

[Shri Raj Bahadur]

move for leave to introduce a Bill further to amend the Salaries and Allowances of Officers of Parliament Act, 1953.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Salaries and Allowances of Officers of Parliament Act, 1953."

*The motion was adopted*

SHRI RAJ BAHADUR : I introduce† of the Bill.

12.32 hrs.

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

MR. SPEAKER : The House will now take up further discussion on the General Budget. 4 hours and 55 minutes have already been taken. Still 15 hours and 5 minutes remain. There is enough time. Shri Panigrahi.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar) : Mr. Speaker, Sir...

MR. SPEAKER : Mr. Pillo Mody, thank you very much for sending your regrets. But that is in a typical characteristic way of your own.

SHRI CHINTAMANI PANIGRAHI : Mr. Speaker, Sir, some years ago, Pandit Nehru with his characteristic and philosophical farsightedness wrote :

"Our major difficulties in India are due to the fact that we consider our problems, economic, social, industrial, agricultural, commercial, within the framework of existing conditions. Within that framework and retaining the privileges and special status that are part of it, they become impossible of solution. Even if some patchwork solution is arrived at under stress of circumstances, it does not and cannot last. The old problems continue and new problems, or new aspects of old problems, are added to them. This approach of ours is partly due to tradition and old habit, but essentially it is caused by the steel frame which holds together the ramshackle structure."

These words of Pandit Nehru said long years ago hold good even today.

Though we have not completely overcome these old habits, in recent years and in recent months, we in our party and in the Government, have waged a relentless struggle to overcome these old habits and to tread new paths.

A National Budget is not merely a grand sum-total of Receipts and Expenditure. It is, I may say, an effective instrument for advancing our accepted national objectives of establishing 'a truly socialist and egalitarian society' where social tensions, arising out of the wide gap between the affluent and the poor should be resolved and should be reduced.

Viewed from this angle, I have no doubt, and without fear of any contradiction, I may say, that this Union Budget for 1971-72 breaks many new grounds. Herein one finds promises not being broken, but, being pursued absolutely and resolutely. How can those who are committed to the people, that party and that Government, afford to break the promises and so soon after the recent massive mandate from the people ?

During the last few years we, in this Parliament have always been pressing upon the Government this fact that the under-valuation of property has always been a source of leakage of money and leakage of the source of income for this Government. Here in this Budget we find certain steps taken in this direction. Under-valuation of property is a means to evade wealth-tax, capital gains tax and estate duties. Black money circulates through this process and becomes white money in due course of time, evading the taxes in that process.

Here, in this Budget, Government proposes to move a Bill during the current session of Parliament, to acquire the necessary power for acquiring properties at the prices corresponding to what are recorded in the Sales Deeds. This is a welcome measure.

Sometime ago, I had been to the Kulu and the Manali valley. There, you will be surprised to know, 75 per cent of the orchards which ought to belong to the poor people, are in the

†Introduced with the recommendation of the President.

hands of the big monopoly house. The monopoly houses have diverted their black money to purchase those orchards at cheaper rates, and now they form their own property. If this process continues, I fear, in another 5 years' time, no native man living in Kulu and Manali would have any land of his own.

A welcome step which the Budget outlines is the decision of the Government to sponsor legislation in the current session of Parliament to discourage *benami* holdings of property and this should also apply to the *benami* holdings of shares.

The proposal to transfer the work regarding the recovery of the arrears of Estate Duty from the State Government to the Income-tax Department at the Centre,—though belated,—is a good step.

The proposal for strengthening the valuation cell for making valuation of buildings for wealth tax purposes is also a good measure. Decisions to take steps for checking the leakage of foreign exchange through manipulation of invoice values and to review the Foreign Exchange Regulation Act to plug the loopholes that are existing are also welcome measures which the House also wanted to have.

It has been very firmly stated that the basis of tax has to be the size of income or wealth, irrespective of whether it is derived from agricultural or non-agricultural sources. Government cannot afford to ignore the growing inequalities in the rural areas. Government should take immediate measures to achieve this objective as announced in the budget speech.

The rate of surcharge in the case of individual incomes and families is being increased. The tax on capital gains is being increased. The incidence of tax on long-term capital gains in the case of companies is also proposed to be increased. Wealth tax rate has been increased. The exemption from wealth tax and the exemption available for household or personal jewellery and for shares forming part of initial capital issues is also being withdrawn. For the purpose of tax exemption in the case of new industrial undertakings, debentures and long-term borrowings are being excluded. The concessional tax treatment of dividends received

by foreign companies is also being discontinued. Further, a ceiling has been fixed on the remuneration of company employees at Rs. 6000 per month including the perquisites. These and such other measures have definitely given a new thrust to our policy of reducing social inequalities. They are definitely people-oriented and are aimed at curbing the rich and the affluent.

Some hon. Members have said that the Lyon's Range is happy and has reacted very favourably to this budget. If the Lyon's Range is happy today, it is because, if I may say so, they have not been able to understand the wider implications of the budget, which they will come to understand about ten or twelve days hence or perhaps from next year. When a sheep goes to the *killkhana*, whether it smiles or weeps, how does it matter? If today the Lyon's Range smiles, I believe that tomorrow they may weep. So, that should not be a criterion for judging the budget of a nation.

The only question that haunts the minds of the people and also my mind is this. Will the Government and the machinery at its disposal be able to implement all these measures fully and with the utmost strictness and speed so that the tax-dodgers do not take recourse to new ways for evading the incidence of these tax measures in the coming months and years? Will the Government come forward with the promised Bills immediately during this session? Every day we hear that the promised Bill for abolition of privileges and privy purses is coming. Every day we hear that the promised Bill to amend the right to property is being prepared and prepared very strongly, but days and days are passing and yet the Bills have not come, and the people are becoming impatient. Merely telling us that the Bills are coming is not enough. Since the current session is a long one, I hope that we shall see these Bills presented before this House during this session. I am reminded of the famous tragedy by Dante and the story of Penelope. Penelope was waiting to meet her beloved, and he had been cursed. He had been weaving the net for the whole day and if the net were completed the beloved would return. But what happened was that Penelope used to weave the net every day but by the evening it used to get torn, and naturally, the beloved never returned. I hope

[Shri Chintamani Panigrahi]

we shall not be like Penelopes waiting to get those promised Bills here.

I take this opportunity to bring to the notice of the Finance Minister and the Government some aspects of financing of the private corporate sector which need to be thoroughly gone into, since our declared objective is that the affluent sections of the society should bear a bigger burden of our taxes. The total paid-up capital of the private corporate sector in 1969-70 came to Rs. 3574 crores.

The Industrial Finance Corporation, the Industrial Credit and Investment Corporation, the Industrial Development Bank, the State Finance Corporation, the State Industrial Development Corporations, the Life Insurance Corporation, the Unit Trust of India, the nationalised banks and the nationalised general insurance companies—all these have almost paid 75 per cent of the capital of the companies. Another 22 per cent came from the public. 90 per cent of the loans flowed from the public financial institutions. In some cases, the proportion of loan to equity was as high as in the ratio of five to one so far as the private sector are concerned. Therefore, will it be wrong on the part of our people and myself, if I ask a question, straightforward, and put it to the Government and the Ministry? The question is, how much private is the private sector in this country? I hope the Government will give some thought to it and answer it: how much private is the private capital. I hope you can see that the difference is as between Shri Piloo Mody and myself? That is the difference between the private sector and the public sector.

**SHRI PILOO MODY (Godhra):** I do not know what makes him public property, frankly.

**SHRI CHINTAMANI PANIGRAHI:** I have brought it to the notice of the Government, so far as the borrowing side of the public sector is concerned. Now, if you look at it as to how they apportion the gross earnings, you can see the difference, as between Shri Mody and myself. How do they apportion the gross earnings? The amount deducted towards depreciation was worth Rs. 181 crores in 1961-62; it went up to Rs. 385 crores in the year

1968-69. It has gone up still further. Similar is the case with regard to inventories: how they are added up and then dividends are distributed. The provision for depreciation was 50.3 per cent in 1960-61. In 1961-62, it went up to 52.2 per cent; in 1961-63, it increased to 58.6 per cent. In 1963-64, it increased to 58.6 per cent. In 1964-65, it increased to 60.7 per cent, and so on and so forth. The depreciation charges, if you look into the case of the USA and the UK, do not exceed more than 20 to 25 per cent. Take the case of the USA. The internal sources of finance are most important in the USA, constituting 65 per cent to 70 per cent, so far as the corporate private companies are concerned, of the total corporate funds. It is also the same in the United Kingdom. In these countries, the relative importance of internal sources for company financing is increasing every year.

Whereas in our country, earnings are apportioned towards huge depreciation, inventories and dividends, and even retained profits do not go in for productive capital formation. Why not nationalise all these and get more revenues from the private corporate sector? I hope they are in a position to provide another Rs. 200 crores for our public finances. Therefore I urge upon the Government that the financial structure and borrowings pattern of the private corporate sector should be thoroughly examined and rationalised.

Now, I want to quote some relevant observations made by our Prime Minister. Inaugurating the 51st Annual General Meeting of the Associated Chambers of Commerce and Industry in December, 1970, she asked the businessmen of this country thus:

"Growth at what cost? Any cost? At the cost of the people? If it is at the cost of the people at large, are they going to sit back and just watch it helplessly?"

She said that many observers from lands of classical free enterprise often call Indian businessmen rentiers rather than entrepreneurs. She said with a protected market where buyers chase goods and current rates of dividends and market quotations indicating that profits are good, a certain temporary rise in costs should not be so upsetting. Up to a point, the cost

increases should be absorbed. I would like to know whether they are going to do so.

Sir, lastly, I must submit before the Government one thing. As you hear the population explosion, as you have heard about the rise in price explosion, there is a kind of debt explosion so far as our country is concerned, in the matter of its economy. The biggest challenging task before our country today is the burden of external debt. If I may say so, it is a debt explosion. Gunar Myrdal, in his latest book *The Challenge of World poverty*, has highlighted the problem and he has mentioned about India also. He has said :

"The development of trade and of capital movement has resulted in the problem of rising debt burden of underdeveloped countries. It is calculated that the accumulative debts of these countries have increased from 10 billion dollars in 1950 to 40 billion dollars in 1965 and that they are continuing to increase and will increase in future years also."

Annual payments of interest and amortisation over the same period have increased from 0.8 billion dollars to about 3.6 billion dollars. The ratio of debt service payments to export return rose from less than 4 per cent in the middle fifties to 9 per cent in 1965. It can be foreseen that if present trends continue all the gross inflows of capital will be swallowed up by the outflows, including the debt service sometime in the early seventies. From today's answer to a question it appears that more than 40 per cent of India's exports are going to be kept for debt services. By 1975, it may go up to 55 per cent. This is a very serious situation.

This year's budget has definitely given a thrust so far as our declared objectives are concerned. After making all these submission, I have a right to appeal to the Government that it is better to look into the conditions of the common man today, so far as the levies on bread, coarse cloth and kerosene are concerned. Keeping in view the support that the middle-class, the working population and a vast majority of the people have given to us, I hope the minister will try to reconsider these levies. There are other ways of getting resources. By realising income-tax arrears and by a little tightening up of efforts in some other

avenues, there is no doubt we can increase our resources. Every effort should be made to mobilise resources, so that we can keep up our planned expenditure, programme of providing employment to millions of people and also bear the burden of Bangla Desh refugees.

MR. SPEAKER : Members from Congress benches should hereafter confine their remarks to 10 or 12 minutes. Regarding yesterday's walkout by Mr. Naval Kishore, he was good enough to express regret. I thank him very much. Shri Patel.

SHRI H. M. PATEL (Dhandhuka) : Sir, I rise to offer my observations on the budget presented by the hon. Finance Minister on the 28th May. This budget has been variously characterised by the members who have spoken before me. After a careful study of the minister's speech and the various budget proposals, I have come to the conclusion that the Finance Minister was not quite clear in his own mind as to the direction which he wished to give to the economy of the country through this budget. Therefore, this is in many ways a most disappointing budget. One had hoped that this budget would indicate in unambiguous terms how exactly the Government was proposing to achieve the major promise that the ruling party had made to the electorate, viz., *garibi hatao*. The present budget would have then done a very real service. In a real sense it would have been indicative of the line which the future budgets would be taking.

The Prime Minister, becoming somewhat more realistic after the elections, stated soon after the elections that *garibi hatao*, to remove poverty was not something that can be done overnight; it would take time. I think that is perfectly understandable. But it is equally clear that it can only be banished if there is a well-thought-out kind of mini perspective plan which one is determined to implement during the period that lies before the next elections. No one, not even the Finance Minister would venture to claim that there is anything in the nature of such a plan adumbrated in the present budget.

Before I go further I think it is essential to make it clear that my party's aims are no different from those of the ruling party.

[Shri H. M. Patel]

The Swatantra Party also wants to reduce the disparities between the wealthy and the poor, raise the standard of living of the people and give them social security. Our Constitution too, in perhaps more meaningful terms, has said in its preamble that the goals that we should set before ourselves are justice, social, economic and political, and equality of status, and opportunity. Where we differ is in our idea over the ways in which these goals are to be achieved. State ownership and state control, which is what we mean India by socialism, is one way of achieving them. We in the Swatantra Party do not think these to be the right instruments. We would rely far more on the initiative and enterprise of the individual. We do not question the fact that there are areas in which public interest is best served by State ownership. By and large, as we see it, the area of public ownership would relate to enterprises which provide the infra-structure necessary for the development.

MR. SPEAKER : He may continue his speech after lunch.

13 hrs.

*The Lok Sabha adjourned for Lunch till Fourteen of the Clock*

*The Lok Sabha re-assembled after Lunch at four minutes past Fourteen of the clock*

[MR. DEPUTY-SPEAKER in the Chair].

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

SHRI H. M. PATEL : Sir, I was saying that there were nine paragraphs in the Budget speech of the Finance Minister which give an indication of the reorientation of policies which he is seeking to achieve through this Budget. But the extraordinary thing is that the Budget proposals in themselves do not appear to be designed to achieve this reorientation. He says :—

"The massive mandate which this Government received from the people three months ago was a mandate for socialism, a mandate for rapid economic growth

matched by increased social justice. There can be little doubt that social justice must begin with increasing the opportunities of job and work for every one."

After referring to the various steps already taken by his Government including the crash programme and the provision of Rs. 25 crores that has been made for employment of the educated, he proceeds to say :

"The largest stimulus to employment can, however, come only by increasing the tempo of economic activity all round. It is therefore, essential that expenditure under the Plan is maintained at projected levels and that no shortfalls occur."

He, therefore, proceeds to make slightly larger provisions for the Plan while, at the same time, saying that he will lay emphasis on the timely implementation of Plan projects for which budgetary provision is being made.

Then, he proceeds to indicate the rest of the philosophy underlying his Budget in the following words :

"Faster growth and greater social justice will be elusive goals unless persuaded in a milieu of relative price stability. We can scarcely ignore the adverse effects of unabated price increases on both investment and income distribution. Inflation also dislocates attempts to increase the efficiency of production and to lower unit cost which in turn affects exports. There is, therefore, need for continuous vigilance. The drive for a faster rate of growth in this sense, therefore, blends with the parallel goal of achieving price stability."

It is an entirely unexceptionable statement of philosophy and the objectives. But when I look at the proposals, I find nothing in them that is designed to ensure either a faster rate of growth of our economy or price stability. Indeed, the various taxation proposals, both direct and indirect, are all such as must necessarily result in reduced capacity for saving both by individuals and by the corporate sector. This in its turn must necessarily reduce the capacity of the private sector for investment. It may be argued, as has in fact been done, that the saving having been diverted

into the public exchequer will be utilised in the development and expansion of the public sector. But then there should have been proposals for achieving this. They are not there.

Without entering into any controversy about which sector should dominate, it is clearly most essential that the enterprises in both the sectors should be efficiently run and, where in an industry both public and private enterprises exist, by showing no partiality to the public enterprise or enterprises, Government should ensure maximum efficiency for them all through competition among themselves.

One such industry is the shipping industry which is a typical industry where both private and public enterprises exist side by side and both are going to be seriously affected by the withdrawal of the development rebate. The growth of that industry which as a big foreign exchange earner and for other national security reasons also is an industry we should cherish and nurture, will be greatly handicapped by the withdrawal of the development rebate after May, 1974.

Incidentally, the industry will be faced with immediate difficulties because of the fact that it has to enter into commitment for new ships years ahead and most of the ships it has already on order are due to be delivered only after 1974. Special consideration, I dare say, might be given and should be given to those ships that are on order. But the question really is whether we desire growth of the industry or not. The growth of a vital industry like this is bound to be affected and, I am afraid, most other industries will also be affected.

Again, the decision to impose a tax on foreign travel is likely to hit hard an industry like the shipping in which shipping companies often have to send full complements of crew and officers for replacement of absent crew at foreign posts. I hope, as and when orders are issued and rules framed, power will be taken to give exemption in such cases.

I shall now turn to the other major objective of the Finance Minister. Without plentiful employment, talk of social justice becomes rather meaningless. The Rs. 50 crore crash

programme for rural employment and the Rs. 25 crore programme for assisting the educated unemployed is scarcely likely to help in any significant manner. No concrete schemes have been worked out even in regard to these two projects and it will take far more money to make a worthwhile impression. I would venture to say that the Finance Minister would have done well to have given consideration to the proposal that the Swatantra party had made of a larger programme of road construction and house-building, say, of the order of Rs. 250 crores. Had such a programme been taken in hand or could be taken in hand without delay in every part of the country it would have given employment of an appreciable scale both to the educated and to the rest, fulfilled the very essential needs of the people, and given in the bargain a big fillip to the entire economy.

One welcome statement in the Budget speech of the Finance Minister is that which promises simplification of the procedure for assessing Income-tax and other Direct Taxes. I hope that in practice too, the intention will be fulfilled. Generally there is today far more delay than appears necessary and far more reluctance is displayed by officers to exercise discretion vested in them. The vast majority of those who are liable to pay Direct Taxes are not desirous of evading payment of what is due from them. The attitude towards them, should be helpful and understanding, but, instead, they too are treated as if they are hardened tax-criminals. I hope that the Finance Minister will enjoin the adoption of a healthier attitude.

In the same way, I congratulate the Finance Minister on his decision to simplify the existing complicated rate structure of Import Duties. This will greatly assist the importers as also the customs authorities. In the administration of customs also, considerable degree of rigidity has crept in and there are considerable delays and delays are costly not only to the individual or businessmen concerned, but also to the country's economy.

One thing that has surprised me is the absence of any reference to economy. Continuous vigilance is essential, for, it is so easy to go on expanding without taking care, at the same time, to cut out or reduce staff of orga-

[Shri H. M. Patel]

nisations which have substantially or wholly completed the work for which they had been created.

Finally, I would like to draw attention to two other important matters. Since Direct Taxes have pretty well reached their ceiling, it is Indirect Taxation on which we shall have to rely very largely for further resources. But great care needs to be exercised in the selection of the items. What has been done regularly year after year for the last few years has already imposed very heavy burden on a very deserving section of our people—the middle class and the salaried class. Their continued existence is vital for democracy. Unfortunately, no one has yet ventured to define with any degree of precision as to who constitute the middle class. Without venturing to define I would say that those people whose income today is in the neighbourhood of a couple of thousand a month are people who cannot be said to be really well off. In terms of real money today that means only an income of Rs. 500 when we became independent or even less. I mention this only to enable us to have a proper perspective in these matters. They are just at a level at which they can live moderately comfortably and give satisfactory education to their children. These are the people, however, who are back-bone of the nation.

The other important question also relates to another set of people who constitute the back-bone of the nation. Somehow, there still prevails in a very large section of our people the idea that the burden of taxation on the rural area is much lighter than what it should have been or be. They forget that the total income of those who reside in rural areas is much lower and the total capacity to shoulder taxation is also, therefore, much less. If some few farmers are well off and do not have to pay any direct taxes, it does not mean that the agriculturists as a class are let off lightly. The burden of indirect taxation of those who are residing in the rural areas, according to a recent study which I have seen, is pretty nearly as heavy as that on those living in urban areas, if we take account of their relative incomes. Moreover, we must not forget that rain is still the dispenser of agricultural prosperity as also indeed the prosperity of the country. Apart

from the uncertainty of the rain, the agriculturists have to face a whole variety of uncertainties. In spite of pesticides and fertilisers; the farmer does not always escape severe loss of or damage to his crop. Certainly, there is scope for imposing some heavier burden on larger farmers but that cannot be through the instrumentality of income-tax as some appear to consider. It will have to be some other more practicable thing. I am glad that the Finance Minister has not imposed any special burdens on the agriculturists, although he has succumbed to the pressure by levying a duty on tractors. I would only urge that rather than let the question of agricultural taxation drift, it should be studied carefully and objectively, not by biased economists living in Delhi or Bombay but by economists as well as administrators and other experts who are familiar with rural conditions and the conditions in which the farmers labour and prosper.

Before I conclude, I would like to refer to what is taking place in Bengal Desh and as a consequence in West Bengal and what is likely to effect even larger areas of this country. The burden of the influx of such large numbers of refugees in this country is going to be enormous. It cannot but disrupt our economy. It has only made a beginning. Already, we are confronted with all variety of problems which at the present moment may affect only the refugees but which are going to affect our own people. The size of the influx, I am told, is any where between 5 and 6 million, and it will go on rising before any solution is found to a much larger figure; and there is no solution, political or other, in sight. We have made efforts to persuade the international community and to develop international interest in the whole situation, but we see that for a variety of reasons, that interest is very subdued. Even humanitarian considerations do not appear to have moved countries; they may have moved peoples but not the governments of their countries. For us, therefore, to wait for a solution until they wake up to the seriousness of the situation is to commit the gravest possible error for which we would have to pay almost an impossible price. We cannot go on facing the economic burden of 6 million refugees, which may grow to 10 millions, for any length of time. It is almost like saying that we should be

prepared to find a thousand crores of rupees extra. We can only do so by stopping our development efforts. Can we afford to do that? If we cannot afford to do that, can we impose additional tax burden of that magnitude? We cannot. How then does this country expect to face up to this burden and carry this burden? Why does not the Government face this question frontally? The Finance Minister has taken a reasonable assessment on such data he might have had in front of him on the date on which he prepared his budget and he has allotted as Rs. 60 crores for looking after the refugees. It is clear now that this is going to be an under-estimate; no doubt he will come with a supplementary budget. But his entire budget will be thrown out of gear. Has he started thinking about it? Can this question be solved only by talking, by waiting to see if somebody else comes and solves it. Has the time not arrived when we should see if we cannot find a solution for this with our own strength, with our own determination? This is the most important question. I have referred to it today because it is going to affect vitally the budget and the economy of our country.

Before concluding I shall once again say this. Though one tends to be carried away by sentiment and emotion, let this at least be borne in mind that our efforts should be to level up and not to level down. The policies we follow should not merely be to see that profit is not made. Profit is the incentive which makes people work.

MR. DEPUTY SPEAKER: The hon. Member may conclude.

SHRI H. M. PATEL: Since I have not more time, I shall conclude by saying that our efforts should not be to level down but to level up. Taxes undoubtedly are the life blood of Governments. But as has well been said the blood the Government's taxes, are after all drawn from the arteries of the tax payer and therefore it is incumbent on the Government to see that when that transfusion is done, it is governed by principles of social justice and fairness rather than by considerations of political expediency.

SHRI BAKAR GUHA (Contd): I was rapidly hearing nicely worded preamble of the

budget speech with a lot of socialist postulates; at that time I have not had the idea that the sting was in the tail. Indirect tax measures which were announced appeared to me that this Budget is not a gharibi hatao which they professed but gharibi badao. I do not want to use slogans. In reality the indirect taxes will really rob the middle class people and wage earners who have meagre incomes and will add to their daily burden and inflate their monthly budgets.

I have the temptation to analyse the whole mechanics and dynamics of the budget from socialist perspective but I refrain from doing so because this budget is based on unrealistic foundation. On one calculation, the gap is only Rs. 220 crores. Of course they provide only Rs. 60 crores for the refugees and they hope to get about an additional Rs. 25 crores. Will the Government be able to tackle the massive problem of refugees with this sum? Their whole basis is unrealistic. I do not know whether our Finance Minister was that day infected by the wise smiles of our Defence Minister. In a meeting the Defence Minister was sitting by the side of the Finance Minister and the Prime Minister gave the figure of 15 lakhs arrivals, I mean refugees. Immediately I told the Finance Minister that this figure will shoot up to at least ten million refugees. The Defence Minister thought that I was making a puerile observation. With his great wisdom he nodded his head in disapproval and was laughing that my apprehensions were the result of an alarmist view. Perhaps the Finance Minister has been infected by that wise laughter or smile or our Defence Minister and only then one can explain the allocation of Rs. 60 crores. I warn this Government. They are going to face structural collapse in regard to the socio-economic developmental projects of the country. We already have some 55 lakhs of refugees and from papers we understand that there is a procession of about 15 lakhs of refugees in only one centre in the Nadia district. Minorities in East Bengal are on the run. Their total number was 1.20 crores or 1.25 crores. The fake peace committees formed by Yahya regime with the Muslim Leaguers and Jamait Islam have issued directives to people there to exterminate or root out all the minorities except sweepers, washermen and barbers. What will happen to

[Shri Samar Guha]

them? They are coming out in lakhs and millions. The problem is not only of giving them food at a cost of Rs. 1.10 paise per day without fulfilling any other requirement such as shade or sanitation. But even for the mere provision of this food I do not know whether you have made calculations? In today's papers we read that the Chief Minister of West Bengal in a mood of frustration and desperation has sent a letter to the Prime Minister. I know it; the Minister may deny it in the House. He says that he will resign against the Central Government's policy. He wants the Centre to take up not only financing the refugees but the whole affair of managing them. He has suggested that the Army should be in charge of this, if paper reports are correct. That is more dangerous. The suggestion of having the whole refugee problem to be dealt with by the Army. The Defence Minister had no right to make that statement which he made; he had waged a war against the refugees. He did not say about the border aggression but he went straight to address an election meeting. Is this the way of working of the Defence Minister? The whole nation is in danger; our security and national honour are in danger and the whole eastern India is going to face disaster of an unprecedented dimension. The Defence Minister goes straight to Dum Dum and then to some place to address an election meeting and then he has a casual meeting with some Ministers the Writers' Building and comes back to this place. He came here and made a full-throated statement about the refugee and other problems in this House. I do not know That is the reason why I used the words "indefensible Defence Minister" in the morning, and said that he failed to discharge his elementary duty of defending not only national honour, but national security and other problems associated with it.

I am getting almost three or four or five telegrams, and letter every day, giving narrowing pictures of the refugees there. Out of these 55 lakhs of refugees, nearly 25 lakhs to 30 lakhs have no shelter. They are in the streets; they are under the shadow of trees. What is happening? Thousands of refugees are now swarming towards Calcutta. The refugees are almost invading Calcutta. What

will happen to Calcutta? Every day you hear the reports about killing, murders committed on dozens of young men. When these refugees flood the city of Calcutta, they will occupy the streets; they will occupy the bazars; they will occupy the schools and colleges. What will be the problem; I think the Finance Minister and the Defence Minister can visualise the eventual developments in West Bengal. Therefore our financial burden will not only be limited to the question of giving food and shelter to the refugees. Already there is a complete dislocation of trade, business and other economic activities in West Bengal.

Then, this will add to the political problems also. Already the administration there has virtually collapsed. All the districts magistrates, sub-divisional officers and all other important officers have nothing to do except dealing with the massive problem of the refugees. Therefore, I want to know from the Government what is the basis of their calculation of only allocating Rs. 60 crores for the refugees. My friend has already quoted the figures. The figure may shoot up to 1,000 crores of rupees for dealing with the problem of refugees.

I hear a very good statement having been issued by our Government, that the refugees will go back, and that is the reason why they are keeping them in the border areas and creating all sorts of troubles there. What a hope? It is like some midsummer night's dream. Unless the Pakistan army is completely defeated in Bangla Desh, unless Bangla Desh is made completely free, unless the secular nationalism that has developed in Bangla Desh, the concept the Bengali nationalism, really comes to exist and also being worked out—a new machinery and government—

AN HON. MEMBER: Is there any difference between Indian nationalism and Bengali nationalism? (*Interruption*)

SHRI SAMAR GUHA: Their nationalism is based on Bengali culture.

MR. DEPUTY-SPEAKER: Order, order Address the Chair please.

SHRI SAMAR GUHA : Secular nationalism is based on language and culture.

MR. DEPUTY-SPEAKER : Please come to the point.

SHRI SAMAR GUHA : This is an important point.

MR. DEPUTY-SPEAKER : If it has an effect on the budget, please confine to the budget.

SHRI SAMAR GUHA : There is no possibility or sign of even a single person belonging to the minorities returning to Bangla Desh unless the conditions are created there for their honourable living and also living in peace and security in that region.

Therefore, the question is this. I do not know whether the nightmare or apprehension of a war with Pakistan is standing in the way of really taking effective measures or effective steps solve the problem of refugees. If you have to solve the problem of the refugees, you have to strike at the root. Because for it ; the root cause is the brutal atrocities committed by the Pakistani army, and also their communal strategy to subvert the secular nationalism there. They are trying to create communal trouble in the whole of West Bengal, Assam and Tripura by sending a large number of infiltrators, because that will help them to win the last battle of Yahya Khan. Therefore, Government will have to take courage in both hands and take decisive action. Government says, the opportune moment has not come. Many opportune moments have already passed. They are delaying recognition of Bangla Desh. I do not say that recognition is an end in itself ; it is just a means to give them all-out assistance for defeating the armed occupation of Pakistan in Bangla Desh. If that is not done, the refugee problem will spell disaster on our economy and our social fabric and political complex. The whole of eastern India will be in danger.

I, therefore, conclude by saying that unless Government makes bold themselves to take decisive steps in regard to the basic issue of recognition of Bangla Desh and giving them all-out assistance, the edifice of our economy and the whole structure of our social develop-

ment projects will collapse and we will have to face disaster and perhaps prepare ourselves for another interim budget, which will also recoil on our common man.

SHRI SURENDRA MOHANTY (Kendra-para) : Sir, it will not be uncharitable to characterise this budget as a monstrosity, a travesty, a massive betrayal of the massive trust that this country had reposed in the ruling party. Socialism is never achieved by gimmickry, by stunts, by demagoguery. It is ultimately to be tested on the touchstone of a set of objective criteria

I ask in all humility. Does this budget propose to control the spiral of rising prices ? Does it promise augmentation of growth ? Does it offer increased opportunities for employment ? Does it open up new dimensions of social justice ? This only widens the social disparity and economic injustice.

Only this morning, during the Question Hour, we were told that the Education Ministry had not enough funds to look after its commitments even for primary education. But the hon. Finance Minister, in a charitable disposition and a fit of loud protestations of social justice, proposes to reserve 25 per cent of fresh admissions to public schools for meritorious students, who will be offered Government scholarships. Who are the students who go to public schools ? From which strata of society do they come ?

THE MINISTER OF FINANCE (SHRI YESHWANT RAO CHAVAN) : You have not understood it. It really means, we are going to give scholarships to those who cannot afford to go to public schools ; that means the socially lower group.

SHRI SURENDRA MOHANTY : I will put a different construction on it. I can very well follow the English language. But the question is from which strata of society people send their children to the public schools ? Well, you have no money to look after your commitments even for primary education and yet you are offering scholarship to 25 per cent of the entrants to the public schools. This is meant for the bureaucrats, for affluent Ministers and for that section of the affluent society which believes in Anglo-Saxon culture.

SOME HON. MEMBERS : No, no.

SHRI SURENDRA MOHANTY : You may say 'no' but this is a fact and there is no gain saying or rejecting a fact. This is an instance of the social justice that the hon. Finance Minister proposes in this budget.

None the less, I must say, this budget certainly has some good points inasmuch as it seeks to remove economic disparities. These should not be lost sight of. This budget seeks to impose a ceiling on personal income, that is, Rs. 5,000 per month and Rs. 1,000 on perquisites. I would like to know what is the Perquisite of a Minister. I am told that the perquisites of a Minister may run into at least Rs. 1 lakh per annum.

AN HON. MEMBER : Rs. 4½ lakhs.

SHRI SURENDRA MOHANTY : Somebody says Rs. 4½ lakhs. I stand corrected. If you are going to impose a ceiling on the perquisites of officers in the companies, I would beg of the hon. Finance Minister that he must give a commitment that a ceiling will be imposed on the perquisites of the Ministers also and that they cannot be allowed to run away with the huge amount of perquisites in the name of socialism.

Secondly, I would submit that a national minimum salary should also be signified so that we have an integrated policy of personal income.

This budget enhances taxation on slabs of net wealth above Rs. 15 lakhs and proposes a rate of tax of 8 per cent on uniform basis, which is a welcome measure. Then, this budget proposes certain changes on gift tax which is welcome. This budget proposes various structural changes affecting the incidence of company tax which also we welcome. This budget withdraws the tax holiday, euphemistically called development rebate. I only hope that this withdrawal may not be withdrawn on a subsequent date or of a subsequent period under some plea or other. But all these and such other proposals of direct tax on companies etc. for 1971-72 bring in a meagre sum of Rs. 27 crores.

While all these direct taxation proposals net

him only Rs. 27 crores, he imposes Rs. 150 crores by way of indirect taxes on various items from motor spirit to maida, from soap to cigarette, from textile to postal tariffs. He has spared more and has left nothing untouched. He proposes to earn from additional excise duty on textiles Rs. 4.90 crores, from motor spirit Rs. 36.30 crores, from special boiling point spirit Rs. 4.25 crores, from mineral turpentine oil, liquid petroleum gas, lubricating stock oils etc. Rs. 9 crores, from cigarette Rs. 33.20 crores. I do not know why the Finance Ministers are so allergic to smoking, saying all the while it is not good for health. I think Churchill lived for 90 years being an inveterate smoker. The duty on tractors will fetch him Rs. 3.4 crores, and duty on oxygen, chlorine, ammonia and refrigerant gases Rs. 1.60 crores, on glassware Rs. 3.15 crores, on maida Rs. 7.5 crores, on cosmetics Rs. 15 crores, on foreign travel Rs. 7 crores and on soap Rs. 2.55 crores and besides all these there is the enhancement of the postal tariff.

I would only expect that the hon. Finance Minister would revise this list of indirect taxation and at least exempt some of the items from indirect taxation that he has proposed. For instance, I am persuaded to believe, in view of the letter which the Maharashtra Chief Minister has written to the hon. Finance Minister, that perhaps maida will be exempted from the axe of his taxation. But motorised travel is today no more a luxury. Thousands and thousands of people have to go to their places of work and for reaching their offices and workshops they have to use motorised transport. If this 20 paise per litre is imposed as additional excise duty on motor spirit, certainly it will be disastrous for them.

Similarly, being a confirmed, inveterate smoker, who never lets down his old friend, for the sake of his health even.... (Interruption).

SHRI K. D. MALAVIYA (Domariangan) : Are you referring to yourself ?

SHRI SURENDRA MOHANTY : Yes, I do not believe in that kind of pragmatism which leaves one's friend for the sake of one's health even, as the hon. Finance Minister has suggested in his Budget speech, because I am not given to that kind of ethics.

**SHRI Y. B. CHAVAN:** Stick to that friendship but pay for it.

**SHRI SURENDRA MOHANTY:** But, according to my means.

Therefore I would beg of him that he should not tax friendship and he should at least revise the taxation on some medium varieties of cigarettes.

In spite of all this sledgehammering in the name of *garibi hatao*, the Budget will leave an uncovered deficit of Rs. 220 crores. Within the short time at my disposal I would like to examine what will be the effect of this deficit financing on the cost of living index and on the price situation.

The hon. Finance Minister, in course of his speech, has very wisely cautioned us

“Let me remind hon. Members, however, that the price rise in the economy has been sufficiently disquieting last year and the budgetary deficit must, therefore, be kept within reasonable limits.”

I would like to examine whether the budgetary proposals will keep within reasonable limits this disquieting spiral of rising prices.

As will be seen from the *Economics Survey*, the budget estimates for 1970-71 had estimated deficit financing at Rs. 411 crores. Then, the overdraft by State Governments, which is another name for deficit financing left to State Governments, was Rs. 260 crores. The gap in the current Budget is Rs. 220 crores besides the uncovered amount of Rs 6 crores in the Railway Budget. If you total these up, you will find that it makes the staggering sum of Rs. 897 crores. That is today the total amount of deficit financing that we are having in this country.

It may be recalled that the Fourth Plan had placed a ceiling of Rs. 850 crores on deficit financing. This was to be spread over a period of five years, that is, from 1969 to 1974. But in the very second year of the Fourth Five-Year Plan, as will be seen, we have already exceeded the limit of Rs. 850 crores that we had imposed on ourselves. Therefore I would like to know how this deficit financing, that he

has indulged in in this Budget, is going to save the situation.

Since the time at my disposal is very short...

**MR. DEPUTY SPEAKER:** It is up, not short.

**SHRI SURENDRA MOHANTY:** Since my time is up, I would beg of the Finance Minister that he must take the House into confidence and give us a clear picture of the extent of deficit financing today and he will assuage our doubts and misgivings about its possible impact on the spiral of increasing prices which is having a disastrous effect on our Plan, on our economy and on our lives.

**SHRI NARAIN CHAND PARASHAR (Hamirpur):** Mr. Deputy-Speaker, Sir, I rise to congratulate the Finance Minister for presenting this Budget.

A Budget is not a mere exercise in adjusting figures for expenditure and the figures for revenue. It is an exercise in guiding the nation towards a destined goal and the philosophy behind a Budget is guided by three factors, namely, growth and development, social justice and price stability.

Coming to these points, I find there is a criticism from the friends on the other side and, in that criticism, I find sound and fury signifying nothing. My hon. friend, Shri Indrajit Gupta, called it the biggest anti-climax after the massive mandate to the ruling party. I find more of wit in it than any kind of wisdom. Similarly, when Shri Samar Guha was referring to the impending structural collapse, I was thinking of some economic theory that he was going to pronounce or propound just for our guidance. But unfortunately for us, he reeled off into Bengla Desh and started discussing those problems and did not discuss the demerits or the merits of the Budget.

Sir, this Budget, for the first time, brings us to a very sound footing in the line of social justice. I would say that the strongest point of this Budget is that, for the first time, it provides a nutritional programme for the children. The children have been neglected so far. Today, the social justice means also to look upto the

[Shri Narain Chand Parashar]

children. My friends on the other side forget that the children are a national property and that they have to be looked after by us. In socialist countries which they are very fond of pointing to, there is a programme for the welfare of children. In U.S.S.R., in Japan and in other countries also, special sums are provided for the welfare of children. Here is a small beginning in that direction. I cannot say that all the children of the country will be provided for by this small amount. Here is at least a beginning. I congratulate the hon. Finance Minister for this that he has given a new direction to our budgetary provisions. The *Indian Express* while criticising the Budget was of the view that the desired directions which a Budget should point to are missing. Here are the desired directions, if anybody wants to see them.

Then, there is an unprecedented problem of the displaced persons from Bangla Desh. We have been forced to do something for them. We are very much unhappy over what has happened there. We have all sympathy for them. Here is a provision for them and, though scanty, it is yet a symbol of our faith and a token of our sympathy for the people who are suffering for raising their banner of revolt against a tyrannical regime. We are sure that in the days to come, justice will come to them and they would regain their liberty.

Further, my friends on the other side criticise the public schools. But why are they forgetting that the hon. Finance Minister has, for the first time in the history of India provided 25 per cent of the seats or scholarships and other provision for the students from the poorer sections of society, of course, on merit to go into those public schools? When they criticise the Government or the party in power for these public schools, they should also remember that sons and daughters of most of the Members sitting on the other side also go to these public schools. As Mr. Frank Anthony was referring once in this House—when I was not a Member of this House—that some of the Members on the other side had gone to him for admission of their sons and daughters into these public schools. Some time back, the *Times of India* provided a survey of the Members of the Jana Sangh Party, about their sons

and daughters studying in schools. My hon. friend who was criticising me for speaking in English should remember that the sons and daughters of the Members of the Jana Sangh Party go to these public schools where the medium of instruction is English. What is the justification for criticising the Members on this side of the House for a thing in which they themselves indulge. The public schools, whether they are good or bad, can be valued by the results they produce and not by any kind of extraneous philosophy which my friends on the other side try to propound. The public schools are the schools which are craved for today. Even a taxi driver wants his son to be sent to the public school. What is this craze for? Then, we are providing seats for sons and daughters of the poorer sections of society, who are meritorious, who can get first division, to go to these public schools. For the first time there is a check on the citadels of bureaucracy and rich people in sending their sons and daughters to public schools. I would like to congratulate the Finance Minister through you, Sir, that for the first time in the history of India, now man living in a small cottage can send his son or daughter to a public school; whether he wants to speak in English or Hindi is immaterial. Thus his children can make progress in life. We wish that education in other schools, in Government schools, in private schools and also in the higher-secondary is also brought up to the schools high standard which is needed.

As an educationist and as a teacher I would like to quote the words of Rabindranath Tagore who said that Education is lighting of one lamp with another. This should be fulfilled in the real sense of the word. We should see that light comes to every door and that light is not debarred from entering any dark corner.

My friends on the other side have always been criticising the Government by saying middle class *katao*, this *katao* and that *katao*. My friends should remember that this Budget provides us with opportunities to fulfil our promises given to the people. We have our commitments to fulfil. We have to honour the massive mandate that the people have given us in the recent election. This commitment is reflected in this Budget.

There is an increase from Rs. 1195 crores to Rs. 1350 crores in the Plan outlay. There are opportunities provided for the poor to come in and find out. There is a crash programme for unemployment, both in the rural as well as in the urban sectors. If this is not providing hope for the poor, then I ask: What else is? This provision is made for the rural and urban sector and there are other provisions also which will help the poor

Even the bitterest critics of the Budget have admitted that no single Budget can remedy the Indian situation in a day and place the economy on a sound footing. It is not the task of one Budget alone. What I find is that the step which we have taken is a step in the right direction. It is a step forward and not backward and moreover it is a firm step.

About price stability, certain people are offering criticisms that the priceline will not be checked. But can they quote the example of any country in the world which has an underdeveloped economy where prices have not risen? We are aligned in an international economic system. We are part and parcel of the world. Ours is not an isolated system of economy to apply only to a particular region like Punjab or Himachal Pradesh or Haryana or Maharashtra. So, we have tried to do what we can in that framework.

I would now request the Finance Minister to see that some due concessions are given to the needed sectors. There is the Ball-bearing industry in Ludhiana. They have sent us telegrams. It is a small scale industry which requires help. I would request the Finance Minister through you, Sir, that he may kindly consider this point and render necessary help to this small-scale industry.

There is an interesting phrase that I was reading in the newspapers yesterday. It said that the tax on lipsticks is a tax on cleanliness and comeliness and that the Finance Minister does not consider them to be part of our national life. But it is a tax on luxuries and not on necessities of life.

The other point that was raised is the levy on motor spirits. The press has commented that the motorists and smokers are the social targets of the Finance Minister. This matter should be considered in its proper perspective.

The levy on motor spirits has been conditioned by international imports, and we can go only up to a limit. I wish it could be reduced to an appreciable extent. Here too, the people who ply scooters and motor cycle have been given some exemptions.

15 hrs.

Again, the income-tax exemption limit has been raised. So, these are some of the incentives that have been put forward. Lastly, there is one other very interesting thing. I was reading in *The Financial Express* dated the 29th May yesterday and I found that that paper had cited the example of a company which had made Rs. 40 crores because of the development rebate. So the Finance Minister has taken the right step and given a warning to this sector that the rebate would be discontinued after 31st March, 1974. This one step would quicken the pace of development and make the people eager to put in more by way of investment and help productive economy.

If the budget figures are examined on any scientific basis of economic theory, I am sure it will be found that they provide a sound basis for a new kind of direction which we are thinking of going towards, the direction which *The Indian Express* thinks we have missed, but a direction which is there for everyone to see. The trouble with my friends on the other side is that they are counting the trees but they are missing the wood. I would ask them to look at the wood as well as the trees. Then alone will they have an integrated picture of the social justice for which they are crying outside the Parliament and raising slogans and painting the walls in red ink or black ink according to the colour of their party or perhaps the colour of their thinking, they should remember that here is a budget for social justice. I would say that this is the strongest point of the budget.

SHRI S. A. SHAMIM (Srinagar): Before I give my reactions to the budget, I must make an honest confession that I am not well-versed with the jugglery of figures and therefore I shall not be able to enlighten the House by giving figures of a comparative nature, by working out the deficit and by going through the complicated structure of the taxation

[Shri S. A. Shamim]

proposals. But I must admit that as a common man, as an ordinary man, I have my own reactions, and probably, the whole complex structure of taxation in the budget has essentially to be judged on the basis of the common man's reaction. Therefore, it is very important to give the common man's reaction. Up to this moment, the various speeches that I have heard have given the technical view and the scientific assessment of the budget, and that is why the common man's reaction has gone by default. Another reason why it is important to mention the common man's reaction is this. I have a feeling that the Finance Minister has lost touch with the reality, and has lost touch with the common man. This is a budget prepared in an air-conditioned chamber, with certain bookish notions about what the common man eats, what the common man's habits are and how he lives and so on. That is why I am here to remind him that when he evolves the standard common man, he misses the mark; he has his police around him, and he probably thinks himself to be a common man, and that is why the common man is hit very hard.

AN HON. MEMBER : Where does he live then ?

SHRI S. A. SHAMIM : I shall tell my hon. friend where the common man lives. He lives in those places where he has given a massive mandate to the ruling party. So, it is necessary to know how he feels. You have only to see what he used to feel before the budget was presented, and what his reaction is after the budget has been presented.

I was riding in a taxi from my place of residence, and I asked the taxiwallah what his reaction to the budget was. His spontaneous reaction was : 'Maara gayaa janaab'. I told him 'But it was you who had voted for Indira Gandhi'. His cryptic remark was 'Sabab, dhokha kha gayaa'. I want to convey this to the hon. Finance Minister that the common man feels cheated. It may be that this is his first reaction. But this is how he has taken this budget. On the one hand, we find that there is a sense of overjoy and celebrations are going on among the higher echelons of our economic sector, and on the other we find the apprehensions expressed

by the common man. These are the two important reactions on the basis of which this budget has to be judged. It is, therefore, essential to remember that it is the common man who has placed the Finance Minister in the dock and he is answerable to that man. You may get some applause from the rich people because the budget has been as unexpected to them as it was unexpected to the common man, because the rich people thought that they would not be let off so lightly. So they are happy. But equally unexpected—with the opposite result, of course—was it to the common man, because he had expected some relief

There is a possibility that after the general criticism levelled against the taxation on mada, soap, readymade garments and other things, the Finance Minister may revise them and give certain concessions, but the very fact that the Finance Minister thought that bread was not eaten by the common man, that the common people only ate biscuits, shows how the ruling party has lost touch with the common man

Now, how is it that we have to spend almost every huge amount in almost every aspect of life, in every department of administration. One of the most important reasons is that the taxpayer has to pay for the inefficiency of the administration as well. If we can only spend the money which we already have properly in running the administration, plugging leakages and stopping thefts which are so rampant in all the departments in one way or the other, I am sure the common man would not have suffered the burdens which he ultimately has to. Why he has to suffer now is because the administration is being run on a very inefficient pattern.

I can quote an instance to show how people have lost faith in the fairness of the administration. The hon. Deputy Minister of Railways is sitting opposite. He knows that in Kashmir in 1963 the holy relic was stolen from the shrine of Hazratbal. Almost immediately the then Home Minister here, Shri Nanda, made a statement on the floor of this House that four persons have been arrested and would be put on trial. Today we are in 1971. Upto now that trial has not begun. In fact, all those 4 people who were charged with committing that theft—some of them were government

employees—have been reinstated with retrospective effect. When you lose faith in the administration, then corruption becomes rampant and people lose faith in the political system which creates such an administration.

In this House, much has been said about facing China, about facing Pakistan and so on. I would not like to lag behind in saying that this country's honour and integrity should come first and everything else afterwards. I am very sympathetic to the refugees from East Bengal. My heart bleeds for them and I cannot, under any circumstances, condone the butchery of Yahya Khan and his henchmen, but even then, when I think of the refugees, I do so only in terms of preserving my national interests. I will not get emotional or sentimental. If I feel that my national interests will be served, I will confine myself only to that extent in extending my sympathy and support to that. Therefore, I view this whole Bangla Desh problem, this political problem, this greatest calamity which has befallen humanity was over there, from the national point of view. My sympathies are also limited to the extent that it does not jeopardise my national interests. But it is very strange that at this hour when the whole world should be sympathising with us in our attempt to give aid and succour to the refugees from there, we are almost in isolation. There is something basically wrong with our estimate, something radically unsound with our approach. Probably our missions abroad are not functioning well; probably our internal security administration is not functioning well. There is clear proof that our internal security arrangements have not functioned well. Shri Chavan happened to be the Defence Minister in 1965. How was it that thousands of infiltrators could enter the state of Jammu and Kashmir? Our intelligence had no information. A war was fought on Indian soil at that time because our intelligence people had not been up to the mark. They did not do their job well. But look at the huge amounts we are spending on them. Look at the amount we are spending on defence. Of course, defence is of paramount importance. But let us not get sentimental over it. There comes an occasion in the life of a nation when instead of being very oversensitive, one has to be realistic. Why should we keep two neighbours altogether hostile? Why should we not make an honest and earnest

effort to have a dialogue with China. It would obviously result in reducing the defence expenditure. Indo-Pakistan friendship is not possible for quite some time but we should not totally give up the idea because who has perpetrated all the evils in East Pakistan? Not the people of Pakistan; it is the military machine of Pakistan. There are possibilities that stresses and strains will develop in West Pakistan and the military regime will be thrown out. We have to think in terms of long term policy. Our first attempt should be to have a dialogue with China, consistent with our national honour. When Mao smiled, we did not smile back; we have not taken the diplomatic initiative. The result is that China in her intelligence and wisdom is blackmailing us because we have not been behaving intelligently. I can understand the anxiety of some hon. Members who have national security very near to their heart; they want to meet threats, by threats, and force by force. We should not be carried away by emotion. It is perhaps the game of China or Pakistan to probe us into military action. Why should we play their game only because we are irritated? Some people suggested that we should lead this country to war. It is easier said than done. In an air-conditioned chamber like this talking of war is easy; it is something to be abhorred when all its ugliness and brutalities are understood. I cannot even think of it; thousands of innocent people, women and children will get killed. That should be the last resort. Our endeavour should be reduce our defence expenditure. That is possible if we take diplomatic initiative. Something is wrong somewhere; we are thinking in terms of revising our Arab policy also. We have cultivated these friends for the last 24 years and because they have not behaved in a certain manner and they did not behave in the manner we would have liked, we are going to review the Arab policy? We are not having good relationship with China; we are more or less at war with Pakistan; our relations with Nepal are not as cordial as they should be; we have not got the sympathy of the United Kingdom in the manner we expected it; the United States looks after her own interests and she is playing her own game.

It will not help the common man, the *scooterwala* and the *taxiwala* if he imposed these taxes. It is stated that the levy on petrol

[Shri S. A. Shazim]

is intended to bring the internal price at par with international price. But we have gone beyond that. He probably thinks that the common man does not use petrol. When we are thinking of a people's car, we are really thinking of a middle class man, a man who can purchase this car for Rs. 7,000 or Rs. 8000 or Rs. 10,000. It is for this common man that big projects are under consideration and implementation. The petrol levy will hit him directly. I do not accuse the Finance Minister for resorting to deficit financing. In my family budget I often do so. But our economy must show some upward sign. That is only possible if we tap all the resources and plug all the loopholes. It was stated yesterday that about Rs. 700 crores were outstanding as arrears of income-tax. Either we do not have the machinery or we do not have the will. It is time that this country instead of obeying others, instead of trying to be dictated to by what the others say, evolved a positive policy consistent with its national interest. The problem of refugees is a staggering problem and a very disturbing problem too. There is no way out.

I am sure that this Rs. 60 crores will not suffice. Something has to be done, and I think there also we will have to take our diplomatic missions to task. How is it that in a just and genuine cause, it was the other party which had scored? I would request the hon. Finance Minister that he should not make it a prestige point: that now that he has presented the first socialistic budget he will not give any concession. Mr. Chavan is known for his pragmatism. Sometimes too much of it, and he overdoes that pragmatism. I think he must have sensed, or taken the consensus of the House, that at least the levies which attract the common man must be withdrawn. The taxiwalla says, "Sahab, hamse dhoka ho gaya." That disillusionment of his, should be removed and one way of doing it is that you have got to withdraw the levies which you have levied not on out against the common man who gave you the massive mandate. I do not think it was a massive mandate; it was a passive mandate. In any case it was a mandate.

I would sum it up in one Urdu verse, the common man's reaction, as I said. That is

how he feels and this is the verse :

जो कल मलूल था वह आज भी मलूल है प्यारे ।  
समाजवाद का यह भी उसूल है प्यारे ॥

I hope the hon. Finance Minister understand the word *malool* it means sorrow.

श्री राम सहाय पांडे (राजनन्द गाव)  
माननीय उपाध्यक्ष जी, बजट को जिस प्रकार सदन में उपस्थित किया गया और हमारे दल की ओर से और विरोधी दलों की ओर से जिम प्रकार विचार प्रकट किये गये उसमें एक बड़ी मौलिक बात यह है कि जब कभी बजट बनाया जाता है तो बजट का जो उद्देश्य और लक्ष्य सामने रखा जाता है उसमें कुछ अतीत वा चित्र होता है और कुछ भविष्य की ओर बढ़ने की प्रवृत्ति होती है—इसके मंदर्भ में ही यह लेखा जोखा तैयार होता है। महर्षि कौटिल्य ने अपने अर्थ शास्त्र में लिखा है कि देश समय और काल के वातावरण के सदर्थ में जब हम वार्षिक बजट तैयार करते हैं तो हम कुछ धरती स बात करते हैं, कुछ लहलहाते खेतों से बात करते हैं, उन पर श्रम करने वाले किसानों में बात करते हैं और उस समय हम धनराशि का निर्धारण करते हैं। श्री चव्हाण ने भी समय को खेतों को, लक्ष्य को, खेतों की पैदावार को और औद्योगिकरण को, पूँजीपत जो भी हमारे सामने श्रोत है उनका समन्वय करते हुए जितना श्रेष्ठतम, सुन्दर, श्रेष्ठ और समाजवादी बजट सम्भव हो सकता है उसको प्रस्तुत करने के लिये उन्होंने भरपूर प्रयास किया है और इसके लिये वह धन्यवाद के पात्र हैं।

श्री ओंकार लाल बैरवा (कोटा). बहुत बढ़िया, डिप्टी मिनिस्टर बना दिये जाओगे।

श्री राम सहाय पांडे : दृष्टिकोण में एक अन्तर होता है। मान लीजिये एक गिलास काँच भरा हुआ है एक कस्ट्रेट, विरोधी प्रवृत्ति से मन और विचार जिनका पठित हो चुका है, यदि उनसे पूछें कि इस गिलास की

स्थिति क्या है तो वे कहेंगे कि यह गिलास आधा खाली है। लेकिन एक दूसरा दृष्टिकोण यह भी है कि वह गिलास आधा भरा हुआ है। आप विरोधी दल के सदस्य उसे आधा खाली कहेंगे, और हम कहेंगे कि गिलास आधा भरा हुआ। इससे इस प्रवृत्ति का अनुमान होता है कि किसी स्वस्थ बीज के देखने का दृष्टिकोण क्या है। हमारा दृष्टिकोण स्पष्ट है। विरोधी दल के लिये वह आधा खाली है, लेकिन हमारे लिये वह आधा भरा हुआ है।

श्रीमान्, इस राष्ट्र के साधनों को देखते हुए दो प्रकार के हमारे साधन श्रात है जिनसे सम्पत्ति अर्जित होती है—एक मेकेनिकल प्रोसेस है जिसमें तमाम उद्योग आते हैं, और दूसरा बायलॉजिकल प्रोसेस है जिसमें तमाम खेती आती है। ये दो क्षेत्र हैं जिनमें हमको अपनी सम्पत्ति प्राप्त होती है। इस बजट में इस बात का प्रयास किया गया है कि हम इन दोनों क्षेत्रों का समन्वय करें। खेती की दृष्टि से देखें तो यह हुआ है कि हमें खेती को बढ़ाना है। उसके लिए हमें धरती, पानी, अच्छे बीज और सिंचाई इत्यादि का प्रबन्ध करना है। किसानों के बेटे जो बेकार हैं उनके लिए प्राविधान किया गया है। 25 करोड़ की धनराशि उनकी बेकारी को दूर करने के लिए और उनकी अच्छी पढाई की व्यवस्था करने के लिए रखी गई है। उद्योगीकरण के सम्बन्ध में भी हम चाहते हैं कि उसका विकेन्द्रीयकरण हो। शहरों में जा कन्सेन्ट्रेशन हो रहा है वह घटे और हम जरा देहातो की तरफ जायें। इस दृष्टि से आप आरम्भ से देखिए। स्वराज्य के बाद पिछले 25 वर्षों का इतिहास हम देखते हैं तो पाते हैं कि पिछले एक साल में जो चमत्कार हुआ है वह कभी नहीं हुआ। हमारा ध्यान बैंको की तरफ गया, बैंको का राष्ट्रीयकरण हुआ। (व्यवधान)। उसका स्वस्थ दृष्टिकोण यही था कि पूँजी जो इकट्ठा होती है वह प्लाउ बैंक नहीं होती है खेती के क्षेत्र में और पैसे से पैसा पैदा करने का जो प्राविधान था उससे हट करके

श्रम से पैसे को जोड़ा गया, खेती की तरफ, हाथ से काम करने वाले लोगों की तरफ और छोटे-छोटे उद्योगों की तरफ। अब क्रेडिट फैसिलिटीज जो प्राप्त हो रही है उससे उद्योगों का विकेन्द्रीयकरण हो रहा है। हमारे मित्र जो कश्मीर से आते हैं उनको कहीं एक टैक्सी वाला मिल गया और उनमें इनसे कहा कि धोखा हो गया। यह सच हो सकता है कि किसी एक टैक्सी वाले ने ऐसा कहा हो। . . . (व्यवधान) . . .

श्री एस० ए० शर्मा चलिए दो दर्जन आपको दिखाऊँ।

श्री राम सहाय पांडे लेकिन आप इस देश के तमाम टैक्सी आपरेटर्स को देखिए। उनको पहले सेठों और महाजनों से 30 परसेन्ट पर पैसा मिलना था जबकि आज उनको 9 परसेन्ट पर पैसा मिल रहा है। यही कारण था कि इस आर्थिक विकास क्षेत्र में बैंको के राष्ट्रीयकरण से उनको जो सहायता मिली उससे उनको पता चला कि राष्ट्रीयता के नाम पर, आर्थिक विकास के नाम पर सरकार ने बैंको का जो राष्ट्रीयकरण किया है उसका अपना औचित्य सिद्ध ही गया है। इस आर्थिक विकास क्षेत्र के सर्वम में जो लोग लाभान्वित हुए वह हैं टैक्सी आपरेटर्स, किसान जिनको कि खेती के उपकरणों के लिए पैसा मिला और छोटे छोटे उद्योगों के लिए पैसा मिला। यही 14 बैंक जिनका राष्ट्रीयकरण किया गया है, जब उनके खाते से मालूम किया गया कि आप खेती के विकास के लिए कितना पैसा एडवान्स करते हैं तो मालूम हुआ दो परसेन्ट लेकिन अब वह एक बहुत बड़ा परसेन्ट हो गया है। हम चाहते हैं कि इस पूँजी के समन्वय में, पूँजी के राष्ट्रीयकरण में, इस समाज का जो अन्तिम व्यक्ति भी है उस तक भी इसका लाभ पहुँचे, इसीलिए यह बैंको का राष्ट्रीयकरण किया गया है। और अब अनरल इन्वोयेरेन्स का भी राष्ट्रीयकरण किया जा चुका है। इस प्रकार से हम आगे बढ़ना चाहते हैं

[श्री राम सहाय पांडे]

और धीरे धीरे योजना के साथ विकास के चरण बढ़ाना चाहते हैं। पूजा और श्रम के समन्वय के साथ, खेती और उद्योग के समन्वय के साथ विकास करना चाहते हैं ताकि उद्योग बढ़ें, खेती का विकास हो और इस देश से गरीबी, बेकारी, बेरोजगारी दूर हो। इस प्रकार का हमारा लक्ष्य है और उसकी ओर हम आगे बढ़ रहे हैं।

इसमें एक बात की आवश्यकता अवश्य है। इसमें हमें एक बात का श्री गणेश और करना है। मेरा बिल मंत्री जी ने निवेदन है कि उद्योग में पार्टिसिपेशन आफ लेबर को बात भी होनी चाहिए। इंग्लैंड में 1916 में बिह्टले कमेटी बनी थी जिसने एक नया कन्सेप्ट, एक नयी विचारधारा दी थी कि उद्योगों में पूजा का बहुत महत्व होता है, पूजा को लगाने वाले उसको लगाते हैं लेकिन यह आवश्यक नहीं है कि वे लोग टेक्निकल हों बल्कि टेक्निकल तो वे भजदूर होते हैं जोकि उसमें काम करते हैं। तो पूजा और श्रम के समन्वय के लिए हो हम राष्ट्रीयकरण की तरफ बढ़ रहे हैं। प्राइवेट सेक्टर के उद्योगों में ट्रिपार्टीट अरेन्जमेंट होना चाहिए ताकि उसमें पार्टिसिपेशन आफ लेबर हो सके। मान लीजिए किसी उद्योग में 9 डायरेक्टर हैं तो उसमें तीन डायरेक्टर सरकार के, तीन लेबर के और तीन उनके प्राइवेट हो। यदि इस प्रकार का समन्वय कर दें तो पूजा का जो अपव्यय होता है वह रुक सकता है। आज शादी बरानों में तीन लाख, पांच लाख और दस लाख तक खर्चा होता है। समाज सुधार की दृष्टि से भी इस अन्तर को दूर करने की तरफ हमें अपना ध्यान देना होगा। इसलिए प्राइवेट सेक्टर में जो आज प्रबन्ध है वह ट्रिपार्टीट होना चाहिए, वह प्रबन्ध तीन एजेन्सीज के जरिए होना चाहिए—एक तो सरकार, एक लेबर यानी भजदूर और तीसरे वे लोग। इससे हम उस लक्ष्य की ओर और तेजी से आगे बढ़ सकेंगे और आज वहाँ पर जो करप्शन और भ्रष्टाचार फैला हुआ है, बाजार

में चीजों को ऊँचे दामों पर बेचा जाता है मूल्यों का स्थिरीकरण नहीं होता है, ब्लैक-मार्केटिंग होती है, मीनेजमेंट में गन्दगी और भ्रष्टाचार होता है उसको हम दूर कर सकेंगे। इसलिए हमें इस बात की तरफ ध्यान देना होगा कि हम मार्केटिंग सबके के लिए एक हाई पावर कमीशन बनायें और उत्पादन तथा बिक्री के मध्य में जो तमाम एजेन्सीज है उनको समाप्त करना होगा। उत्पादन और वितरण के सम्बन्ध में जितनी भी एजेन्सीज है उन सभी को समाप्त करना होगा क्योंकि वहाँ एजेन्सीज माल का स्टॉक करती हैं और भाव बढ़ाती हैं। हमें इन तमाम बातों को देखना होगा कि तमाम चीजों का उपभोक्ता तक सस्ती और ठीक समय पर पहुंचाएँ, उसके भाव न बढ़ने पावें।

एक बात मैं और कहना चाहता हूँ। हमारी कुल राष्ट्रीय आय 30 हजार करोड़ की है जिनमें से आधो आय एग्ग्रेरियन सेक्टर में आती है। लेकिन इस एकोनॉमी में एक बड़ा इम्बैलेंस हो गया है क्योंकि यह सारा का सारा पैसा यानी उद्योग के माध्यम में जो चीजें पैदा होती हैं और जो मार्केटिंग का टोटल कन्ट्रोल सहरो और नगरों के द्वारा होता है उसमें देहान के क्षेत्र से जो आधो आमदना यानी 15 हजार करोड़ की सम्पत्ति किमान देता है जिसके द्वारा सरकार 79 परसेन्ट फारेन एक्मचेंज अजित करती है उसके हिस्सा से प्लानिंग में प्राविधान नहीं होता है। इसलिए आप इस बटवारे को आधा आधा काजिए। जितने प्रतिशान में किमान हमको सम्पत्ति देना है उसी हिस्सा से उसके विकास पर हमें खर्च करना चाहिए। अभी आप उद्योगीकरण को देहातों से कैसे ले जायेंगे क्योंकि वहाँ पर पानी नहीं, बिजली नहीं, सड़कें नहीं, एप्रोच रोड्स नहीं और रेलवे नहीं। जैसे कि हमारा मध्य प्रदेश है वहाँ पर रेलवे नहीं है, सिवाई कुन 6 प्रतिशत है, नेहूँ 698 पाउंड पर एकड़ होना है, चावल 700 पाउंड पर एकड़ होता है जबकि तमिलनाडु में और पंजाब में 1300 और

1400 पाउंड पर एकड़ की उपज होती है। यू एस एड से आपको करोड़ों रुपया मिला जिसको आपने हरियाणा और तमिलनाडु में दिया, उससे हमको कोई शिकायत नहीं है लेकिन मध्य प्रदेश में छत्तीसगढ़ का ऐसा इलाका है जोकि आधे देश को अकेले चावल खिला सकता है यदि आप वहां पर सिंचाई का प्रबन्ध कर दें, यदि वहां पर आप एप्रोच रोड्स बनवा दें, हाइड्रिड मीडम् का प्रबन्ध कर दें। वह चावल की टोटल बेल्ट जो है वह इस देश के आधे लोगों को चावल खिला सकती है। यदि वहां पर पानी दे दिया जाये और पानी की आवश्यकता भी मेच्योरिटी आफ ग्रोथ के समय ही होती है। ऊपर से 50 इंच पानी मिलता है लेकिन चूक टैंक इरीगेशन का प्रबन्ध नहीं है इसलिए मेच्योरिटी के टाइम पर पानी नहीं दे पाते हैं।

इसलिए मैं कहना चाहता हूँ कि जैसा कौटिल्य ने कहा है कि खेतों से बात करेंगे, किसानों से बात करेंगे, श्रम से बात करेंगे और शरीर से निकले हुए पसीने को देखेंगे कि वह कितनी अंजलि देता है खेतों की सेवा करने में और उत्पादन को बढ़ाने में, यह बड़ा स्वस्थ दृष्टिकोण है और मैं जानता हूँ कि आप इससे प्रभावित हैं इसलिए खेतों का जो बायोलॉजिकल प्रोसेस है, मिनीकल प्रोसेस है उसका समन्वय करते हुए प्राइवेट शक्ति को कम कीजिए, भ्रष्टाचार को दूर कीजिए और वहां पर अपने आदमी बिठाइये और जहां हाथ चलते हैं, जहां श्रम होता है, खेती होती है वहां पर अधिक साधन दीजिए। इस प्रकार से यह जो एकोनामी में इम्बैलेंस है वह दूर होगा तब हम आगे बढ़ेंगे। इन शब्दों के साथ मैं आपको बधाई देता हूँ कि हमारा गिलास आधा भरा हुआ है और उनका आधा खाली है।

15.30 hrs.

COMMITTEE ON PRIVATE MEMBERS  
BILLS AND RESOLUTIONS

FIRST REPORT

SHRI K. LAKKAPPA (Tumkur) : Sir, I beg

to move.—

“That this House do agree with the First Report of the Committee on Private Members’ Bills and Resolutions presented to the House on the 2nd June, 1971.”

MR. DEPUTY-SPEAKER : The question is :—

“That this House do agree with the First Report of the Committee on Private Members’ Bills and Resolutions presented to the House on the 2nd June, 1971.”

*The motion was adopted*

15 30½ hrs

RESOLUTION RE. FEDERAL DEBT  
COMMISSION—Contd.

MR. DEPUTY-SPEAKER : The House will now take up further discussion of the Resolution moved by Shri Maran on the 2nd April, 1971. Two hours were allotted for it. One minute has already been taken and 1 hour and 59 minutes still remain. I will request Shri Maran to be as brief as possible and not take more than half an hour.

SHRI SEZHIYAN (Kumbakonam) : It is an important subject.

SHRI MURASOLI MARAN (Madras South) : Mr Deputy-Speaker, Sir, my Resolution concerns with the financial sickness of all the Indian States and calls for a reappraisal of the present system of devolution of Central taxes, loans, grants and Plan assistance, and a review of the huge indebtedness of States. This is a problem which is being faced by almost all the States of India, irrespective of whether they speak Hindi or other languages or whether they are run by Congress (R), the Communist Party or the DMK.

We all know that there is a permanent disequilibrium or imbalance between the functions of States, on the one hand, and the resources on the other.

15.32 hrs.

[SHRIMATI SHEILA KAUL in the Chair.]

It is also common knowledge that elastic and productive sources of revenue under the scheme