his Budget speech, the prices go up throughout the country. No merchant comes here for consultation with the Finance Minister or with the Government of India.

Now, I would like to come to the sensitive problem, rather one of the unsolved problems of this country, the language problem. Leaving apart the ways and means of finding a solution to this problem, the Ministers often aggravate the problem by making some sort of statements. Very recently, a Minister of State has made a statement which has evoked so much criticism and anger throughout the country. I would like to read the editorial of *The Hindu* of April 21, 1967. It says:

It is amazing that a person holding the position of Union Minister of State for Education should have made an utterly irresponsible statement, which is in complete variance with the declared policy of the Government of India. Mr. Bhagwat Jha Azad is reported to have stated at a Patna reception given to him by the Bihar Hindi Sahitya Sammelan that the people should "wage a war against the continuance of English and make efforts for the all-round development and progress of Hindi, the national language of India".

An hon. Member: What is wrong in that?

Shri G. Viswanathan: He says that Hindi is the national language of India. According to him, Hindi alone is the national language. Then what happens to the other languages? What happens to Telugu, Kannada, Malayalam and other languages? Are they not the national languages of this country? I can understand the love for one's own mother-tongue; I can appreciate the love for one's own mother-tongue, but at the same time I would like to remind this House that the other languages must also be considered. When you speak of Hindi as the national language of India, what about the other languages that find place in the VIII Schedule? Are they not national languages? (*Interruptions*). Then what is the meaning of calling Hindi as the national language? I know that most of the members who are coming from Hindi-speaking areas would not agree with me, but I would stress my own point. All the national languages should be recognised as official languages. Unless the Constitution is amended on this basis, you cannot satisfy the non-Hindi speaking people. I would like to remind the Minister of this. (*Interruptions*):

Mr. Speaker: Order, order. Please allow him to speak.

Shri G. Viswanathan: The Government of India has recognised English as the associate official language of this country under the Official Languages Act, 1963. Again, the Union Government has accepted, and all the State Governments have accepted, the three-language formula. According to the three-language formula, English should be studied in every school throughout India, whether it is a Hindi area or a non-Hindi area. The Minister must be aware of this Resolution. How can he make such an absurd statement calling that a war should be waged against English?

When I speak for English, it does not mean that I stand for English; I

stand for my own mother-tongue. When you are in favour of your mother-tongue to be the national language and official language of India, why can't I? Will you accept Tamil as the national language and the official language of India? (*Interruptions*).

Shrimati Lakshminathanamma: According to the Constitution, all these languages are national languages.

Shri G. Viswanathan: Then amend the Constitution like that. Let us have all the 14 or 15 languages as the official languages and not only Hindi or English. I stand for all the languages; all the languages should be given equal opportunity in this House. The other day, when Mrs. Tarkeshwari Sinha began her speech in English some hon. members wanted her to speak in Hindi and she did so, I appreciate that. Am I not entitled to speak in my mother-tongue? Am I not entitled to be heard and understood by other people? So long as simultaneous translation in all other languages is not made in this House, we are put at a very disadvantageous position. When I plead for English, it is not that I love English; I plead for English because English confers no undue advantage on anybody, but Hindi confers undue advantage on a particular section of the society. This is complete discrimination. We want that English should be continued until all the national languages of India are accepted as the official languages of India.

Mr. Speaker: He may come to the Budget now.

Shri G. Viswanathan: I welcome the UPSC's proposal that all the 14 or 15 languages will be the medium of examination. I welcome this proposal. At the same time, I would request the Minister for Parliamentary Affairs who is present here that immediate steps be taken for simultaneous translation in this House in all the other languages and our demand should not be ignored because we are not shouting. I think they are treating us very indifferently. I want that simultaneous

translation in this House in all the other languages should be done immediately. I would like to remind the House of the Conference that was held very recently at Kodaikanal, the anti-Hindi Conference held by the students of Tamilnad. This must an eye-opener to the Central Government. They should not keep quiet because there is no agitation in this country. I know the attitude of the Central Government. Unless and until people agitate, they will not come with a legislation. This has been the attitude from the very beginning, from 1947. Mr. Nehru promised so many years back it has yet to come in this House. I hope that they will bring the Amendment Bill in this session and I am going to welcome it. But my opinion, the opinion of my Party and the opinion of the non-Hindi speaking people is this: until you recognise all the national languages as the official languages of India, English should be continued as the sole official language of this country because it confers no undue advantage over a particular section of the community or over a particular section of the Indian people; otherwise, we will be put to a disadvantage and we will be having a lot of hardship.

Shrimati Sushila Bhatgi (Bilhaur): I find that a new tendency has crept in in this House recently, which has been a source of inspiration to many of our speakers here. I do not mean you, Sir, But I mean the hon. Members from the Opposition side. It may be a question of the Bir'aphobia; it may be a question of the theory of vacuums in the speech of Dr. Ram Manohar Lohia or it may be a question of the language controversy on which the previous speaker just waxed eloquent.

I would like to confine myself to the budget and the budget alone. I would like to congratulate the hon. Finance Minister on having brought forward such an efficient and such a wonderful budget at this juncture. We have to judge the budget.....

Some hon. Members: A wonderful budget?

Shrimati Sushila Bhatgi: Yes, I look upon this budget in that way. I am sure that by the time I conclude my speech, many of my hon. friends will be convinced of that. Let them give me a patient hearing.

I would like to say that every budget mirrors the needs and requirements of the time. Every budget mirrors the background of the economic condition of the time. What is the economic condition of the country today? Let us not forget that the prices have risen by nearly 46 per cent during the last three years. Let us not forget that the country is fraught with famine of an unprecedented type. Let us not forget that devaluation has been accepted as a universal failure. Let us not forget also that there have been two great wars on our frontiers, which have depleted our resources to a great extent and which have forced us to increase our national expenditure on defence from Rs. 300 crores to nearly Rs. 950 crores now. Let us also not forget that there has been population explosion in the country, and the population has been increasing very rapidly, at the rate of nearly a crore of population every year. Let us also not forget that what the other parties could have done in the background of these things. Is there any party here which could have brought forward a better budget today? I extend this challenge to all my Opposition friends today. If they cannot unite even on a single matter like the West Asian crisis, when they very nearly came to blows,—thank God, there was a little partition between the two sides there—if they could get into such a fury and a furor over a fire which was escalated far away from our shores, can they think coolly and calmly and unite in a matter relating to a fire which is burning in every hearth and home in India today? So, I would congratulate the hon. Finance Minister on this budget. I am sure my hon. friend

[Shrimati Sushila Rohatgi]

Shri Piloo Mody would also agree with me that this was the best budget that could have been brought forward.

Shri Piloo Mody: I do not agree.

Shrimati Sushila Rohatgi: I realise that we have socialistic goals and we have socialistic dreams, and those dreams can only come true when we take some drastic steps, and apply some drastic cuts.

The hon. Finance Minister has called a halt to deficit financing in his speech. I take this to be a very strong and a very bold step. I think that we have reached the take-off stage of the economy, and from this, it would be easy to heal all the wounds in our economy; it will be easier for us to stabilise our economy and it will be easier for us, once we have diagnosed all the maladies in our economic body-politic, to sit down coolly and calmly and give our budget a convalescent stage. After that is done, it will be easier for us to take off and to soar in the winds of all those dreams of socialistic pattern that we have had, and I think that within a couple of years or three years we would be in a position to raise the standard of living of the people. I would certainly like to congratulate the Finance Minister on this.

But I have no doubt that this budget is conspicuous in certain ways; it is production-oriented; it encourages exports and so on. But it has something to miss in it also, and that? I am afraid, is this. It is conspicuous by the presence of the federal structure of our Constitution.

17 hrs.

I personally feel that the budget must also mirror the politically changing times. Today for the first time

after the elections, we find that nearly 50 per cent of the States are governed by non-Congress governments. So far the Central and State Governments had the same party in power. Whatever plan was made was formulated by the Planning Commission and funds were allotted by the Finance Commission; the plans were taken up and, as a matter of fact, they were implemented by the States. But today in the changed context, I feel that this federal structure makes it necessary for us to see, when the Constitution does not authorise, does not make it obligatory on the States to carry out the plans made by the Centre, whether it would be incumbent upon the States to follow the plans laid down by the Planning Commission. I would like this point to be studied. Today the Central Government cannot ask any State Government to levy any tax; it cannot force any State to abolish any tax. In the present context, with many of the State Governments, as in Bihar, West Bengal and UP, trying to gain popularity of the public, by their decision not to impose any further taxation on the people, by their decision also to raise the dearness allowance—in UP I know this would cost about Rs. 10 crores—, how are they going to implement the Plans?

This is a point which has disturbed me. I would certainly like to bring this to the notice of the Finance Minister. The time has come when the Planning Commission must consider this point whether the plans which it draws are going to be followed by the various States or not. The time has come when the Central Government must also consider how far they can go in seeing that the plans which are necessary for the growth of any country must go ahead. It should not be left to the whims of State Governments alone, whether the plans will be acceptable to them or not, whether they would work within planned economy or not.

I feel that planning is a sacred, national subject and it should be a joint venture of the States and of Centre. It is up to the Centre to fix a certain ratio of assistance. In the Third Plan, I find that UP bore 40 per cent of the cost of its plans and the Central Government gave about 60 per cent assistance. I would like a uniform policy followed in this regard irrespective of the parties at the helm of affairs in different States, how much Central grants would be forthcoming and how much the State would put in for the plans of development in the State concerned. We must consider how far can the Central Government impose taxation on the people in general to help a particular State.

Secondly, I would like to point out that in the allocation of Central projects also in States, there has been a little discrimination. In the first two Plans, UP had no central project whatsoever. In the Third Plan, we had four projects. Apart from the natural potentialities and natural resources in a State, this must be linked up with another consideration. I would also suggest that the backward condition of the State and the population of the State should also be taken into account. I would make a humble request that UP, which has nearly 17 per cent of the total population of the country, and which has been given only 6 per cent of the total Central projects, should, in consideration of its backward economy and backward condition, be given a little more preferential treatment in order that all the States in the country may come at par in the matter of development, so that States like Madras, Bengal and Bombay are not allowed to forge ahead leaving others behind. Therefore, I would suggest that all these factors should be taken into consideration.

The per capita income at present in the country is Rs. 430 whereas it is only Rs. 350 in UP; in certain backward areas of UP, it is only Rs. 200. I would urge upon the Finance Minister that all these factors should enter

into calculation in the matter of allocation of projects.

Then there is another factor. Though it has been a very good budget—and my challenge is still there—I would like to see corrected certain small factors which go a long way in irritating minor and small scale industries. I would take the case of the drug industry. There has been a price freeze in the drug industry. As a result, medium scale and small scale units have found it very very difficult to compete with the big units which have collaboration with foreign firms which operate in India. If it had been linked with some freeze on the raw materials it might have been easier for them to compete with them, but this policy of only fixing a ceiling on their price is a step towards exterminating and killing the indigenous drug industry. I would also like to point out that that this matter should be taken into consideration because it has been the avowed policy of the Government, from time to time the Government has declared so, to encourage indigenous industry and give it all sorts of incentives. If the Government wants to carry this out, it must see that these small matters are mended in time.

This budget is trying to give incentive to various industries in the form of loans and concessions and in so many other ways. It is a very commendable step, but I often find that people have to worry about the bills which are pending in the name of the Government, both at the Centre and in the States. I do not understand this incompatibility of the Government extending support in the name of loans on the one side, while it deprives these firms of their legitimate dues from Government in the form of bills. These little things should be mended in time.

The most important problem which faces us today is food shortage. I am glad that Government is aware of it and is giving it top priority, but I am afraid that the sense of urgency is still missing. I would like this food shortage to be tackled on a war foot-

[Shrimati Sushila Roghatgi]

ing. If there is only a 8 to 10 per cent shortage, it can be easily combated either by austerity or stopping wastage of any kind. I would not only appeal to all the members of the House, to all the housewives of the country, to everybody concerned, that food is a vital necessity, and the more we go on begging, it only disgraces the House and the country, it only humiliates us, but I would also venture to suggest that just as we are trying to link the country through a network of airways, the Government should provide a network of waterways. Every farmer should be provided with cheap, if possible even free, water. I think our farmer has the potentiality of producing much more than he is doing now.

For instance, sugar is the chief industry in Kanpur. I have talked to the people there, and I find that the research carried on in the Central Sugar Institute, Kanpur, indicates that if they are able to provide 8 to 9 per cent irrigation more there, the sugar yield is much more. As against that, we find that because of the inadequacy of water, our main industry, the sugar industry, is going away from U.P. to the South.

Therefore, I would beg the Finance Minister to cut down the trimmings of administration. I would even suggest that, as we have a phased plan, we should also have a phased plan for cutting down the administrative expenditure. I am told the administrative expenditure is nearly 30 to 35 per cent. It is for him to state the veracity of that. Anyway, we have no right to spend so much on our administrative expenditure alone. I am sure that if the Government makes a cool, collected programme, in a phased manner, without retrenching people straightway in the present economic crisis but without extending recruitment any further, streamlines the administration fully, it can make a start and realise, how much expenditure

can be cut down in due course, even if we have to wait for a year or two.

I am sure water expenditure can be cut down and can be utilised for irrigation purposes; because that is the primary necessity of the day.

I have been told by some people that this fad for felling down trees has told very heavily on our economy today. There has been a tendency to go back to afforestation, but great damage is being caused, and some people say that that the system of afforestation must be speeded up, and there should be a directive given by the Centre that all such schemes should be encouraged and anything which boosts production should be given every incentive. There are certain areas and I would specify the area round Jhansi, the Rohilkand division. We are told that the soil there is extremely good. People have submitted official reports that, if irrigation facilities are provided, that area alone would be able to provide sufficient food for the entire State of U.P. I would request the Finance Minister to go into that. Medium irrigation and agricultural production should be given top priority.

There is stagnation in the textile industry in U.P. as in other parts also. When the companies in U.K. faced a crisis sometime back, they passed a Textile Renovation Act and subsidised the mills and eventually they stabilised. Textile industry is one of the major industries and especially so in U.P. Renovation is the need of the day. Government should take steps to renovate these mills so that they can be put on a strong footing to compete with other efficient mills.

In my constituency there are some areas where the soil is white and nothing could be grown. It is called mutti. Some research was carried out of this soil and we were informed that 20 to 25 per cent cultivation can be done in these areas. I would request the Finance Minister to send

for details about this place and if possible to make this a cultivable land. About a lakh of acres or two lakhs of acres in U.P. alone could thus be brought to cultivation. In the present crisis every acre of land matters.

There is a craze to industrialise the cities. Agriculture and industry must go together. I do not understand why industries must be located in lands which give a good harvest. I would even say that the grow more food campaign can be compatible with greater industrialisation only if good lands are not destroyed for building new constructions for industries. With these words, I thank you, Sir.

Shri Sequeira (Goa, Daman and Diu): Mr. Speaker, Sir, on page 125 of the Defence Services Estimates for 1967-68, it says that one of the canons of financial propriety is that every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

The revenue expenditure as percentage of net national output has gone up from 4.42 per cent in 1955-56 to 5.84 per cent in 1960-61 and to 9.03 per cent in 1964-65 and in absolute terms it has increased in 1967-68 by 48.66 per cent over 1964-65. When that is so and when the appropriation of people's money through taxation as percentage of net national output, has increased from 4.42 per cent in 1955-56 to 5.16 per cent in 1960-61 and to 7.81 per cent in 1964-65; in absolute terms in 1967-68, this year, 83 per cent over 1964-65, I submit that this canon is not only not being followed but it is being trampled upon.

The Government which is supposed to be a service organisation has become a self-servicing organisation. If the intention is to tax the rich, to feed the poor, I have no quarrel. But

when it is to tax everybody, to support the Government and perpetuate a Parkinson's paradise, I think something should be done about it.

Almost everytime, at budget time, everyone agrees that something must be done, but everytime, we are told because of the difficult economic situation, we must be careful, and nothing is done, and the situation keeps getting worse and worse every time. I submit that there is need for a change in approach and in performance right now; I have tried to place myself in the unexcised shoes of the hon. Finance Minister, and to ask myself what I would do in this situation.

To the hon. Minister, I offer the conclusions that I have reached, as my humble suggestions for considerable improvement. I believe that any over staffed organisation is inefficient. I believe that to put through a crash programme, you need an efficient organisation. I believe that when there is slight, just slight understaffing, everyone tries a little harder, works a little more. I would, therefore, insist upon a ban on further recruitment in Government. I would suggest an age-limit of 50 in Government service, and insist on the enforcement of this limit. I would thus infuse fresh blood, fresh thinking into all cadres of the Government; unlike the hon. Minister of Planning I like bright young men. I believe that we must cut costs. I believe that difficult situations call for a change from complacency to dynamism.

I would start with revenue expenditure: I would cut unilaterally, mildly drastically four per cent from every demand except debt services. That would give me Rs. 87.04 crores; I would retain in reserve two per cent; that gives Rs. 43.52 crores. I would tell each Ministry, in each State, I have only cut four per cent, and I expect you do all that you have planned. I have Rs. 43.52 crores in reserve and I will judge you, your efficiency, by your ability to stay away. I would make disbursements from my reserve

[Shri Sequeira]

fund subject to my personal sanction. I would judge my own efficiency by my ability to carry all of it into the next budget. I would be left with Rs. 43.52 crores to use effectively.

I believe in the social control of all enterprises through the people and not Government which is a bad manager, through exercise of consumer preference and investment by the people in equities. I would therefore place additional purchasing power in the hands of the people. I would exempt all earnings up to Rs. 12,500 per year from income-tax. That would come to Rs. 30 crores; I would exempt all earnings from Rs. 12,501 to Rs. 30,000 a year from special surcharge; that comes to Rs. 3.75 crores. I would give a relief of 15 per cent on total tax payable on all earnings between Rs. 12,501 and Rs. 30,000; that comes to Rs. 9 crores. I would give a relief of 10 per cent on all earnings between Rs. 30,000 and Rs. 50,000 a year; that gives Rs. 5.10 crores. I would give a relief of five per cent on all earnings between Rs. 50,001 and Rs. 1 lakh; that gives Rs. 3.10 crores. Total Rs. 50.95 crores. By doing this, I would have placed Rs. 50.95 crores of additional purchasing power in the hands of 1,230,000 people and added to the savings and investment by the people in equity. I would have at least 941,264 less assessments to make. I would have probably 5,832 spare assessing officers in the income-tax department, whom I would send to public enterprises as economic inspectors to get at least the same gross profit margins as they demand from private sector in their assessment.

I would be left with a small deficit of Rs. 7.43 crores. I would go to my capital disbursements and apply the same standard and the same system. On Rs. 833 crores, I would cut 4 per cent, i.e. Rs. 37.32 crores. I would retain 2 per cent, i.e. Rs. 18.66 crores. I would add this to the reserve fund of Rs. 43.52 crores to get Rs. 62.18 crores in reserve. I would use the other 2 per cent to offset the deficit of

Rs. 7.43 crores and I would be left with Rs. 11.23 crores.

I would now turn to excise, which is the main burden of taxation on all people. I believe that any tax that adds to the cost of necessities of common people should be cast aside, in favour of taxes on luxuries of some or even all people. From my budget proposals, I would forget about additional excise on coffee and tea, footwear and, cotton textiles. I would set aside for the present the proposals I had made on motor spirit, petrol and lubricants and cigarettes. The loss of revenue would be Rs. 73.05 crores. I would then remove completely the basic excise duty on tea, coffee, vegetable oils and fats, soaps, cotton fabrics, cotton yarn, woollen fabrics, woollen yarn, kerosene, medicines and the additional duty on textiles. The loss in revenue would be Rs. 216.12 crores. The total loss in revenue would be Rs. 289.12 crores.

I would then double the basic excise duty on tobacco, motor spirit, refrigerators and air-conditioners and I would charge 50 per cent more on non-specified petroleum products. I would triple basic duty on motor cars, not including trucks, and cosmetics and cigars and cigarettes.

An hon. Member: What about liquor?

Shri Sequeira: That is a state subject; that is not taxed by the centre.

The gain in revenue would be Rs. 280.96 crores. With these proposals, I would have not only arrested but reversed the rise in prices on some very essential commodities. I would have taken Rs. 290 crores from a few and put Rs. 289 crores into the pocket of many millions. I would still be left with a net surplus in excise of Rs. 1.79 crores.

I believe that decisions are only sound when based on well-programmed statistics of recent vintage. I would spend all of the Rs. 1.79 crores in equipment to process my data and qualified men on contract, not service.

to Government to plan my systems, collect and analyse my data and advise me in my decisions. I would still have Rs. 11 crores in savings left. I would use them from time to time during the year to keep the fact of falling prices constant by selected reliefs in direct taxation; or, I might use them to offset a rise in price of sugar when the sugarcane price goes up.

Having done this, in my budget proposals, I would try and set in motion a series of examinations into various aspects of government collections and spending.

An hon. Member: Is it a parallel budget?

Shri Sequeira: These are my suggestions.

Mr. Speaker: Allow him to make a budget. Do not interrupt him. He is getting trained in the preparation of a budget.

Shri S. S. Kothari (Mandsaur): He and the Planning Minister should sit together.

Shri Sequeira: Of my tax revenue, customs, excise and corporation and income tax provide me with 98.06 per cent of the revenue and it cost me 1.22 per cent of the revenue collected on collection charges. All the remaining charges like estate, wealth, expenditure, gift, land revenue, state excise, vehicles, sales tax, other taxes, stamps and registration fees together give me 1.94 per cent of my tax revenue and cost 12.62 per cent of revenue produced to collect. On estate duty the revenue is 30.59 and cost of collection is 15.49. On stamps the revenue is 545.00 and cost of collection is 424.44—there is very little left. I would examine and decide which taxes I could do away with, how I could reduce prices as a result.

There is the question of income-tax arrears. I learnt from the department

the other day when I asked for information, that these arrears have not been classified into income ranges or types of assesses. How are you going to collect if you do not know from where to collect.

Shri Umanath: It is not meant for collection.

Shri Sequeira: A large part of our expenditure today is on defence. We are building massive defence establishment which is an expensive proposition. Have we considered whether we should build a smaller establishment, a smaller permanent cadre where the officer to rank ratio is much higher than now with a large and cheaper part-time para-military backing?

On irrigation, why did it take so long to realise that surface water dries up with any drought and sub-soil water never dries?

Mr. Speaker: The hon. Member has to conclude in another two minutes.

Shri Sequeira: Sir, I offer these observations to the hon. Finance Minister as humble suggestions and I request his careful consideration. I would like to give him one pointed reminder. The generation for whom we were told we are suffering, the ones who would benefit from our suffering, are already here. They were born in free India, they are growing in free India, they want better lives for themselves, not for their children. Time, Sir, is no longer on our side.

17.29 hrs.

"SHIV SENA"

Shrimati Susela Gopalan (Ambalapuruzha): Mr. Speaker, Sir, Shiv Sena was organised during the last general elections. It has a political motive. Throughout the election period they were terrorising the people in a certain area. It was published in the papers that even the Home Minister