

vant entries in Lists I and III are not applicable to Jammu and Kashmir. Parliament is not, therefore, competent to legislate on this subject. That State has a separate law on this subject enacted under the Constitution of Jammu and Kashmir. That is position with regard to Jammu and Kashmir.

My hon. friends, Shri S. M. Banerjee and Shri Joshi, in referring to Jammu and Kashmir indirectly admitted that the situation there was grave and that it would have been good if this Bill could have been extended to Jammu and Kashmir. That is the logic of what they said. They said that spies could not be arrested in Jammu and Kashmir without this. That is not a fact. But the fact is that they expressed their anxiety that a situation exists in which this Bill could be justified. I take it as their indirect support for this Bill.

I would not go into the other points because my hon. friends are not here but I was surprised to hear Shri Jagannathrao Joshi ask us whether any trouble; *kya apati a gai hai*? We are every day debating in this House the extraordinary situation.

MR. SPEAKER: I Directed them to raise objections on legislative competence or on certain constitutional provisions. As for the other facts mentioned, they can be replied to in the debate.

SHRI SEZHIYAN (Kumbakonam): They can oppose the introduction of the Bill even without those points. The Rules of Procedure that they can oppose it on other grounds also.

MR. SPEAKER: On certain earlier observations we are basing this. As far as the details are concerned, they could wait for the consideration of Bill.

SHRI K. C. PANT: All right, Sir. I will not reply to the other points but I

will merely say that I do want to state that the insinuation or the charge that it has been brought to crush Opposition parties, is really most extraordinary and is farthest from the truth that any charge can be. It is because of the situation in the country that this has been brought forward. I can say that we shall use this only when it is absolutely necessary to do so.

Finally, Shri Jyotirmoy Bosu is not here. I am glade that he has developed a very deep loyalty for democratic values. He has expressed his sorrow that this will give an opportunity for the Government to deny some of the citizens of this country their liberty. All I say is that we stop at liberty; I am not sure if his party would stop at liberty. They do not seem to respect even the life of citizens who oppose them.

MR. SPEAKER: The question is:

“That leave be granted to introduce a Bill to provide for detention in certain cases for the purpose of maintenance of internal security and matters connected therewith.”

*The Motion was Adopted.*

SHRI K. C. PANT: I introduce the Bill.

#### STATEMENT *RE* - MAINTENANCE OF INTERNAL SECURITY ORDINANCE

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI K. C. PANT): I beg to lay on the Table an explanatory statement (Hindi and English versions) giving reasons for immediate legislation by the Maintenance of Internal Security Ordinance, 1971, as

required under rule 71(1) of the Rules of Procedure and Conduct of Business in Lok Sabha. [*Placed in Library. See. No. LT—291/71*]

MR. SPEAKER : We will resume further discussion on General Budget after lunch. The House stands adjourned for lunch to meet again at 2.15 P.M.

13. 16 Hrs.

THE LOK SABHA ADJOURNED FOR LUNCH TILL FIFTEEN MINUTES PAST FOURTEEN OF THE CLOCK

The Lok Sabha re-assembled after Lunch at eighteen minutes past Fourteen of the Clock

(*Mr. Deputy-Speaker in the Chair*)

GENERAL BUDGET, 1971-72—GENERAL DISCUSSION—*Contd.*

MR. DEPUTY SPEAKER : Shri R. D. Bhandare to continue his speech.

SHRI R. D. BHANDARE (Bombay Central) : Mr. Deputy-Speaker, Sir, yesterday, when I started speaking, I was trying to emphasise as to how the Finance Minister has tried to explain the new orientation of policy. After going through the Budget, we come to the conclusion that he has tried to give new direction and new dimension to the economic policies of the country.

When the Budget was presented to this House, all sorts of criticisms were made. Some of the hon. Members said that the gap between promises and performance has widened. Some of them have gone to

the extent of saying that by these Budget proposals presented to the house, the Congress party has given a go-by to Socialism and 'Garibi-hatao'. But I am not dealing and I shall not deal with the cheap criticism that has been levelled. I shall take note of some other important criticisms which have been levelled and more especially the criticism levelled by Shri Samar Mukherjee, while speaking yesterday in this house.

He said, and the majority of his school of thought maintain, that the Budget simply distributes poverty and rich and monopoly interests have not been touched in this Budget. That is the first point they made.

The Second type of criticism that was offered was that the Budget distributes poverty and that the poor and the middle classes are taxed to the breaking-point.

I shall deal with these two types of criticisms presently.

Let us see the first point whether the richer classes have been touched or not. When we talk of the richer classes, two types of taxes have to be taken into consideration; one is the corporate tax and the second is the personal income-tax which has been levied on individuals. Now, the budget for 1971-72 proposes certain changes in relation to (i) income from priority industries, (ii) long term capital gains, and (iii) surtax. There are some changes sought to be made by certain proposals in the budget. Among the structural changes which were made to achieve the objective and which affect taxation of corporate incomes, the following are more important. The first is the exclusion of debentures and long-term borrowing from the capital base for the purpose of tax holiday exemption. This tax holiday exemption has been to some extent given up. Secondly, the deductible amount of