

12.56 hrs.

FINANCE BILL, 1974

MR. SPEAKER: Now, we take up further consideration of the Finance Bill. Shri Giridhar Gomango, was on his legs. The hon. Member may continue his speech.

SHRI GIRIDHAR GOMANGO (Koraput): I was talking about the exploitation in the tribal areas. The Working Group set up by the Planning Commission has observed:

"Unless they are protected from the exploiters, any amount of development work would have a negligible effect for the reason that all such development would drain away into the pockets of the exploiters."

Then I come to the provisions of the Constitution with regard to financial matters relating to tribal areas and the scheduled areas in the country. Here, the proviso to Art 275(1) of the Constitution says:

"Provided that there shall be paid out of the Consolidated Fund of India as grants-in-aid of the revenues of a State such capital and recurring sums as may be necessary to enable that State to meet the costs of such schemes of development as may be undertaken by the State with the approval of the Government of India for the purpose of promoting the welfare of the Scheduled Tribes in that State or raising the level of administration of the Scheduled Areas therein to that of the administration of the rest of the areas of that State:"

12.57 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

In this provision, one important point I would like to place before the hon. Minister is that the question is not the allocation but the question is about the implementation. The Cons-

titution provided that the raising of the level of the administration in the Scheduled Areas is the responsibility of the Centre, but the Government has not taken any concrete steps for the administrative matters. I will not go into the details but I would like to submit before the hon. Minister about the Fifth Plan allocation for the tribal areas. The Planning Commission submitted a report that the Tribal Development Agencies and the Central sponsored Schemes will be integrated in the Fifth Plan. The Tribal Development Agency which was started by the Ministry of Agriculture in some areas gets the assistance, that is the special allocation by the Ministry of Agriculture. When the new integrated development scheme is taken up in the Fifth Plan, the scheme which was started by the Ministry of Agriculture in that area, will be integrated with integrated Tribal development. The Tribal Development Agency scheme and the allocation made for that project should be made separate from the integrated development scheme. The financial position of the States is very low compared to their position during the previous Plan period and if you see, the present allocation also is very low. The help given by the Central Government should be more. This is my submission. Take States like Orissa, Bihar and Madhya Pradesh. They are getting low allocation. Shortfall in expenditure is another aspect of our developmental effort. There special problems of the hill and tribal areas which have to be taken into account. There are special disturbed areas which have to be taken into account, like for examples. Naxalism in tribal belts and so on. Of course the Government has taken some steps. But Sir, whether the development needed for that purpose has been successful or not has to be considered and that should be studied by a Committee. There is a need for a machinery to watch these matters. There is need for such a committee to see the progress of the development expenditure in that area.

[Shri Giridhar Gomango]

Article 275 provides for the effective utilisation of the allocation made by the Central Government and the State Governments. Funds for welfare of tribals should be made non-lapsable. Lastly, since I have no more time, I have to refer to one point. This is about the allocations made by different Ministries as directed by the Planning Commission. They have not yet made up their mind how much money will go to the tribal area with your permission, Sir, I will pass on the note which I have prepared to the Finance Minister.

13 hrs.

SHRI H. N. MUKHERJEE (Calcutta North-East): Mr. Deputy-Speaker, Sir, you will permit me to say that never in my experience of this House for the last 23 years have I seen a Budget session like the present one. There is unrelieved tension in the country and there are unpredictable bust-ups in Gujarat and Bihar and else-where. And this I find reflection in the working of our parliamentary system; we are letting go of the Budget so to speak without anything like adequate scrutiny. I think, Sir, there is very urgent need for an effective committee system to supervise the Ministries, or this kind of a make-believe of a Parliamentary democracy will collapse.

I do hope that the Speaker and other persons in authority concerned will apply their minds to this aspect of the crisis of the Parliamentary system so far as its working is concerned.

The Finance Bill is a symptom of the declining economy which we see all around us today. There is what need not be repeated but is an acute fact of life, the mounting suffering of our people. More than 2 years of the paribi hatao campaign has seen an absolute growth in terms of the numbers of the population below the poverty line. The Finance Minister's

own State of Maharashtra has 60 per cent of her people living below the poverty line. A question was answered in this regard the other day, Unstarred Question No. 4871. In West Bengal more than 70 per cent of the people live below the poverty line.

At the same time, vulgar ostentation and conspicuous consumption goes on. The Finance Minister tells us without turning a hair that there is a parallel economy, black-money economy and he cannot do much about it.

Toy money bags are in league with Government leaders and powerful bureaucrats. Government is unable or unwilling to demonetise, to seal vaults to curb vulgar and conspicuous consumption, to increase production of articles of mass consumption by the masses of our people and produce articles of luxury only for exports. Government are unable even to collect arrears of taxes, let alone stopping downright cheating of the revenues by the very rich. I saw recently some very revealing figures how very little is being recovered from the 25 top assesses including Dharam Teja and Mundhra and others from whom a total of Rs. 31.25 crores are still due and there is a case, a very delectable case—Sita Ram Durga Prasad Limited, who owe Government about Rs. 320.23 lakhs out of which they have only paid Rs. 3 lakhs. They are paying their arrears at the rate of Rs. 5,000 per month at which rate it would take 500 years to pay up. This is the fashion in which the Government is trying to mop up the arrears due to our country. In Shri Chavan's own city of Bombay I saw the other day and I was disgusted not only with the discovery, that almost everyone therein various strata, are fed up with the administration, also the sight of the skyscrapers was really disgusting. They are the symbols of the power of black money, the boarders and blackmarketeers who lord it over our country while the people suffer and economy seems in

collapse. Such things happen as the one to which Shri Bibhuti Mishra drew attention to a little while ago, namely, that the Central Government Officers' organisation buried a capsule recording 'the Government's broken promises and wasted words.' I expect that on the Government's rhinoceros skin, criticism, universal ridicule and slander slips off. This is the Rhinoceros' skin of Government which the Finance Minister seems to wear.

In April 1973, the Task Force of the Planning Commission warned no progress in land reforms was possible in the absence of what they call in their own words 'the requisite political will'. Our country is a "soft" and flabby State. The most egragious example of this condition is the Government's failure to take over wheat trade, inspite of the progressive but puerile prattle, which some of them indulge in. This has been found to be so because no Congress Ministry was considered safe as long as wheat wholesalers remained disgruntled and were ready to invest in Congress disunity and go on subverting the Congress, its own organisation. This Government has its scandalous dependence on callous, conscienceless profiteers in human misery and it is through the operations of these people, the Finance Minister tries to serve. That is why in the taxation proposals in spite of the present day conditions of distress, the Finance Minister declares a war on the people. In North Korea, practising *Juche* (self-reliance). They have achieved a taxless economy, while our burdens are impossibly increased. And the Finance Minister came forward with some generous amendments. But they do not mean that the post card will not cost more. In spite of the rise in prices he has given some more concessions than what the proposals originally had offered. It has been already pointed out how the index numbers of prices have risen from 100 in 1948 to 316 in 1973. National income actually fell in 1972-73. Unem-

ployment over the last 12 years has increased by almost 400 per cent and social justice is a forgotten concept as far as Government thinking is concerned today. On the other hand we find the authoritarian manner and the method of Air Marshal P. C. Lal of IAC, again in the railway strike which is going to be discussed a little while later. But political ambushing of one of the principle leaders of the railway workers is a form of banditry which even the Madhya Pradesh operators would have perhaps felt ashamed of to practise but Government did not hesitate to do so. The Railway Board, if I may use the term, is the most discredited single body of powerful bureaucrats in India today. What right does this Government have to call for labour discipline?

Despite the austerity resolution of the All India Congress Committee in December 1969 not even one carpet has rolled out from the offices and bungalows of a single Minister. We were told the other day about the State Bank of India Chairman's office in Bombay having supra mughal luxury fittings in the SBI building in Bombay. We find Ministers groveling before a money flinging Mohite or a Bombay tycoon who gets hairdressers from London at an expense of Rs. 50,000 in foreign exchange to doll him up for his wedding and the State Ministers go to the marriage to guzzle rich food. How can they talk about austerity and labour discipline? Gunnar Mardal, a friend of this country has written as to how corruption could be stopped. He says before the power structure has been changed by evolution or revolution it will be difficult to decrease corruption or even hinder its continual increase. We know the first Prime Minister of India had expressed a wish that the blackmarketeers should be hanged on the nearest lamp post and we have lived to see who hangs whom. Even an honest individual in the Ministry or in a position of authority finds himself compelled by the pressure of

[Shri H. N. Mukherjee]

circumstances as they prevail, to patronise the enormous empire which rests on corruption, and these are the people who swear by the name of Gandhi and all that sort of thing. What fight has this Government to call for labour discipline when this is the way in which they behave?

The Finance Minister should also be warned that the continued reliance on aid, above all from the United States, is a road to re-colonisation. 'Aid to Re-colonisation' is a title of the book written by Tibor Mende who is a very distinguished French publicist. Our external liabilities in March, 1973 amounted to Rs. 7161 crores. Our public debt, that is to say, at a percentage of national income at current prices, has risen from 35.8 per cent to 42.8 per cent between 1960-61 and March, 1973. In this context of our financial condition the impertinences of Moynihan and the dance poses of Kissinger are considered to be a boon from heaven by the Finance Minister and his friends. There was no discussion in Parliament on the new PL 480 agreement. It is a surrender to U.S. blackmail and that is why our Foreign Minister plays down the Diego Garcia business. He does not have the courtesy of meeting the widow of the martyred President of Chile, Madame Allende. In contrast there is the Prime Minister of Sweden, Mr. Olaf Palme, who himself presented to Madame Allende a large sum of money as a contribution of Sweden to the fighting fund of anti-fascist freedom fighters in Chile today. But of course our External Affairs behaves very differently, and perhaps in expectation of some leavings from the rich laden table of the Shahenshah of Iran. Government departs Iranian students from India. The External Affairs Ministry is unaware that we are living in a world where even Portugal shakes and Thailand, the unsinkable aircraft carrier of the United States, gives signs of an explosion, but our External Affairs

Ministry arranges the official visit to India of so called Crown Prince and Princess of Spain. I was mystified. I did not know who it could be. They are representatives of the derelict Hapsburg Dynasty kicked out of history by the Spanish people a long time ago and they were given a right royal reception because our Government has to follow a policy of appeasing certain interests on the world scene. And perhaps also to be in the good books of Iran and Japan and the United States, this country prepares to denude herself of treasure, which is not inexhaustible, like iron ore and such wealth which we do not know how to prepare to use for our economic strength and political influence just as the oil-rich countries are using their oil resources for their own political purposes. This is the sorry story—I shall conclude as quickly as I can—about a sorry and sick country which India is today.

That is why to keep this country in leash, there is an apparatus of coercion in the hands of this Government MISA and all, 10,000 and more political prisoners in West Bengal and Andhra, many of them so-called ultra-revolutionaries, unspeakable jail conditions, crimes galore in police custody, all this being conducted perhaps under the direction of the top people in Delhi, the Research and Analysis Wing, a mysterious engine of oppression which is the Prime Minister's particular pigeon costing God knows how many crores of rupees, all forming a paraphernalia of coercion which is needed in order to keep this country in order.

I have warned this Government before Ascent is slow, but descent might be steep. Fallen from people's affections you can also drop off from power. I do not wish them to be replaced here and now, because we have not been able to set up a viable alternative. But let no one imagine that because of the fear of Rightist intervention hoping to exploit a Chile-

type situation in this country, since already Mr. Masani is asking the Army to take over and offer him and Jayaprakash Narainji jobs to do which the people won't trust them with, the country cannot just go on propping up the present leadership if it performs in this wicked fashion.

I was astonished the other day to see about this Government which asks the working people to tighten their belts, that according to the reply to Starred Question 867 on 26 April, 681 officials of the Ministries of the Central Government, apart from the Ministries of Defence, External Affairs, Commerce, Industrial Development, Information and Broadcasting, Tourism and Civil Aviation, Food, Atomic Energy and Health, went abroad costing more than Rs. 73 lakhs of rupees. One official went 17 times abroad in the same year. Another official went 13 times abroad. Eight officials went 10 times abroad in one year; 179 officers went more than once abroad during the year. And they talk about corruption elsewhere. They talk about austerity, they talk about people tightening their belts. I am not surprised to find this Government fail; I am not surprised to find government leaders sometimes behaving wickedly. But I am surprised that they are so shameless; I am surprised that they do not come before the country in a sack cloth and ashes; I am surprised to see that they do not even have the grace to apologise to our people. They do not tell our people that these mistakes have been committed for perhaps unavoidable reasons. They never try to put up a case. In Parliament, we have to shout ourselves hoarse, which I personally never enjoy, because I cannot afford. I have not that kind of voice to throw away. But we have to shout ourselves hoarse. They never come out; they never tell our people. This is the only forum where our people have to be convinced and something is being done.

They talk about the right danger. Very well. I agree with them there. I am ready and willing to help them to the extent it is possible to fight the right danger. It is not enough merely to talk. It is necessary to begin to implement things. That is why I say that this Government requires discipline for itself. If it cannot acquire that discipline before long, it will go the way of all flesh.

It is necessary therefore that something is done drastically, immediately, faithfully, sincerely and genuinely to have land reforms properly implemented, to have progressive elimination of industrial monopoly, to have measures for plugging national drain by stopping or at least minimising the outflow of national resources in the form of high dividends, royalty and debt charges abroad. There must be steps immediately taken for the elimination of black money by outright confiscation of illegal holdings and compulsory imprisonment of guilty persons. There must be efficient democratic management of the public sector enterprises, not like the Moghul style management of the State Bank of India Chairman, Bombay. Drastic reductions in the present high defence and police budgets could be achieved by introducing appropriate changes in foreign and internal policies. All this could be done but the Government is not doing it. That is why the Government comes with taxation proposals embodied in the Finance Bill. The concessions he offered are footling little concessions and prove his concern for the affluent; they are a further proof of his complete negligence of the common people. The common people are the salt of the earth. If you do not have common people on your side you must beware of the consequences; you cannot go on talking merely about garibi hatao, you must do something for the garibi masses of our country. You cannot be merely talking of this; you cannot deceive all our people all the time. That is the warning I give to

[Shri H. N. Mukerjee]

the Government. I told them earlier: Ascent might be difficult; descent can be easy, and the descent can be such that if you fall from power it will be a fall from which you will not recover.

SHRI S. R. DAMANI (Sholapur): I rise to support this Bill. In the Budget of the hon. Finance Minister, he has introduced some items of significance recommended by the Wanchoo Committee. Lowering of the personal rates of taxation at highest slab, and the raising of the exemption limit from 5000 to 6000 are some of the features. The development rebate has been extended by one year. These are welcome measures and the hon. Finance Minister deserves congratulations for this.

But I want to point out that persons falling within the income group of Rs. 7,000 to 20,000 are not going to get any benefit. My friend Salve has also mentioned about the anomalies in regard to this group. A person having an income of Rs. 7,000 will get a relief of Rs. 88. A person getting an income of Rs. 10,000 will get a relief of Rs. 22. Again a person with an income of Rs. 13,000 will get a relief of Rs. 88. By some oversight I think this anomaly has come into being. This anomaly arises because the rate of taxation which was originally 10 per cent upto Rs. 10,000 had been raised by two per cent. Therefore, the relief has gone down considerably. Take a person with income of Rs. 20,000, who comes under this group. They are mostly salaried people and small traders, there are the persons who are hard hit on account of the steep rise in prices. Therefore, they deserve more relief. But, the relief given to them is very small. Therefore, Sir, I would request the hon. Finance Minister to re-examine this very sympathetically and give these groups a little more relief so that the rise in prices, which has affected them, can be offset by this relief.

Sir, another thing I would like to mention is this. Wanchoo Committee has made a recommendation that the exemption limit in regard to personal income should be raised to Rs. 7500. This time, it has been raised from Rs. 5000 to Rs. 6000. All the other recommendations have been accepted except this. I would request the hon. Finance Minister that he should accept this recommendation also. Of course, there will be loss of revenue and the loss of revenue will be a few crores of rupees. But, the point is, justice should be done to the small income group people and the exemption limit should be raised. The Central Board of Direct Taxes will be able to collect the few crores of rupees by stricter scrutiny of the returns of higher group tax payers and by reducing the tax arrears. He should not be worried about it and Government should give a little more relief to these groups which they deserve.

Then, Sir, in order to mop up the surplus funds, so that prices can be brought down, the Reserve Bank has advised the banks to increase the rate of interest on deposits by quarter percent or half a percent in the hope that deposits by public will increase. According to me, it is not going to help. Quarter or half a per cent is not going to be very much of an attraction to increase the deposits. My submission is, the tax exemption limit on the income from bank deposits or on Government securities or other deposits to the extent of Rs. 3000, which is the present limit, should be raised to Rs. 4000 or Rs. 4500. If we do this, more money will come into the banks in the form of deposits; there will be more investment and the funds which are being diverted at present to private sector will not be diverted and they will come to the banks in the form of deposits or they will be invested in Government securities and in other savings schemes. This will help in mopping up the surplus funds. This tax exemption limit of

Rs. 3000 was introduced in 1970 and this has helped in increasing the bank deposits. I suggest that Government should examine the question of raising this limit.

Now, Sir, I would like to refer to the economic situation. It is a fact that the country is passing through a very difficult time. Last year, we were in great difficulties. The rise in price was 26 per cent and deficit financing rose nearly to Rs. 1000 crores. But, Government have taken certain measures. They have not remained silent. They have taken whatever fiscal measures possible, under the circumstances, like reducing the advances, increasing the rate of interest on advances etc. In other countries, like the U.K. and U.S.A., whenever there has been an economic crisis or price rise, they have always taken such fiscal measures. But, these measures cannot check the price rise. This can only be checked by increased production. But, our production has not increased. That is the main reason for the rise in prices.

In this connection, I would like to say that the actions of the Government, with the best intention of the betterment of the country, have yielded just the opposite results. Take for example, the nationalisation of coal mines. What was the intention? It was thought that the private sector is not spending enough money for modernisation, there are poor working conditions for the labour, if the Government take over the mines and modernise them there will be larger production, regular flow of coal to the basic industries like thermal plants, steel plants, fertilizers and also the railways. What was the result? After nationalisation we find that coal has become a scarce commodity. Coal is in perpetual short supply. The railways are forced to reduce the number of trains because of shortage of coal. The steel plants complain that they have supply only for two days and

if they do not get regular supply they will have to shut down their furnaces. Once they are shut down it will take two months to run them again with heavy costs.

In 1972 the fall in production was due to natural calamities, failure of monsoon and so on. This year there is no failure. Yet, production is very much less because of power cut. In Tamil Nadu the power cut is to the extent of 40 per cent. In Maharashtra it is 35, in U.P. 40 per cent and West Bengal 50 per cent. The jute industry is working only to 20 percent of its capacity; the remaining 80 per cent are remaining idle. We know what is happening in Haryana. In Punjab also there is power cut. In all those States which produce agricultural or industrial goods there is shortage of power supply. Then, how can production increase, how can the revenues of the State increase and how can the prices be checked? Yet, the Finance Minister has been given the unenviable task of meeting the increased expenditure, while allowing the prices not to rise.

Shri Hiren Mukerjee, a very senior member, referred to the trade union activities and other things. What has happened after the nationalisation of the coal industry? Our known reserves of coal is estimated to be 84,000 million tonnes. Though our intention is to increase production, it is not going up.

Only today morning there was so much of uproar about the arrest of labour leaders. I was an employee once and now I am an employer. So, I have experience of both. That does not mean that the employees should destroy or damage the public property. If they do that how can it be tolerated?

When there was Loco men strike, we know how many locomotives were destroyed and damaged and how much the country had to suffer

[Shri S. R. Damani]

If the Government takes some action about it, they say that the Government is doing a wrong thing—victimisation. Unless the Government becomes firm, the production will not increase. The time has come when we cannot afford any further rise in prices. We cannot afford any fall in production. Therefore the Government must be serious and handle the situation very firmly so that production does not suffer and production increases.

He also mentioned about demonetisation. Many hon. Members have spoken about it. According to me, the talk of demonetisation is also one of the reasons for rise in prices. That is also responsible for rise in prices. That will create a kind of uncertainty. The persons, the producers, who have got the goods have to exchange goods with currency notes. If there is an uncertainty about the currency, whether it will remain in force or it will not remain in force, the producers will not like to sell their goods. They will say, let us wait and see, and they will keep the goods with them. A producer will say, "Why should I sell my goods? It is safer to keep the goods than to keep the currency notes." That also is responsible for rise in prices. That creates a scarce in public and, therefore, the producers do not part with their goods. All this talk about demonetisation is to create confusion and nothing else.

There are many other ways to check black money. Few years ago, when thousand-rupee notes were demonetised, we know what was the result and how many crores of rupees we got. So, this kind of talk is only causing uncertainty and leading to rise in prices. Therefore, I would request the Finance Minister to say clearly what is the position of Government in this direction so that

this uncertainty is removed from the minds of the public.

Lastly, about industrialisation of backward areas, no doubt, the Government is very anxious that industries should go to backward areas. They have given many incentives. The Minister of Industrial Development is also very anxious and he has given many facilities. Now the licences are being cleared in 90 days. But in those areas which have been selected as backward areas, there is no infra-structure and, therefore, the industries cannot be established there. So, everything remain only on paper. Unless this is not changed, the industries will not go to backward areas. My submission is that in those small towns where exists some amount of infra-structure, they should give incentives for industrialisation. Then only the industries can be established there. Where there is no infra-structure, how can the industries go there? Therefore, if the small town with a population of 2 or 3 or 4 lakhs are given a preference, the industries will go to those places.

With these words, I support the Finance Bill.

DR. KARNI SINGH (Bikaner): Mr. Deputy-Speaker, Sir, I would like to congratulate the Finance Minister on a relatively more balanced and sensible Budget that he has brought in this time. But I must say with a certain amount of emphasis that his Budget will solve nothing so far as *garibi hatao* is concerned.

The major problem before the country today is the great economic crisis that we are facing. I feel that the Government has totally failed in solving this problem, and the Opposition has also equally failed the country; likewise, the bureaucracy and the labour in the country have all failed the nation. And it seems

a tragedy that, in spite of this major crisis that we are facing and the volcano that we are sitting on, even today we are pulling in different directions when the best thing would have been for the country to unite to solve the problems and mitigate the miseries of the poor people who are already groaning under rising prices.

For the last three years, ever since the famous massive mandate everybody in the streets was talking about the price rise that was going to take place following deficit financing and what not. While I admit that a part of it is a global phenomenon, the most surprising this is that the only people who did not know anything about this price rise or this economic chaos or crash that was going to take place was the Government. I am sure the Members of Parliament, for the last two years, have been exercised in their minds; in the lobbies we have been discussing this matter for a long time. But I am afraid I have to say this that the Government has been far too absorbed in trying to stay in power. I do not blame the Government for that or, for that matter, the Congress party, because in this democratic system every party would like to be in power and try to implement their programmes. But I do feel that, once staying in power becomes an obsession, then it goes too far.

I am sure you will agree that, in 1971 and then again in 1972, the nation gave a massive mandate to the Congress party and more so to the hon. Prime Minister. It was a great opportunity for this Government to bring about self-sufficiency in food and more employment, to keep the prices in check and to give everybody a fuller way of life. But in spite of this massive mandate, this golden opportunity was thrown right out of the window and we find ourselves in a mess that the country has never been in before. It is the biggest tragedy of our times and I am

sure that, when the history of this period comes to be written, the Government in power will certainly be put in the dock.

Most of this crisis is man-made, although a part of it, I do agree, is a global phenomenon; we find inflation almost all over the world but certainly not as much as in India. Mismanagement and indecisions at all levels have brought us to a stage today when no file can move in this country.

I would like to ask the hon. Finance Minister opposite as to what is being done to control the population explosion in a country like ours where he knows better than anybody else—50,000 more mouths are to be fed everyday. Does he have enough buffer-stock to be able to feed them? Does he have the finances to give them employment and provide hospital and transport facilities? He will probably say, 'Yes; we have allocated so many crores of rupees.' But I feel that medical and family planning departments should be in the hands of a man like Dr. Chandrasekhar, a demographer, a man who believes in family planning. I hardly ever hear any Minister talk about family planning barring, of course, the President

SHRI M. RAM GOPAL REDDY (Nizamabad): I have been talking.

DR. KARNI SINGH: The hon. Member, of course, has been talking. But I was talking about Ministers. What I was going to say was this. Even the World Population Council and all the biggest bodies today

MR. DEPUTY-SPEAKER: We should follow the example of Mr. Vajpayee.

DR. KARNI SINGH: Unmarried men can also have children. I am not saying this about Mr. Vajpayee.

[Dr. Karni Singh]

आप तो अखण्ड ब्रह्मचारी हैं ।
यह तो लिब्रेटिड सोसायटी की बात है

The corruption in politics today has resulted in not only the administration—the Governments at the Centre and in the States—being made corrupt but the bureaucracy and the nation as a whole have become corrupt. I feel that the moment a country begins to accept corruption as everyday life, that is the end of that country.

Therefore, we have to fight against corruption, no matter how deep it may be. The hon. Minister may turn round and say that there is corruption in other countries as well. I admit but we are only concerned with our own country.

I would also like to point out the use of black money in elections. I do not know what happened in U.P. as I did not visit that State. But from what I heard, crores of rupees were collected by coercing the business-houses to contribute and there was what is called 'Or else theory'—'Either you contribute or else you will not get a licence. If you do not contribute, you will have a raid on your house. There were enough coercive measures to collect black money to fight the elections and I feel that both sides, the Congress and the Opposition must desist from the use of black money in politics. Otherwise, what is the use of ourselves talking in the Parliament that black money is bad if we ourselves use black money in our elections.

I would like to say that the great Indian culture is fast changing. The standards of morality that were 'Indian' are changing rapidly and we are becoming westernised in many ways and our outlook is becoming that of the western countries, that is, 'Dog eat dog' culture.

We have forgotten that the poor man needs help. To-day instead of that it is the survival of the fittest and instead of helping the down-trodden, we tread on them. It is a great tragedy that these great Indian characteristics are being lost. By our licensing and taxation policies we are making the life so difficult for everybody that to-day the man in the street is so dis-illusioned that he does not even realise that he can get anything done just by his right and whether by writing a letter he can get a licence unless he knows how to bribe from one stage to another.

The hon. Minister probably has learnt many a lesson—he is much older than I am and I have great respect for him—that indiscriminate nationalisation is going to lead this country nowhere. He has burnt his fingers with the grain-take-over. I can say with my experience with the Life Insurance Corporation that to-day if a man wants to get a loan against his own policy, he has to wait in a long queue for months. If you have to pay your taxes, you cannot get loan from LIC in time. I had to approach the Finance Minister to expedite the matter. But can the man in the street do that? There has to be a method in your nationalised industries and banks that a citizen can get his assistance and demands met quickly and urgently.

Take your steel factories. Look at the strikes and shortage and the black market in steel. The grain trade take-over, I think, has been the biggest lesson for the Government. I remember the conference of the Leaders of the Opposition the Prime Minister called and where these matters were discussed and I had expressed at that meeting my views, 'This time you are handling far too many people and that the Government must show humility and not arrogance.' But because of the Government's arrogance you landed yourself in a situation which has really set the clock back on our progress.

I would like to just quote a few figures on inflation. Nearly 42 per cent price rise during the last two years is a phenomenal price rise. Planned development has been the greatest victim of inflation and though the Fourth Plan financial targets in the public sector have been achieved, the physical targets achieved are only 50 per cent. The Fifth Plan is rendered a non-starter by inflation itself. Recently, 150 academic economists of the country sent a memorandum to the Prime Minister making a powerful plea against inflation which they warned may land the country into disruption of the economic systems and bring in instability.

Take the question of *Garibi Hatao*. Since the *Garibi Hatao* slogan in 1971 there has been a national march backward as the following figures will show. The price rise in 1971 was 14 per cent, in 1973 it was 27 per cent and the rate of growth has come down from 4.5 per cent to zero.

There were 18.7 million unemployed in this country in 1971. At present their number is 25 million. Further, this number is increasing at an alarming rate of 10,000 a day.

The *per capita* income was 346 in 1971 and it is 333 in 1972 and, therefore, the poor man and the man in the street wants that his '*Garibi*' of 1971 may be returned back to him. He was happier then.

Take the question of power generation, which is the biggest mess the country has been landed in, this power problem. Could not an administration with capable Ministers like Dr. K. L. Rao, Shri Chavan and the Prime Minister, have foreseen that for an ever-growing economy of a country like ours, at least we should plan for more power to keep pace with our needs? The new generators imported at a cost of crores of rupees with a capacity of 4.5 million kilowatts of electricity which is equal to the total generation during the Fourth Plan is reported to be rusting

in various places. It is unforgivable. We achieved only 50 per cent of power target in the Fourth Plan. Even then the present capacity is 18.5 million k.w. Our present national requirement of electricity being million k.w. we should be able to meet the power shortage through proper management. But unfortunately it is something which we are lacking. Take the food problem. The Economic Survey presented by the Finance Minister estimates this year's food production as 110 million tonnes. But the Food Minister says it will be 115 million tonnes. In the last week of October 1973 the Prime Minister said that we had turned the corner and things will improve from the next month. But the months that followed saw the sharpest price-rise. The Commerce Minister has given to the House three different figures of expert performance expected in 1974-75 depending upon different set of conditions.

You talk about the youth in revolt. We all see that the Government has failed, the opposition has failed. What option is left to the country but for the students to decide to take the law into their own hands and how can we as sensible Members sitting in this august House criticise those young people? They cannot get food to eat and they also know that this Government cannot administer the country properly. They also know that the opposition with their own bickerings will never unite to give an alternative that the country needs. In a situation like that why blame the people? If anything is to be done it is this, that is, if the opposition could provide an alternative and if the Government tightens its belt and gives a clean administration then you will not have a "Gujarat" or "Bihar" again.

This country is sitting on a volcano; it is about to erupt. I am sure everybody knows this. Everybody is conscious of this. But I can only say this much as a loyal patriotic Indian citizen that the day this volcano

[Dr. Karni Singh]

erupts there will be no force in this country to stop it. And for God's sake, prevent it from happening. If anything is to be done this is the time. This is the time for the opposition to unite and provide an alternative. In a democracy such alternatives are possible. But not if we repeat what happened in U.P. Again you will remember that when I was speaking on the No-confidence Motion, at that time, I said, this was a test of the opposition, that is, the U.P. election. In spite of that what happened? The opposition came in a minority and sits now in the opposition with 68 per cent vote. What could be more pathetic? What could be a bigger let-down of the people of our country? I said last time that there should be a national Government at the Centre. And I believe there was lot of opposition to it. My only request to the Central Government is this. Just pointing a finger at the opposition and saying that they are responsible for disruption and what is not going to solve the problems of the nation. What is needed today is the united will of the people to work together to remedy the ills facing us. All of us, in the opposition, on the Congress benches, should work together. I feel that a national Government can provide that kind of unison, that kind of sense of purpose, that kind of national participation that is needed to set things right and develop a sense of purpose amongst all over countrymen.

I would now like to mention about the sharp increase in the petrol prices. Now in a country like ours, which is such a large country, unless you have quick transport and communications no industrial development can take place. I would like the hon. Minister for Finance to kindly consider this aspect.

The hon. Minister has removed the wealth-tax exemption on single premium Annuities of life insurance

sists on having the amendments on LIC single premium Annuities and withdrawing wealth-tax exemption which was a relief given at the time of making of the LIC policies then a suitable amendment should be made in the Insurance Act whereby the subject would be entitled to unilaterally withdraw from the contract of such annuities and be not put to any financial loss as a result of his withdrawal from such contract.

The hon. House knows that the Government has got into the habit of breaking the promises. Only a couple of years ago, a very big promise was broken. Everybody applauded when the promises were broken. Only yesterday a time capsule with government promises broken was buried in the Boat Club by Government staff.

I would, therefore, say this much that the Government has to stick to its words. Otherwise it loses its credibility and you cannot build any great nation on broken pledges.

Sir, I have to say a few words about my own constituency—the areas of Northern Rajasthan. As you know, the Gang canal was one of the best irrigation projects brought in almost forty years ago in Bikaner. According to the agreement waters of this canal were not to be tapped by Punjab from Ferozepur onwards and yet this work was strated recently. I would like the Finance Minister to kindly use his influence to see that this is stopped. I have already brought this to the attention of the Irrigation and Power Minister.

Secondly, the Rajasthan Canal Project—the mightiest project in the world at one time—is not even progressing properly. God forbids, if there is any lean year or famine year again we will be faced with a massive food problem in Northern Rajasthan. Surely this mighty project should be taken over by the Centre. This has been discussed over and over and over again and the lift channel that gives water to the vast areas of the desert, can also be accelerated. We were told about two years ago that this lift

channel would be finished in June, 1972. It is still not being finished. The rainy season is coming and in Rajasthan every third year we have the famine.

Another thing is that the people have been making a request for a University at Bikaner for the last twenty years. Before integration a university was planned and the area was also marked out. I would like to ask you, as a fair-minded gentleman how is it that in U.P. during the elections, practically, every district had got a university or a medical college or something else opened? Surely, when the former State was integrated, people's interests were supposed to be paramount in the hearts of our Government which loved them so much. Can't we even have a university which was asked for a long as the last twenty years? Kalu Ram Shrimali Committee, I believe, is going into this. The students went on agitation and they were asked by the leaders to desist from the agitation because the Government was going to take a benign attitude. The time has now come when the Finance Minister should provide funds so that the university at Bikaner can be started in Bikaner.

One more thing and I have done. In this time of power shortage it has become very very important to have a thermal power station. I request that a thermal power station may kindly be examined in a place called Palana to solve the problems of power shortage. I cannot conclude without referring to what my hon. friend, Shri Vajpayee said in his statement a few days ago. He disfavoured the proposal of the U. F. Opposition. He called for a total revolution to safeguard the democracy in the country. Such a revolution, he told newsmen, should be free from violence. I have the greatest respect for Shri Vajpayee and I would appeal to him as a very good friend and as a very great leader of a very great party in this country to say which greater crisis is awaited by Jan Sangh. What does it wait for?

I would like to congratulate Shri Charan Singh and people like him who have seen the writing on the wall and who have realised that unless they bring about a two-party system in the country, our democracy is doomed.

SHRI ATAL BEHARI VAJPAYEE (Gwalior): Then why don't you join them?

DR. KARNI SINGH: I am nobody. You are the man who have got the support of millions. I am one single man. I would like to ask Shri Vajpayee to tell this nation which great crisis he is waiting for. Is he going to sit separately from the U.F. while millions of people are starving in this country? I am an M.P. who has been sitting in this august House for the last 22 years. I have seen myself the heroic speeches made by the opposition and the hurling of abuses on the Congress Party. I do not mind that. But, I would like to say one thing. Is this abuse going to fill the stomach of hungry millions? Surely Shri Vajpayee and others know perfectly well that in the present crisis the only way is to create confidence among the people. If Mrs. Gandhi's party does not work well, tell the Nation that the opposition are prepared to take over.

I hope, Sir, that something will emerge out of what I have said.

SHRI P. K. GHOSH (Ranchi): Mr. Deputy-Speaker, Sir, I rise to support the Finance Bill. Finance Minister's proposal to reduce the maximum rate of taxation from 97.5 to 77 per cent is an extremely bold and realistic step. The high rate of taxation has given a great motivation and allure-ment for the tax evasion and consequently it has encouraged the formation of black money.

I had been advocating for the minimum taxation limit to be raised to Rs. 10,000. I am really sorry to find that the limit has been raised only to Rs. 6,000|-.

[Shri P. K. Ghosh]

Today, a man earning Rs. 800 per month is a poor man in view of the high price of essential commodities. It is not fair to tax the poor man. I would, therefore, suggest that the minimum level of taxation should be raised to Rs. 10,000. I can say with this concession also the Government is not going to lose in the revenue provided the taxes are collected properly. Constant tax evasion is going on even today. If the level of minimum taxation is raised to Rs. 10,000, the number of files in the Income Tax Department will be considerably small and the officials will have ample time to look into the cases where there is higher income and check tax evasion properly.

14 hrs.

In spite of the fact that the high rate of taxation did not leave any scope for the rich to get richer, we have seen how the rich have grown richer and the poor have become poorer. Although we have all the laws made to the contrary yet we find that this process of rich getting richer is continuing vigorously. This is because there is large-scale tax evasion resulting into huge amount of black-money being accumulated in the hands of the rich people. This black-money is creating havoc to the national economy.

While most of the people feel deficit financing, industrial unrest, railway strikes, petroleum crisis, power crisis and drought are the only reasons for the rise in prices and the present economic crisis, I feel, black-money has been a very important factor for abnormal price rise which everybody seems to have lost sight of. Probably, most of the hon. Members know that 90 per cent of the whole-sale trade was being carried on with black-money. Consequent upon the tax-over of the whole-sale trade in wheat and restrictions on storage of other items of foodgrains a major portion of this black-money, running into several

thousand crores of rupees became surplus in the hands of the whole-sale traders. What could they do with this black-money? They could not invest this black-money in the industry as they would be caught by the income-tax authorities. They could not invest this money in urban property or in rural or agricultural lands because we are going to bring agricultural land ceiling and ceiling on urban property. They could not keep this money in their houses because of the fear of burglary and the fear of demonetisation. Therefore, these people and no other alternative but to fill up their empty godowns with whatever item they could lay their hands upon. The result was there was artificial scarcity of each and every item. That is why we find in the last year there was abnormal rise in prices. It was not because there was so much of short fall in production but because of this hoarding that there was abnormal rise in the prices of almost every item, and the articles disappeared from the market. In September last year, even cigarettes disappeared from the market. Was there any fall in the production of cigarettes? No. It was because of hoarding that the commodity disappeared from the market and there was price rise consequently.

MR. DEPUTY-SPEAKER: Bathing soap has disappeared from the market since yesterday.

SHRI P. K. GHOSH: That is because of hoarding. This hoarding has been going on continuously and this gives black money to the traders. Whenever the hoarded things come out, they sell them, in scarcity conditions, at a very high price and get more black money to hoard more articles. This process has been continuously going on. The result is that the white money of the fixed income group is constantly being eroded, and it is going into the hands of the rich people, the people belonging to the business community and is being converted into black money by them.

Because of the rise in prices of every item, the fixed income group which used to save by depositing small sums of Rs. 10, or 20 or 100 per mensem in the banks could not do so. This has been shown by the banking results during the period September 1973 and March 1974. There has been an abnormal fall in the bank deposits. During the corresponding period in the previous year the bank deposits were Rs. 600 odd crores, but during the same period last year, they were only Rs. 400 odd crores. This was because the fixed income group which had the white money to deposit in the banks could not deposit it because there was constant erosion of their real income, and that their white money was going into the hands of these traders as black money.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI): I am sorry to interrupt the hon. Member. There may have been some seasonal factors behind it, but on the whole, the totality of the deposits, if we take the annual picture, has not gone down.

SHRI P. K. GHOSH: I am speaking of a particular period. I am only comparing the deposits during corresponding periods in two successive years.

SHRI PRIYA RANJAN DAS MUNSI (Calcutta-South): Does he have savings?

SHRI P. K. GHOSH: I am not speaking about myself but I am speaking about the common man.

SHRIMATI SUSHILA ROHATGI: That was precisely what I said. The savings of the common man in that particular area may have been less due to some seasonal factors, but otherwise the savings have on the whole increased.

SHRI P. K. GHOSH: The savings might have increased, but not to the extent expected. Everybody knows,

and we know the condition of people, when we meet people and when meet our friends and relations in the fixed income group they tell us that they are not able to save even a single paisa because of the abnormal rise in the prices of all the essential commodities. Who can deny this? I think all sections of the House will have to accept this.

That is why I say that any amount of incentives that you may give in the form of a high rate of interest cannot help you to get the desired results of raising the deposits in the banks, because after all, one has to have the essential commodities and one cannot do without them. Even if they want to save, they just cannot save. Therefore, a very serious situation has cropped up. This is one of the reasons for the serious unrest in this country.

I, therefore, suggest that urgent and immediate steps should be taken to unearth and curb the black money. Unless this is done, the whole economy of this country would collapse. Some of my hon. friends advocate that black money can be unearthed by demonetisation. I say that is not possible. Demonetisation is not the answer, because these business people are not fools to keep currency notes in their houses.

SHRI PRIYA RANJAN DAS MUNSI: They keep it in gold.

SHRI P. K. GHOSH: In gold or in other commodities. They fill up their godowns with every damn commodity they can lay their hands upon. Therefore, demonetisation is not the answer. There may be some currency with the corrupt officials. They also convert it into gold or invest in house properties.

SHRI PRIYA RANJAN DAS MUNSI: Necklaces.

SHRI P. K. GHOSH: This is what they do whenever there is accumula-

[Shri P. K. Ghosh]

tion of currency in their hands. So demonetisation is not the answer. The remedy I can lay down, provided we all agree, is a ceiling of Rs. 5 lakhs on total holdings of an individual. We are trying to have a ceiling on urban property, a ceiling on land, a ceiling on this and a ceiling on that. No, no piecemeal business, because whenever we want to put a ceiling on urban property, they divert it to something else; they invest in business or in shares.

श्री सतपाल कपूर : (पटियाला) :
ब्लैक मार्केट में 10 लाख रुपया ग्रौर कमा लेंगे, यह ब्लैक -मनी जैनेरेट न हो, इस का रास्ता बतलाइये।

SHRI P. K. GHOSH: Jewellery, stock in hand, stock in trade, all that will come under this. All that has to be evaluated so far as the individual is concerned.

SHRI SAT PAL KAPUR: I support it.

SHRI P. K. GHOSH: They cannot hide their black money in stock in trade if we have this Rs. 5 lakh ceiling on total holdings of an individual. That is the answer.

MR DEPUTY-SPEAKER: Please conclude.

SHRI P. K. GHOSH: I would take a few minutes more.

MR. DEPUTY-SPEAKER: You have taken almost 15 minutes from your party's time.

SHRI P. K. GHOSH: I was talking about the total holdings of an individual, his house property, landed property, business investments including stock in trade, jewellery, cash in hand, cash in bank, investments in private and public limited companies etc. etc. All these should be evaluated together and the ceiling should be fixed at Rs. 5 lakhs.

I have now to say a few words about my own constituency. Ranchi is being constantly neglected in spite of our coming to the House and speaking every time that Ranchi needs proper attention. The population of Ranchi is more than 4 lakhs, but it is not being upgraded as a B class city. So many industries have come up there. Everyone knows about it. It is such a famous place and industrially advanced. But it is very unfortunate that our people are being constantly neglected. The HEC area and the Ranchi municipal area have been separated in order to show that the population of Ranchi is not more than 4 lakhs. The HEC area and the Ranchi town area are contiguous like Old and New Delhi. Are you taking the population of Old Delhi and New Delhi separately? No. But in the case of Ranchi, the population has been split up in order to deny the people of Ranchi their legitimate right to have their city declared a B class city. I earnestly request the Finance Minister to look into this and upgrade Ranchi without any further delay.

SHRI H. M. PATEL (Dhandhuka): The Finance Minister has painted a very dismal picture of 1974 following upon a disastrous 1973 in his budget speech. I do not know what his object was in depicting such a dismal picture. If he thought that by doing so, he was passing on the responsibility to someone else or that it was not government policies which are responsible for having created this dismal situation, then I think he was surely mistaken. The Finance Minister said, not in the course of his Budget speech but when he was answering some questions on the Budget a little later, that the inflationary situation must be viewed in the the historical perspective and that this was due largely to national and international causes which were unavoidable. I must say that I totally disagree. A small part of this situation may have been unavoidable, but there is no doubt what-

soever that the larger part does not only avoidable but could and should have been avoided by Government. What surprises me is that when he introduced the Finance Bill two months after his Budget speech, he made no mention of the fact that the situation had worsened. The causes within the country were responsible for this continuous worsening of the situation. Prices of all essential foodgrains edible oils, sugar, cloth, etc. are higher; the prices of industrial raw materials and also of manufactured goods are equally higher. He did not also go into the question of what steps the Government had been taking apart from the Budget proposals to combat the situation

It is clear to my mind that the Finance Ministry is the one Ministry which is in the position of restoring some measure of discipline in the administration as also in the country's economy. Having this power and authority it is difficult to understand why it does not exercise it.

Does the Government realise what a high price the country pays for the delays for which the administrative machinery is solely responsible. If these delays were avoided, savings should have been effected to the extent of hundreds of crores. I will give you one or two illustrations of the delays that have taken place. I think it was in today's papers or in yesterday's papers. There was a reference made to the delays in the completion of the expansion programmes of Bhilai and Bokarao. They have been delayed by as much as two years. A delay of two years regard to these projects must involve in terms of capital expenditure, interest charges, loss of production of what those plans would have produced and also the effect of that on a chain of other projects which depend upon these projects—the cost of all these will run into, not tens of crores but, hundreds of crores in two years. What is being done about it? What has the Finance

Ministry done about it to see that such delays when they occur are investigated and steps are taken to see that the causes for such delays do not recur, and those who were responsible for such delays are taken to task.

Let me take another matter. To my mind it can only be the indifference of the officials of the Ministries concerned which results in the country incurring very heavy loss in this manner. In these days in many large projects, contracts are entered into with foreign collaborators and foreign suppliers. In those contracts there is usually to be found one or more clauses which say that, as soon as the preliminaries are completed and the contracting firm is informed that they can go ahead by a given date; then, there will be no escalation in prices. Sometimes, this kind of clause also says that if the order to go ahead is given by that date, certain rebate or discount would be available and all in foreign exchange. The number of cases in which this date or these dates are ignored are numerous. There is no reason why all the preliminaries cannot be completed within those dates. The project people, in the public sector or in the private sector enterprises complete their work well within time and the Government side has just to complete their part. The Government has invariably failed, I would not say invariably, but has failed in a great many cases. This should never happen. Why should it happen at all? There is ample time and they could take note of that date, for they know that failure to go beyond that date would result in a great loss to the country. This loss repeatedly occurs. No one is held responsible. No one is blamed for such things. It is difficult for me to understand how the Finance Ministry which is definitely responsible for ensuring this kind of discipline does not act effectively. They cannot say that it is not their responsibility.

I would also like to give examples of some other types of indifference. I would like to refer to the Estimates

[Shri H. M. Patel]

Committee Report, 58th Report (1973-74). The Estimates Committee, while reviewing the working of the Ministry of Information and Broadcasting says that one important committee was appointed in 1968 to go into certain aspects it submitted its report in 1969 but none of these recommendations have either been accepted or rejected. There is also another such Report to which the Estimates Committee has drawn the attention of the Government. The Ministry of Information and Broadcasting had appointed a committee in 1951 to go into the question of re-organising the Ministry and consider certain other measures. A few relatively minor recommendations of this committee were accepted, but all the major recommendations still remain under consideration—23 years later. It seems to me either the administrative Ministry concerned just does not want to do anything about it or considers that such committees and commissions are appointed only to make the people forget that something had to be done. This is the only way to evade the issue. But, all these have financial implication and this is all I am, at the moment interested in.

I would also invite the attention of the Government to certain other things. If the Ministry of Finance could pay attention to this, to my mind, they could probably save a great deal of money. I do not know whether the Finance Ministry takes the trouble of studying the reports of the Public Accounts Committee. It will help them greatly if they do so, because it would improve the efficiency of the Central Boards of Revenue, direct and indirect taxes. I will give some illustrations, from the reports of the Public Accounts Committee. I would like to refer to 119th Report, the last of report.

THE REPORT SAYS:

"The Committee have received an impression that the ITOs act with alacrity where they want to and other cases are put off till these are about to become time-barred. The figures reported in paragraph 7(iv) of the Report of the C&AG (1971-72) speak eloquently of the utter lack of planning. The number of assessments completed during 1970-71 and 1971-72 was low as 59,688 and 57,408 respectively in April and 55,078 and 55,737 respectively in May and it started rising gradually thereafter. The number of assessments completed in the month of March during these years was 5.37 lakhs and 4.94 lakhs respectively."

Only 55,000 in April and May and about 5½ lakhs in March.

"That the performance is so poor in the beginning of the year despite the carry-over of the pending assessments to the extent of over 12 lakhs in number shows that something is seriously wrong somewhere."

I do not wish to go into the causes or the reasons for it. The next illustration is about imposition of interest.

The Report says:

"The Income-tax Act has several provisions for imposition of interest with a view to ensuring stricter compliance by the assesseees with provisions of the Act relating to assessment and collection. The interest is leviable (i) for short/non-payment of advance tax, (ii) for delay in submission of return of income and (iii) for non-payment of tax by the due dates. The Income-tax Department is evidently lax in applying these provisions and year after year lapses involving huge revenue are brought to the notice of the Committee. In this connection, they would refer to paragraph 2.294 of their 51st Report (Fifth Lok Sabha). Audit have brought out during the years 1970-71 and 1971-72 2,493 and 2,012 cases

respectively involving amount of interest omitted to be levied to the extent of Rs. 67.05 lakhs and Rs. 54.52 lakhs. The Committee have been exhorting the Ministry to ensure that the penal provisions are properly enforced. The Ministry does not seem to have come to grips with the problem. Having regard to the fact that non-levy of interest has become chronic, the Committee consider that there is need for a general revenue of all cases...."

Again, I am not interested in the recommendation as such—but merely the fact of the loss sustained. I will draw attention to another part of the Report which says:

"After the Committee raised in 1971 the question of evasion of tax by the professional lawyers, doctors, engineers, contractors etc. the Department had taken some steps to assess the position. The information relating to the four major cities of Delhi, Bombay, Calcutta and Madras so far gathered reveals that out of 24,084 practising doctors and 43,190 lawyers enrolled with Bar Associations, only 13,872, and 7,404 respectively are on the General Index Register of the Department, which confirms the fears of the Committee. The Committee, have, however, been informed that some of the lawyers who are borne on the Bar Council Registers are not practising. The actual number of practising lawyers should be ascertained immediately. The Committee are not convinced that the earnings of a doctor or a lawyer who has been actively practising for some years will ordinarily fall below the limit of exemption for income-tax.

The information in regard to contractors and engineers is stated to be still under collection. The Committee desires that the position in regard to other professional categories, such as architects, chartered accountants etc. should also be ascertained after getting information

from the concerned institutes.... In this connection the Committee note that at present only 3,389 doctors, 1419 lawyers and 346 engineers are 'assessed to wealth-tax."

I think these are striking and significant figures which should be borne in mind. do not wish to quote anything more. But it does seem to me that if the Finance Ministry were to pay attention to these matters, at least to the Reports which bring to notice the kind of weaknesses and inefficiency that exist in the administration of taxation laws, the kind of weaknesses that exist in the administration of financial rules and regulations, then, I think, it could effect savings to the country which would run into hundreds of crores of rupees and which might well have the effect of there being less need for having to levy fresh taxation in a year when inflation is already so rampant.

SHRI PRIYA RANJAN DAS MUNSHI (Calcutta—South): Mr. Deputy-Speaker, Sir, in support of the Finance Bill and the proposals made there in, I would like to highlight two important points before you today and, through you, Sir, to the Finance Minister and the Madam Deputy Finance Minister.

At the time of presenting the General Budget, the Finance Minister, in his opening remarks, made two points very clear which I would like to quote. He said:

"The social and economic problems that we currently face can be resolved in the long run only in the frame-work of a rapidly expanding economy with socialist objectives."

I would like to remind the Government, the Madam Deputy Finance Minister that 'a rapidly expanding economy with socialist objectives' means that there should not be any compromise with the forces that are opposed to the socialist objectives and, secondly, it means that there should be rapid arrangements made both within the administration and the Government to

[Shri Priya Ranjan Das Munshi]

face the situation so that they do not give any picture to the people that the Government, in some way or other, is submitting to the threat of forces that are opposed to social objectives.

Again, I would like to quote the Finance Minister:

"Inflationary pressures have to be contained to a judicious combination of management, increased production, policy of our national wage scheme and strengthening of public distribution system".

I would like to highlight the words, "strengthening of the public distribution system" and "sound policy of our national wage scheme"

On both the fronts, the Government, in some way or other, could not place a very clear and promising picture before the nation so that there should be a sufficient feeling amongst the people who genuinely believe in the socialist objectives that we are fighting for that and that our victory is sure, do not doubt the integrity of the Government nor do I feel that the Government is going back. I only submit that today our country is facing a situation where nobody can say where our economy will be after six months and what the situation in the country will be during the current year.

I appeal to the Government today to see that the promises which they have already made to the people should not only be carefully guarded but also in the process of implementation there should be preparation of the blue-print of the administrative arrangements. It will not be wise to have only the radical slogans without preparation of the blue-print. The result will be that we will be strengthening the hands of those forces who want to betray the causes of socialist objectives in this country.

My hon. friend, Shri H. N. Mukerjee, is absent at the moment in the House.

He is one of the senior members of this House. I have no intention to criticise his speech. Though I will agree with him about his arguments on economic side, I feel sorry that he should have made an unusual and unsympathetic remark about Mrs. Indira Gandhi's visit to Iran and the Government's attitude, that it is only submitting, once again, to the United States....

PROF. MADHU DANDAVATE (Rajapur): Mr. Deputy Speaker, Sir, please excuse me for a minute. Because the Parliamentary Affairs Minister is here, I want to bring to your notice a very serious thing....

MR. DEPUTY SPEAKER: Order, please.

PROF. MADHU DANDAVATE: Even you will be perturbed to know it. One man has died. The General Secretary of the National Mazdoor Union, Mr. Mhalgi, was taken into custody in Bombay and he died in the custody. As a result of that, there is going to be a Bombay bandh tomorrow. I wanted to bring to your notice a very serious thing that has happened. The Minister of Parliamentary Affairs should communicate this news to the Minister concerned and the House should be given the information about it.

श्री रामाबतार शास्त्री : दिल्ली में लोको

रनिंग स्टाफ हड़ताल पर चला गया ।

MR. DEPUTY SPEAKER: At 3 P.M., we are taking up the discussion. Why don't you wait for another 25 minutes.

SHRI PRIYA RANJAN DAS MUNSHI: I request my unhappiness over the remarks of Prof. Mukerjee about the visit of Shrimati Indira Gandhi to Iran. Perhaps the members of the Communist Party feel the failure of the communist movement in

India and perhaps in some other parts of the world also for a reason that the Communists speak every day for proletarian internationalism but hide the national interest which they want to highlight. If Comrade Brezhnev, a great friend of ours, did not feel the hesitation to launch a peace offensive measure by visiting the United States ultimately for world peace. I do not feel anything wrong to Mrs. Indira Gandhi's recent visit to Iran for our own national economic cooperation with the Government of Iran.

Now I would make some points about the proposals made in the Finance Bill. Government have rightly taken the decision to give concessions for a further period of one year and two years where the oil-furnace boilers are to be converted into coal-furnace boilers. It is no doubt a good decision. A rational approach has been made by the Ministry in this regard. I would like to make this request to the Government. Even if we increase the production, it does not solve the present economic crisis. We should have a sound and scientific distribution system for all productive goods. I say this because we have nationalised the non-coking coal-mines and oil-furnace boilers are to be converted into coal-furnace boilers in the present context of the crisis in petroleum products.

It is a fact known to the House and the Government that, even after nationalisation of coal-mines huge stocks of coal are piled up in the mine areas for want of scientific coordination between the Railway Ministry and the coalmines. People are not getting coal for their domestic consumption. I do not talk about industry. They are also facing the same problem. The problem will not be solved by transferring one item to another, but the problem can only be solved if we have a genuine approach and perspective thinking on the major issues that are going on today in the country.

In regard to petroleum products, it is a fact that we are facing crisis. But is it not a fact that Government can still take some more decisive steps to see that the petroleum products are used for productive purposes only? I am sorry to say that, in this hour of crisis, the consumption of fuel, specially petroleum products, has been increasing day by day. Every day thousands of vehicles, cars and trucks, are coming on the road getting new licences. Can the Government not take any action to see that the issue of cars, ambassadors and Fiats, is reduced to a certain extent. It will not do any harm at the moment. On the other hand, it will help in reducing the consumption of petroleum products, specially fuel. I believe that, in this hour of crisis, we can maintain this standard for two or three years. It will help the economy of our country. It will not demoralise the standard of living. This is one of my suggestions to the Government.

Secondly, I would like to highlight another important aspect. It is with regard to submission or surrender of Government to the threat of organized sections for increasing salaries and other things. I would like to point out that increasing salaries is not the solution. I agree that in view of the price rise the organised sections of trade unions are demanding more salaries, but when Government submit to it without considering how they can reduce the prices of essential commodities, it ultimately encourages inflationary tendencies which lead the country to disaster. I request the Government to make a ceiling on salaries and to have a national wage policy which can at least give stabilisation of the economic situation for the coming five years since the Fifth plan at the moment is not a matter which can be discussed. (Interruption) Whenever any effort or threat or approach comes from organised working people to the Government for increasing salaries, Government should consider all the aspects and should make a scientific

[Shri Priya Ranjan Das Munshi]

approach to the problem whether it is the time for the Government to accept it or not, I am not against the working people. Recently I have seen one important thing. About two months back, the university and college teachers—Madam Deputy Minister will agree with me—demanded more salary. Of course, they can demand because they are leading the nation; they are educating the students. Their demand was accepted and the Government had to take an additional burden on it. No one is objecting if the teachers get more salary. But, what about the students? You know that in this hour of price rise and crisis of economic situation, teachers are getting more salaries leading the country to a further deficit budget and inflationary trend. Recently, when I visited two days ago a primary school in a village—the Education Minister will confirm it—I was told by the teacher who took me there that the attendance of the students has decreased by 30% because the village students coming to study in the classes III, IV and V, their stomach is not full and so, the teachers said that they stay at home and without food come to the schools only for one or two days in a week. They showed me the figures in a school which had 60 students on its rolls and the attendance was only 23. When I asked a question, they said, they have no food and they will come only twice or thrice a week and when they get food, they try to come to the school. This is the horrible situation of the country at the moment. So, I request you to consider. Of course, they have increased the salary of the teachers. But they must have a scientific approach to the students and their problems. You know, Sir, about 70% of the hostels are closed as the students do not get their regular food. There is no arrangement for subsidised food for the students as you are giving to the Military and the Police and the factory people in their factories. But there is no arrangement for the students in their hostels.

Now I come to newsprint. The Government is telling that they will stop the imports. But still we are importing newsprint for the crisis. But inside the country you see that the students are not getting textbooks which cost Rs. 2 or 2.50. The Government is not having any plan to provide the students of this country at least cheap-priced textbooks, but the Government is allowing to be published thousands and millions of yellow books and blue journals all over the country. Wherefrom is this newsprint coming? How is it being utilised. This way, the Government, whatever may be their approach at the present moment, may not help the situation if they are not serious enough to understand the problems in this hour of crisis.

This is my only appeal. When you want to increase the salary of one section as they are an organized force, the Government should consider the non-organized force and their problems also. There is the agricultural labour which is non-organized. The hawkers are non-organised. There are so many people in this country who are only casual wage-earners who are non-organized. The Government is not considering anything for them. The Government is only considering the organized sector and is submitting to its threat. This way not only this country is facing a disease which is taking the country into an atmosphere where the ultimate results will be very harmful to the nation. I would like to warn the Government that it is time to consider the consequences.

I would like to conclude with one appeal and that is about the food situation. The Government had said in the Budget proposals as also in the present proposals that we have to increase our exports. But how can you increase the exports? The export items are tea, coffee, jute and other important items. If you look at the character of these industries, they are still being managed by those forces which have genuinely proclaimed that they are against the socialist objectives. Shri G. D. Birla who was

then a Member of the Central Legislative Assembly in the days of Freedom Struggle, said in his speech in those days, 'I want freedom for this country. I want that the British should go out of this country, but I ultimately believe that capitalism will survive. So, we must realise that there are forces in those days who wanted this country to continue to have a capitalist character to exploit the poor people once again and the Government is not taking any step against them. I only conclude that the Government is educating the people about the benefits of democracy and socialism, but they are not educating the people about the risks of socialism. (The Government has only wounded the tiger, it has not killed the tiger. The wounded tigers have become man-eaters, so the Birlas and Tatas have become man-eaters. If you want to shoot, shoot to kill it. Do not wound them. Otherwise, they will spoil the poor man of this nation.

With these words, I conclude.

PROF. MADHU DANDAVATE (Rajapur): The Finance Minister has made a very significant comment while introducing the Budget to the House. He had then said that principal concern of every central budget has to be to strike a proper balance between the requirements of accelerated growth, stability, greater social justice and self-reliance. Even after listening to the comments that are made by the Finance Minister while moving the Finance Bill for consideration with some small marginal changes that he has suggested, I am convinced that the Budget proposals that have been presented to this House will not be able to meet the

requirements of stability, accelerated growth, self-reliance and social justice.

As far as the problem of inflation is concerned, the very same Finance Minister had estimated only a deficit of the order of Rs. 87 lakhs last time. Actually it has increased eight-fold. The order of deficit financing in our various Five-year Plan periods as gone very much beyond our expectations. In the First Plan this was Rs. 333 crores. In the Second Plan this as Rs. 854 crores. In the third plan this was 1133 crores. Asked a question on one occasion to the Finance Minister whether during the four years of the Fourth Plan the deficit financing has reached a figure of Rs. 1500 crores. The Finance Minister told the House that his was probably a figment of Imagination of the hon. Member. Later on I put the same question to the Planning Minister. I was told that in the first four years of the Fourth Plan the deficit financing was of the order of almost Rs. 2,000 crores a year. My stretch of imagination could go only to Rs. 1500 crores but actually it has gone much beyond Rs. 2,000 crores. So, I do believe that the order of deficing financing in the coming year will not be Rs. 125 crores but it is still more. More deficit financing means more inflation. That means more rising prices, more dwindling living standards of the common people all round. The is a global phenomena. Whenever Finance Minister always says that this is a global phenomena. Whenever we raise such questions about rising prices he says, it is a global phenomena. If he says this is a global phenomena, what about rise in prices, which is also a global phenomena? I would like to quote certain figures regarding rise in prices and rise in wages.

Rise in prices (points).

Germany
France
Britain
Italy
Holland
Belgium
Denmark
Ireland

7
8
10.5
11
6
7
11
12.5

Rises in wages (points).

10.5
14
12
28.5
13
15.5
20

[Prof. Madhu Dandavate]

This clearly shows that wherever there has been rise in prices there has also been correspondingly an increase in wages. But there has been no corresponding increase in wages in our country.

The Railway Budget has created a general inflationary pressure and we find that prices will continue to rise. The ideals of stability and social-justice are becoming completely destroyed. What about the ideal of self-reliance which the hon. Minister has referred to in his Budget speech? So far as self-reliance is concerned what is required is better mobilisation of internal resources and better conservation of the inter-resources of the country. Unfortunately they are not prepared to tax corporate sector in this country. The budget has remained loyal to the patrons of the ruling party. Corporate sector has not been taxed at all. I would not have minded if there is an upward revision in respect of luxury goods.

As far as the Wanchoo Committee Report is concerned, the Government is very conveniently using this report, as far as income on higher brackets is concerned and as far as sur-tax or higher income brackets is concerned. They have brought down the rate from 97.5 to 77 per cent. Wanchoo Committee said that black money should be unearthed. Many Members of the ruling party said that is not possible to unearth black money. They said that this is not possible of achievement by the step of demonetisation of the currency.

The Finance Minister once said that in 1946. The experiment of demonetisation was tried then but it failed. That was because at that time they left out hundred rupee and ten rupee notes completely untouched. At the time when demonetisation was tried in 1946, the total currency if ten rupee notes was 31 per cent while hundred rupee notes constituted 45 per cent. Since 76 per cent of the currency notes remained untouched in 1946 the demonetisation experiment did not succeed in unearthing the black money.

On the contrary, in a small country like, Belgium, in 1944 they introduced the demonetisation measures. They demonetised the hundred to five thousand franc currency notes in 1944 and they succeeded in unearthing black money. If we do that here we will be asked as to how could black money be touched when it was used for elections. It was white money when it was used in elections but now it has become black. To this no answer could be given by Government. Therefore they are not going to demonetise.

In addition to that, I would also like to point out one thing. It seems that there is a further increase in the wealth tax and sur-tax on the companies Excess Profits Tax. Levies on luxury goods could also be increased but, the levies on motor vehicles, scooters, tobacco and postal rates are bound to affect the common man. We expect that while bringing forward the Finance Bill for consideration, probably, the Finance Minister would take cognisance of the criticisms during the general discussion. But, there was no impact on the Finance Minister at all.

Again we find that one particular aspect needs to be looked into. That is regarding the differential excise duty that exists in the processing industry.

Sir, this House knows that as far as processing industries are concerned, there is one mechanised processing industry and one hand-driven processing industry. There is a differential in excise duty in these two that has been introduced in the budget proposals. This differential is to be further increased by the budget proposals. It is our experience that many manufacturers camouflage by declaring the power driven process as hand-driven process. As a result of this, they take advantage of the excise duty relief that is given to them. In reality what is happening is this. I do not want to spend much time on this. If we compute the excise duties for the power driven process on the basis of the new budget proposals, the computed value for the superfine

cotton quality comes to approximately 10 paise per running-meter. On the hand-driven process, that comes to 3 paise per running meter. That means that there is a differential of seven paise. As a result of this, we find that the industry again and again uses mecanised process, and, as a result, a lot of workérs are thrown away. Therefore, I would suggest that as far as relief given to hand-driven processing industry is concerned, that differential levy should be dispensed with. I would say that both the levies should be brought on par. In any processing industry, as far as power-driven factory is concerned, the excise duty differential should be given up so that the workers will not be thrown away.

There is one other aspect which is very dangerous as far as the new budget proposals are concerned. It has been decided to curb food subsidies in Central Food. Because of that the issue price of wheat is a going up.

Now, I come to reduction in expenditure on social services and employment schemes. This is supposed to be given priority. But, we find that *Garibi Hatao* slogan has been reduced to mockery.

Therefore, I would concretely suggest that even at this stage there is still some scope for modification in the proposals. I hope that you will consider the following suggestions of mine:

- (1) Upward revision of levies on luxury goods like air-conditioners etc.
- (2) Reduction in the levies on essential commodities of mass consumption;
- (3) Imposition of Expenditure Tax;
- (4) Imposition of capital levy;
- (5) Clubbing of agricultural and non-agricultural income for

the purpose of income-tax as suggested by Raj Committee;

- (6) Ceiling on income, proper and expenditure;

Demonetisation should be introduced to unearth black-money and ultimately there must be greater curb on the non-developmental expenditure in the country which is to the tune of 16 per cent. Only if all these measures are adopted there will be adequate mobilisation and even if the expenditure on account of the demands being granted to the railwaymen is incurred but if this revenue side is mopped up adequately it will be possible to meet the demands of the workers, agriculture labour, etc. and it will be possible for us to see that the inflation is checked and dwindling standards of living of the people are checked. But this Government will not do it because this Government's budget is a budget for the patrons of the ruling party.

श्री सतपाल कपूर (पटियाला) :

डिप्टी स्पीकर साहब, अग्री श्री पी० के० बोष ने बँक मनी को कब्र करने के बारे में कई तजवीजें रखी हैं। उन्होंने प्रापर्टी और लैंड पर सीलिंग के बारे में जो तजवीजें रखी हैं, मैं उन को पूरी तरह से सपोर्ट करता हूँ।

पिछले साल फूड टैक-ओवर का हमारा एक्सपेरिमेंट फ़ैल हुआ, लेकिन हम ने उस के कारणों का पूरी तरह एनेलेसिस नहीं किया जरूरत इस बात की थी कि गवर्नमेंट यह पता लगाती कि पिछले साल फूड टैक-ओवर की पालिसी के फ़ैल होने के क्या कारण थे। लेकिन गवर्नमेंट ने ऐसा करने के बजाये इस साल अपनी पालिसी में चेंज की है। गवर्नमेंट यह समझने लगी है कि बायद वह कुछ काम को पूरी तरह कर नहीं पायेगी, इस लिए इस काम को होलसेलर्ज को सौंप दिया जाये। इसी वजह से इस साल एक्सपेरिमेंट के तौर पर होलसेलर्ज को व्हीट ट्रेड में इन्ट्रोड्यूस किया गया है।

(श्री सतपाल कपूर)

मैं उग एरिया से आता हूँ, जो सरप्लस है। पिछले साल पंजाब ने 27 लाख टन से ज्यादा व्हीट सेंट्रल पूल में दिया था। इस साल हमें 22 लाख टन व्हीट देना चाहते हैं। लेकिन हम चाहते हैं कि गवर्नमेंट ने होल-सेलबैंड को व्हीट ट्रेड में इन्ट्रोड्यूस करने की जो पॉलिसी अड्युपार की है, उस का वह बदले। उस को बदलना बहुत जरूरी है।

MR. DEPUTY SPEAKER: You may continue your speech tomorrow. Now, before I call Mr. Bosu, I have request from the Minister of Railways that he would like to share certain information with the House before the Motion itself is taken up. If you have no objection I will allow him to make that statement. The Minister for Railways.

If you have no objection, I will call upon him. Let him make the statement.

14.59 hrs.

**STATEMENT RE: THREATENED
RAILWAY STRIKE**

THE MINISTER OF RAILWAYS (SHRI L. N. MISHRA): Mr. Deputy Speaker, Sir. I had in my statement made in the House on 25th April, 1974, informed the House of the strike notice that has been served on the zonal Railway Administrations, on the 22nd and 23rd April, 1974, by the recognised Unions affiliated to the All India Railwaymen's Federation, and some unrecognised unions. I had on that occasion made it very clear that I would make every effort to arrive at a negotiated settlement, and I appealed to all the staff in the Indian Railways, to con-

sider the present critical economic situation of the country, and not to take any precipitate action which would harm the country's interests.

15 hrs.

Since then, there have been long meetings of the Negotiations Committee presided by the Deputy Minister of Railways, Shri Mohd Shafi Qureshi, on the 27th, 29th and 30th April, 1974. All the demands were discussed at length and wherever the Government could meet the demands this has been agreed to. I also joined the discussions late in the evening on 30th April, and it was then decided that the minutes of the meetings, the areas where agreement had been reached and the stand on the other items should be finalised on 1st May, at a meeting in Rail Bhavan, where the representatives of all the Union would meet the Member (Staff). This meeting on the 1st May was attended by Shri A P. Sharma, Shrimati Parvathi Krishnan and Shri Gokhale, but none of the representatives from AIRF or other unions was present. The minutes were finalised on the 1st May and they were further discussed today, the 2nd May and accepted. The final stand on the demands....

SHRI S. M. BANERJEE (Kanpur): Accepted by whom?

SHRI L. N. MISHRA: ...has been taken.

SHRI S. M. BANERJEE: Accepted by whom?

SHRI L. N. MISHRA: By those who were present. I shall briefly....

SHRI JYOTIRMOY BOSU (Diamond Harbour): We have cooperated with the hon. Minister at your request, Sir. If he does not show cooperation, we shall stand in the way of his making such sort of speeches here. It is never done. You must appreciate that we have