

[Shri Hanumanthaiya] with minor injuries are being treated in the Civil Hospital, Gonda.

The Deputy Minister of Railways accompanied by Member (Transportation), Director (Signalling and Telecommunication), Railway Board and the General Manager, North Eastern Railway rushed to the site of the accident from Delhi by air. They inspected the site of the accident and visited the injured persons in the hospitals.

Ex-gratia payment has been made to the next of kin of the dead and to the injured.

The Additional Commissioner of Railway Safety, North Eastern Circle, Calcutta will hold his statutory inquiry into this accident tomorrow.

Pending the inquiry, the train crew of No. 32 Dn. Kanpur-Barauni fast passenger and the concerned staff responsible for train operations at Gonda Kachahri station have been placed under suspension.

12.46 hrs.

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

MR. SPEAKER : We resume discussion on the General Budget. There are 13 hours and 15 minutes yet to go.

SHRI SHANKARRAO SAVANT (Kolaba): Mr. Speaker, Sir, the Finance Minister deserves to be congratulated on making the best of a bad situation.

We are only recently recovering from the severe jolt which our economy received at the time of devaluation. We went for devaluation in the fond hope of improving our adverse balance of trade as we believed at that time that as a result of devaluation, our imports would be cut down and our exports would receive a boost. This expectation however, did not come true and for full three years we were left to lick our wounds. Our perseverance however started yielding dividends since last year. The Economic Survey for 1970-71 clearly shows that we have made considerable

headway in agriculture and industry. The Report says on page 35 ;

“Money supply with the public which increased at the rate of about 8 per cent during 1968-69, has witnessed a certain accelerated growth during the subsequent two years. The annual growth rate works out to 10.8 per cent for 1969-70 and 9.2 per cent for 1970-71”.

In the case of our balance of trade, this is what is said on p. 49 :

“The overall balance of payment during 1970-71 showed a sharp reversal from the favourable position in 1969-70... Thus for the first time during the Second Plan, there are no outstanding drawings on the IMF”.

Again on p. 51 :

“A further reduction in the trade deficit was one of the factors leading to the overall improvement in the balance of payments during 1969-70”.

While thus we were making progress in all spheres and when our economy was poised for a further leap, we were suddenly faced with the evacee problem which has threatened to eat up most of our extra earnings in agriculture, trade and industry, during the last two years. For this catastrophe, nobody is to be blamed, but we have willy-nilly to tackle it.

The second challenge to our economy is of our own making. It arises from our own slogan of *garibi hatao*. If we were to concentrate all our efforts only to ensure economic growth, it would have been a much easier task ; but we want there should, at the same time, be social justice. The two things cannot go easily hand in hand. This means that the incentive, which is the main plank in a planned economy, must not be dampened, and at the same time, jobs must be found both for the educated and for the uneducated. This requires rare acumen and accurate foresight. The Finance Minister, therefore, deserves to be congratulated because he has shown tremendous courage in augmenting the annual plan by Rs. 300 crores. If only he were to stick to the old annual plan, there would have been no need for extra taxation. But he has augmen-

ted the annual plan by Rs. 300 crores, and he has also augmented the share to be given to the States by Rs. 74 crores, and that is the reason why he had to face a deficit of Rs. 397 crores in the Budget, and hence the need for extra taxes and duties.

A gap of this magnitude naturally could not be left uncovered, and he has tried to net in nearly Rs. 177 crores by way of taxes and duties. In so doing, he has naturally taken special care to see that tax-dodgers do not go scot-free. At page 2 of his speech, he has enumerated special measures which he proposes to take, so that the tax-dodgers do not go scot-free.

The real effect of these measures will not be felt during this year. It will be known only in the next two or three years, and then we will be able to understand what a great foresight has been exercised by the Finance Minister.

The Budget has been criticised by the right-wingers and the left-wingers simultaneously. The right-wingers have stated that it will dempne the initiative, while the left-wingers have said that there is no socialism in the Budget, that it is absolutely capitalistic and it cannot meet the demands of the *garibi hatao* slogan. Both the criticisms are wide of the mark.

In the course of his speech, Shri Samar Mukherjee denounced the Budget as unsocialist and even reactionary. He laid down the proposition that indirect taxes always fall upon the common man and that as the proportion of indirect taxes to direct taxes is very great in the Budget, the Budget will hit the common man. I would like to point out in this connection that indirect taxes do not necessarily fall upon the common man. They fall upon the consumer. It all depends upon the type of consumers they encounter. For example, when there is a tax on cigarettes, the consumers being from the upper middle classes, it is they who will be hit by it, but if the tax is on tobacco itself, the consumers being common people, the common people will be hit by it. So, we cannot lay down the proposition that indirect taxes always hit the common man. They hit the consumer, not necessarily the common man. In this case, there are indirect taxes no doubt, but all the indirect taxes are not of such a nature that they will hit the common man.

Secondly, his proposition is that the preponderance of indirect taxes over direct taxes itself shows that this is not a socialist Budget. This is just the reverse of what actually happens. In a socialist society, the means of production being owned by the State, there is hardly any scope for direct taxes. In a socialist society there is bound to be a preponderance of indirect taxes over direct taxes. So, the proposition that he has laid down that because there is a preponderance of indirect taxes over direct taxes is not a social budget, is absolutely wrong. On the contrary, the reverse is true.

Mr. Samar Mukherjee also tried to distinguish between State capitalism and socialism. The distinction is too pedantic and has no bearing on the budget before us, I do not want to go into it any more.

The next speaker was Mr. Indrajit Gupta who also belonged to the Communist party of the right group. He made no new points but only reiterated the arguments of Shri Samar Mukherjee in more eloquent and more explosive words. He persistently averred that the budget provides an infrastructure only for the private sector. Granting for the time being that it does so, does it not at the same time provide an infrastructure for the public sector? If that is so, what is the use of hitting at the budget on that score?

Curiously enough the two sections of the Communist Party received strong support from the ultra-rightist Jan Sangh in denouncing the budget as unsocialist and unrealistic. The young prince of Gwalior, Shri Madhaorao Scindia speaking in strident tones not only cursed the budget but with the air, ego and gusto to a Delphic oracle predicted that evil days are in store for Shri Chavan, the maker of the budget. Need I remind him that his leader, Shri Bihari Lal Bajpai had made similar predictions about Mrs. Indira Gandhi before the election and just the reverse of that prediction had taken place? The young Maharaja coaxingly referred to Shri Chavan as a leading Maratha and in that context referred to his own Maratha lineage. But he would do well to note why Yeshwantrao became leader of the Marathas while the Maharaja has failed to do so though he and his illustrious mother addressed quite a few election meetings in Bombay. Yeshwantrao is a leader

[Shri Shankarrao Savant]

of the Marathas because he mixes with them and shares their weal and woe, while the young Maharaja exults in basking in the sunshine eluded by an oligarchic organisation like the Jan Sangh which is far removed from the masses. If the Maharaja cared to study past history he would know that Mahadaji Shinde, the founder of his dynasty became great by his loyalty to the Maratha confederacy and not by ploughing a lonely furrow (*Interruptions.*) He made an enigmatic remark 'magic wands and godfathers cannot change the hard facts of economics'. He did not expand his remarks but it is obvious that by magic wand he referred to the slogan of 'garibi hatao' and by godfather he referred to Mrs. Indira Gandhi. It was entirely out of place.

I shall refer to two or three things about the budget. The Finance Minister has placed an excise duty on coarse variety of cloth. This duty will go against the principles enunciated by the hon. Minister himself because it will fall upon the common man and is therefore conducive to the rise in prices. Secondly excise duty on petroleum and petroleum products will also affect the people. Transport is not a luxury and there is no substitute for it. Thirdly, there is a duty on maida which will be felt by the poor in urban areas. We cannot make a distinction between the poor in the urban areas and in the poor in the rural areas and therefore this duty also deserves to be amended.

My contention is that after making some of these amendments in the budget, the budget on the whole is a budget for the common man and deserves to be supported. I would fervently request the hon. Finance Minister to make the necessary amendments of taxes which are going to hit the common man and the poorer sections of the society.

13.00 hrs.

SHRI DASARATHA DEB (Tripura East) : Mr. Speaker, Sir, I rise to oppose this budget. My party spokesman, Shri Samar Mukherjee, has sufficiently dealt with the economic aspects of this budget, and I do not propose to deal with those aspects.

Mr. SPEAKER : May I request you to continue after lunch ?

13.01 hrs.

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

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

[MR. DEPUTY-SPEAKER in the Chair]

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

SHRI DASARATHA DEB : This is a further reflection of the approach and attitude of the ruling class towards the social, economic and political problems. This budget envisages the imposition of more burdens on the common people. As a result of the proposed enhanced taxation imposed on maida, coarse cloth, readymade garments (particularly garments of cheaper variety), motor spirit and increased railway freight and passenger fare the common man will be hit most. Because of the increase in transport costs the prices of the essential commodities will become still higher and the common people will be hit much by this budget which our Finance Minister has proposed for this year. The victims of the soaring prices would be the common man, the working class and the peasantry, those who belong to the low-income group. This is a pro-capitalist, anti-common people budget.

The capitalists everywhere delight in sucking the blood of the common people, the working class and the peasantry. In our country also the capitalist section wants to survive at the cost of the common man. They pick money out of the pockets of the common man, rob him, fill up their own pocket and build a fortune. This is the characteristic of the capitalist class. Our government, which represent the monopolists, big business houses, zamindars and the richer section of the produce, have produced this budget. That is why I said in the beginning that I rise to oppose this budget.

During the 23 years of Congress regime the poor have become poorer and the rich richer. All this talk of socialism, of social welfare etc. is nothing but a deception or pretention.

Does this budget contain even an iota of direction for building a socialistic economy, to provide land to the landless and poor people, to provide employment to the unemployed people or to raise the standard of living of the common man? No, Sir; not at all.

Every year they produce a budget which taxes the commodities more and more, thus increasing their prices still further. That is the real characteristic of our government, as we have seen all along. Some people lamented that this Congress Government did not keep up their promises, the promises which they have given during the election period. But is it something new? Since 1952 Congress Government gave so many promises to the voters at the time of the election and after coming to power they never fulfilled those promises. They have always betrayed the people in the past, they are betraying them now and they will betray them in the future, because they represent the capitalist class. They cannot give any relief or facility to the common people because it is not in their nature.

Even a cursory glance at the budget shows that it is a police-biased budget. The budget allocation for CRP is Rs. 77,67,33,000. Apart from that, there are allocations to the BSF and the Industrial Security Force etc. The total expenditure comes to nearly Rs. 100 crores for maintaining the police battalions at the Centre. This Congress government wants to strengthen its own police force because it knows that its anti-people behaviour will not go unchallenged, that people will challenge it, people will come forward to protest against it and resist it. That is why it has increased its police budget.

Then, as if the increase in the police force is not enough, it has come forward with another Preventive Detention Act, now called the Maintenance of Internal Security Act. They want this because they want to put the people who are opposed to them inside the prisons without any trial.

See the Budget for the Tribal areas and you will find that the allocation of funds for police is to the tune of Rs. 14,92,23,000 but for education it is only Rs. 92,33,000 and for public health only Rs. 74,51,000. Not only that, in Andaman and Nicobar Islands also I

find that the police budget is very much. It is Rs. 93,53,000 but for education it is only Rs. 63 lakhs.

That is why I say this. To what items does our Government attach much importance? Not to health, not to education, not to development work, not to the uplift of Scheduled Castes and Scheduled Tribes, not to the development of backward areas but to increasing the police strength. To strengthen itself it has allocated a lot of money for the Police.

This is the thing that is taking place in our country and these people advocate that they are building socialism, that they are giving some relief to the poor people. But the real thing in their mind is what the capitalists think. Let the common man go to hell but the capitalists must survive. This is the crux of their Budget. Because they are looting the common man, they want to strengthen the police and to suppress the working class, the employees the peasantry and other people who at last are bound to rise against their exploitation and repression.

Yahya Khan has been butchering in East Bengal—now it is Bangla Desh—with the help of 70,000 military. But what is our Indira Government doing in West Bengal? In West Bengal we find the West Bengal police strength itself is 60,000 and the CRP and BSF strength is 50,000. Before the last general election they deployed another 5,000 military force. It comes to a total of 1,60,000. Now Shri Ajoy Mukherjee wants another 25,000. That means, it will come to near about 2 lakhs. This is the thing that is going on. I want to protest against that. This should not go unchallenged by the people. Let our Government realise that.

Coming to the point of the Centre and the States, I should be very precise. I say that more power and wealth has been concentrated in the hands of the Centre and they want to concentrate it more. Really, the States are quite helpless. Even to start a small project or some welfare work etc., they are to wait for the grants from the Centre. I think, this state of affairs should be put an end to. The States should be given more power and at least 75 per cent of the total income from excise etc., should be given to the States themselves.

[Shri Dasaratha Deb]

Coming to Tribal welfare, in the Fourth Five-Year Plan at page 418, the Plan suggests :

“The first step necessary for raising the economic condition of the Tribal population is protection from exploitation. This has to be supported by legislative and executive measures. It is also necessary to ensure that the protection to Tribes in the matter of eviction and land alienation, scaling down the debts, regulating moneylending and controlling the rate of interest, is properly enforced at the field level.”

But this Budget does not indicate even the making of a beginning to fulfil that task. This is only tall talk and this tall talk has been uttered by the ruling class just to fool the people, to catch their votes and not to do anything about them.

After 23 years of Congress rule, we have found that tribals have lost what they had earlier. During the British period, they had their cultivable lands which they have lost now. They had jungle and forest lands for shifting cultivation. They have lost those lands because almost all the areas have been brought under “Reserve Forests” and the tribal people are not even allowed to enter jungles and forests. They have been thrown out of employment.

In Tripura, 2000 tribal people were uprooted from agricultural land and 4000 tribal families were ousted from their occupation because they could not cultivate forest lands for Jhum cultivation as such lands have been brought under “Reserve Forests”. More than 1000 families are implicated in forest cases on the plea that they have violated the Forest Act and they have been pressurised into taking loans from unscrupulous money-lenders at an exorbitant rate of interest to defend their cases, etc. Therefore, I say, so far as the Government is concerned, in words, they always express in favour of the tribal people. But actually they are not doing anything for them. They are doing contrary things.

In Tripura itself, the tribal belt has been seriously disrupted due to infiltration and penetration of non-tribal people. There is no check on it. In fact, the Government is encour-

aging the infiltrators. The result is that the tribals have been facing serious aggressions on their home land.

Where is the Government scheme to protect the handicapped people? There is nothing. Even the other day, my hon. friend has been complaining about the difficulties that they are facing. The same thing is taking place in other parts also. It is high time for the Government to set apart at least some lands in the tribal areas exclusively for the tribal people and no other people should be allowed to infiltrate, to tittle, on those lands. In many places, the tribals have been deprived of their own rights, etc. Now, the Government should examine and see that all the tribal belts are declared as scheduled areas. In those areas, some autonomous regional committees should be set in the tribal belts wherever it is practicable and feasible and the developmental work at least should be given to those tribal regional committees.

In this connection, the Administrative Reforms Commission headed by Mr. K. Hanumanthaiya has given certain suggestions regarding Manipur and Tripura States as to how these tribal areas should be constituted. I suggest, those recommendations may be taken as a guide-line.

Finally, I want to place certain suggestions before the hon. Finance Minister to give up the policy of taxing the common man through indirect taxation, to withdraw the proposal of enhanced rate of taxation on maida, coarse cloth, ready-made garments of cheaper variety, motor spirit and cigarettes, etc.; to reduce the budget of CRP and divert the funds to other developmental works; to retain the existing tribal compact belts undisrupted and give regional autonomy to tribal areas wherever it is feasible, to withdraw CRP from West Bengal forthwith and to give 75 per cent of the income from excise which is collected from the States to the States.

SHRI N. K. P. SALVE (Betul) : Mr. Deputy-Speaker, Sir, ever since the Budget was presented in this House by the hon. Finance Minister, the Opposition Members have mounted a tremendous attack on the Finance Minister and have unleashed a fury which is almost unprecedented both for its virulence as well as for its stupendous irrationality.

My friends belonging to the leftist parties have been merciless on the Finance Minister as well as the Opposition Members belonging to the reactionary rightist parties have been ruthless on the Budget proposals. By a strange irony, for diametrically opposite reasons, while advancing arguments which were not only diametrically opposite but destructive of each other both of them have reached the same conclusion to our benefit, a very highly political conclusion, that in these Budget proposals, we have perpetrated a fraud on the people, the grandiose poll promises were something up to which we have not lived and that in this Budget we have let down the people and we have not come up to the expectations of the people. It is their right to make a political capital out of every situation that they can but only, Sir, if these critics were a little less dishonest politically and a little more objective academically, I have no doubt in my mind, the three extraordinary features, the three exceptional features in this Budget could never have escaped their notice.

The first extraordinary feature in this Budget is this. It is the extremely meritorious and the efficient management of the country's economy in the year that has gone by, *i.e.*, 1970-71. The Budget figures are available and the actuals are available to us. We have got the Economic Survey for the year ending the 31st March, 1971. We know how this year has been. Anyone who has made objective study of the Economic Survey would have no doubt in his mind left to come to the conclusion that this year is very distinctive for economic effervescence and for sustained growth.

Not long ago, at the time of mid-term poll, it was alleged by my friends from the Opposition—especially from the Jan Sangh Members, who always have their wide mouths open and minds shut,—that mid-term poll was 'devised' by Mrs. Gandhi and Mr. Chavan because the country's economy had been brought to a ruin and disaster. It was contended in my constituency and in every other constituency that the mid-term poll had been sought before the regular Budget had been put before the country because the country's economy had been brought to the beam-end of a disaster and the country's economy had been mismanaged.

Sir, I only hope that the qualms of conscience, if they have any, would trouble them for

having been so fraudulent with the Electorate and having made such gross misrepresentations to the people. We know they did not gain anything out of dishonest political propaganda.

The second extremely extraordinary feature of this Budget which cannot escape the notice of anyone who is a student of fiscal affairs is the judicious and the prudent treatment given to the wide margin in the Receipts and Expenditure side. The Receipts and Expenditure side was left with a deficit of Rs. 440 crores. Rs. 397 crores is the net amount; but we have reckoned also the amount of Rs. 43 crores which would be going to the States. The difference comes to a large amount of Rs. 440 crores. Apart from slight murmurs here and there about the expenditure side no one from the Opposition has come out with any specific suggestions as to what should be done to economise. A lot of Political advice was there that expenditure should be reduced. But no one has come forward to say how expenditure should be reduced.

SHRI INDRAJIT GUPTA (Alipore): Not on staff cars and chaprasis.

SHRI N. K. P. SALVE: We don't want staff cars and chaprasis either.

Here is this large deficit of the order of Rs. 440 crores at existing levels of taxation and it is a delicate task for any Finance Minister to deal with it. He has dealt with this skilfully and deftly. Otherwise our price structure would have been thrown out of gear and our economy would have a different picture before us. He has handled this aspect of the matter skilfully and deftly.

The second important feature of the Budget is that the gamut of indirect taxation for the first time, takes in a much wider section of the community. For the first time, the gamut extends to those who are not so rich. This is a decision for which we are, for the time being, paying a rather heavy political penalty.

This is a temporary political penalty, because certain sound economic decisions will have to be taken by a Finance Minister and it

[Shri N. K. P. Salve]

is not always that sound economic decisions will always be politically popular; and if they are not always going to be politically popular it does not matter; we shall have to stand up to the criticism, and it is only time that will show that they are sound decisions. For, one thing has to be understood clearly. If the enduring disparities in wealth, opportunity, power and incomes are eradicated and have to fight, then where is the affluent section on the one side as against the not-so-affluent on the other? The entire section is one and the same, that is precisely what is contemplated. After I have explained the impact of direct taxation on the affluent section, it will be clear that there is going to be no more any such thing as affluent section; as long as our taxes are enforced properly and effectively, and as long as people pay their taxes honestly, honest assesseees can never hereafter be affluent. That is one thing which is absolutely clear. If the disparities in income and wealth between the rich and the not-so-rich are eradicated and they become a thing of the past, then it is absolutely imperative, as a corollary or sequeter of this phenomenon that tax has to be levied on those who are not so rich. When that is done, then our political opponents are trying to exploit the situation. But not one of them has come forward to point out how this difficulty of bridging Rs. 440 crores has to be solved satisfactorily.

Yesterday, I read Shri Atal Bihari Vajpayee having said that Government had not taxed air-conditioners, refrigeratorers etc. It is a matter of opinion as to which item has to be taxed and which item is not to be taxed. But the basic principle remains that ultimately they will have to tax the items and extend the gamut of taxation even to those who are not so rich, if they are to augment their revenues, if they are to carry on the development plans and if they are to carry on the administration of the country. Those who are trying to make political capital will very soon realise that here also they will abort once again in their efforts.

I was surprised to learn of the criticism by some Members that this budget was not a socialistic budget, that this was not the type of budget which would help create an egalitarian society. I fail to understand how a man possessed of his rational faculties can ever come out with this type of criticism or argument. It

is scandalously dishonest. Either the person does not understand what the impact of direct taxation is going to mean on the affluent section or if he understands and still he says so, then he must be an idiot, congenital or of his own choice. My respectful submission is that it may be that along with the rich, the not-so-rich are also taxed. That is true. But so far as the affluent and rich sections are concerned, a crushing blow has been dealt to them in these budget proposals, and if the laws as they now stand are implemented sincerely and efficiently, if evasion is curbed, I have no doubt in my mind that in a few years' time, we shall have no complaint left about an eradication of disparities.

There is an extremely steep rise in the wealth tax rates. There is withdrawal of exemption outright, where wealth exceeds the maximum exempted amount being one lakh of rupees in the case of an individual and two lakhs of rupees in the case of a Hindu joint family. I am going to point out just now a concrete instance that if a person has as little property as Rs. 1.50 lakhs worth, the burden of wealth tax is going to be more than the income-tax itself. Is this not socialistic? There is also a steep rise in the capital gains tax. I dare submit that our rates of taxation on each slab with the increase that has now come about in the surcharge on individuals and joint families are the highest in the world on every slab.

AN HON. MEMBER : Congratulations.

SHRI N. K. P. SALVE : My hon. friend does not seem to be very happy that it is so. The difficulty with them is this. On the one hand, they say the budget is not socialistic; on the other, when we point out that it is, they congratulate me. At any rate, I accept the congratulations even if he does not mean so for we deserve them.

SHRI R. V. BADE (Khargone) : Socialistic by taxing maids.

SHRI N. K. P. SALVE : If he has not understood what I am trying to say, it is not my misfortune.

So far as the creation of an equalitarian society is concerned, it is only through direct taxation that it can be brought about. Anyone who says that indirect taxation is going to have any effect or significance in ending the disparity between the rich and the poor is, I think, putting the cart before the horse. It is only through direct taxes that we are going to slash or take away a substantial chunk from the rich and put it into the exchequer. The result is that the supposed rich man has very little left with him after paying income tax and wealth tax.

Not going far away, I will take my own instance. I have received as salary for the month of May the magnanimous bounty in an amount of Rs. 4.83. A man reaches a stage in his life where he starts hating the sight of a cheque. I have received this cheque after deduction of my house rental, alteration of bungalow, rental for my furniture, fridge etc.

I have made some calculations on my income-tax liability.

MR. DEPUTY-SPEAKER : Is this the position every month or only this month ?

SHRI N. K. P. SALVE : I have not the slightest intention of suggesting that I am privileged. We are all in the same boat every month.

As regards your question, I do not know. But for this month, it is so. My calculations are for this month only. (ब्यवधान) ...कछवाय जी, इसके कैलकुलेशंस जो है उनको थोड़ा समझ लीजिएगा कि कितना ज्यादा आयकर देना पड़ता है और तब आप समझ पायेंगे कि इस देश को हम समाजवाद की तरफ बढ़ा रहे हैं या नहीं । (ब्यवधान)

I have made some calculations on the income of Rs. 500. There are 12 slabs of income tax and this amount is to be taxed in the 9th slab. Rs. 350 plus a surcharge of Rs. 35 will have to be paid on it. It comes to Rs. 385. For paying this, I will have to fall on my savings. This will have to come out of my professional earnings. I will have to earn Rs. 1170. to be able to save Rs. 385 after payment of tax on that earning. Thus out of a total earning of Rs. 1170 plus Rs. 500 which comes to Rs. 1670, I am left with the magna-

nimous bounty of Rs. 4.83-to pay for my petrol, maida and other things. This will give some idea of how expensive it is for some of the professionals to come and sit in this chamber. But that is a different story.

AN HON. MEMBER : They are not expected to come here.

SHRI N. K. P. SALVE : Is it not socialistic ? Is it not sufficiently socialistic ?

May I also give another illustration which might interest members ? This is where wealth tax exceeds income-tax on a meagre amount of Rs. 1,50,000, where Rs. 75,000 is the capital for one's business and Rs. 75,000 is the house property. On this, the total income earned by an assessee is Rs. 17,500 say 12 per cent. The gross rental income on a property of Rs. 75,000 is Rs. 7,200 and the net rental coming after tax and repairs works out to Rs. 5,400. Then the income-tax attributable to the house property will only be Rs. 680 and the wealth tax will be Rs. 750. Still is this not socialistic ? It will become the most pusintive hobby for any one to own property in days to come ; it is only the unwise, the thoughtless, who will think of owning property, specially property not sufficiently lucrative. On Rs. 60,000 the income tax is Rs. 26,450 and the balance left is Rs. 33,550, i.e., about Rs. 2,800 per month. And if I earn ten times more, Rs. 6 lakhs, the balance left after tax is only Rs. 57,200, i.e., 4,765 when you are earning Rs. 50,000 per month. This also is not sufficiently socialistic ?

There is an actual case that was referred to me for opinion. A house property in Bombay is worth Rs. 20 lakhs and has a net rental income of Rs. 3 lakhs. The taxation on the income on the said property is Rs. 2,49,550, and the wealth tax on this house property, including the additional wealth tax on urban assets, is Rs. 1,65,000. The total of taxes thus is Rs. 4,14,550 i.e. Rs. 1,14,550 more than his entire income. So, a person possessed of his senses will never think of property worth Rs. 20 lakhs hereafter.

This in fact is a case referred to me for a certain opinion. They wanted to know whether the *vires* could be challenged of the additional wealth tax levied on the urban assets. This is how the present direct taxation is proceeding

[SHRI N. K. P. SALVE]

and to say that it is not socialist is extremely uncharitable. You may not agree with us, with our philosophy and ideology, but surely this is socialistic, and there is going to be eradication of disparities as a result of this, I have no doubt in my mind.

All these laws which are socialistic in their approach are excessively rigorous and harsh and cannot be very strictly and faithfully implemented, the reason being that the tax administration machinery working under a democratic set-up has its own limitations. After all, we are not working under a totalitarian or despotic regime. But I do hope that tax evasion would be seriously curbed, for, if that is not done, then, tax becomes penalty only for the honest and becomes an extremely rewarding adventure for the dishonest and the tax-evader.

I welcome the measure that has been taken to acquire property at the cost mentioned in the document itself, if the value is understated to avoid tax. The Maharaja of Gwalior is not here. I would like him to support this measure and I do hope that this provision is made retrospective so that Government can acquire even those properties where there was fraud sought to be perpetrated by understating the value of the property in the last ten years.

A word about structural changes in the corporate sector. The Bombay papers are now writing that whatever structural changes have been made in the taxation of the corporate sector are going to act as a damper and are a retrograde step affecting the buoyancy of production which had gathered momentum in the previous year. This is nothing but intimidating tactics. The six structural changes which have been made do not even touch the fringe of the fiscal programme and plans which might have been contemplated by these companies. They are very ordinary changes, the most important being that there is an increase in the surtax where the chargeable profits exceed 15% of the capital employed. Otherwise, the substantive rates remain the same. Development rebate is threatened to be brought to an end from 1974 and there are a few other structural changes which do not mean very much. In fact, Dalal Street in Bombay has reacted very favourably as soon as the budget proposals were announced. They thought they were

excellent proposals. Investment market was very strong, very firm and stable on the day budget was presented. Some of the members including myself had stated after budget that the corporate sector could pay some more tax and that had not been provided for in the budget proposals. On the third day market started going down retrospectively, I cannot understand why? If these were honest trends and not manipulated this would never have happened. The investors understood the proposals on the first day as much as they understood them on the third day. Now Bombay papers are trying to create an unnecessary bogie of the structural changes in the income-tax of the corporate sector. They do not in fact touch the fringe of the matter. Rs. 16 crores to be raised from corporate sector is not a large amount which is going to disturb the economy nor the investment climate, nor production, nor productivity.

One thing is clear. The effective rates for the corporate sector on its true commercial income are at tremendous variance with the paper rates. In the small booklet that I had published, *Is India the Highest Taxed Nation?* I had done a little exercise and tried to ascertain what were the effective rates, whatever might have been the rates on paper, in the Schedules in the Finance Act from year to year. I have taken the figures from an article prepared by the Federation of Indian Chambers of Commerce and Industry. This is not just faked up with a socialistic objective or purpose to support Mr. Chavan or Mr. Ganesh.

Effective rates on Commercial profits had worked out, in the case of a priority industry to 30 per cent in the first year, 35 per cent in the next year, 36 per cent in the third year, 36 per cent in the fourth year, 35, 56 per cent in the fifth year. This is the conclusion I had reached. The Reserve Bank had in its bulletin issued in 1969 had made certain calculations of the profits of as many as about 3,00 public limited companies and the conclusion it had reached was that on its commercial income the total tax liability did not exceed 47.5 per cent in the aggregate excluding the development rebate and concessions to priority industries. I refer to the conclusion I had reached in this book. "It has to be understood by knowledgeable study of Indian taxation that 'effective rates' of corporate taxation in India are far below the 'paper rates'.

SHRI R. V. BADE : Is the tax on maida socialist tax ?

SHRI N. K. P. SALVE : I am coming to the direct taxation ; tax on maida must go. That is my proposition. The Finance Minister should undertake an enquiry to determine what are the effective rates in the corporate sector and determine a tax plan for five years. In the course of the next five years, substantive rates of corporate taxation can easily be increased by 5 to 10 per cent. We need stability and simplicity in our tax laws. Let them have a fixed taxation for five years ; it does not matter. We may fix up a rate of 90 per cent but in effect after so many incentives, concessions, rebates and deductions the tax comes to 30 per cent. We are deceiving ourselves if we think this variation in paper rate and effective rate is immaterial. At least we must have proper statistics in the matter.

There has been a heavy dose of indirect taxation. My only question is : why should the Finance Minister pass on the entire burden of indirect taxation of excise to consumer ? There are companies which are making tremendous profits. If you see the balance sheets of manufacturers of toilet soaps, you will find that they are making fantastic profits. We are supplying them the raw material, tallow at cheap rates. We are exporting mangoes, bananas, cattlefeeds and we starve ourselves and are exporting even rice to get tallow and supply to the factories at cheap prices and they are making profits. It is the consumer who must not pay the additional levy.

SHRI INDRAJIT GUPTA : That is also socialism.

SHRI N. K. P. SALVE : We are not perfect in every manner. I do hope that the Finance Minister will make a note of it and issue directions that the companies which are manufacturing toilet soap shall not increase their price.....(Interruptions).

MR. DEPUTY-SPEAKER : I can give him all the 13 hours of the Congress Party if all the Members of that party agree.

SHRI N. K. P. SALVE : The same applies to brass utensils, pressure cookers, gas, readymade garments. The entire matter should be got examined and the companies should be

asked to bear the burden. The levy on maida should go and also the levy on petrol should go. We have rotten cars whose carburators do not consume petrol but they drink petrol. Unless we have better cars, unless we have better carburators, the increased petrol price will be too high. The levy on petrol should go.....(Interruptions.)

Everything that the Finance Minister did was opposed by our friends on one principle or the other. They say : do not tax the rich because of production, productivity and investment principle ; do not tax the not-so-rich because of the socialist principle ; do not tax the assessee in the corporate and non-corporate sector because of the fiscal principle ; do not tax cigarettes and alcohol on the friendship principle ; do not club the incomes of husband and wife and tax them, on biblical principle and finally do not tax glassware, brassware and cosmetics-on hen-pecked husband's principle. The only thing that comes to light is the utter lack of any principle in their criticism.

SHRI BALATHANDAYUTHAM (Coimbatore) : Mr. Deputy-Speaker, Sir I rise to oppose the budget. I raise the demand that the road block put up by those whom the people believed were going to be sappers and miners be removed. You could not have expected a more congenial background for carrying out the wishes of the people just now. The background was politically and economically the most favourable. It was politically favourable in this, that the mandate given by the people which the Finance Minister chooses to call the mandate for socialism, was a mandate for a change of the Constitution. The mandate was given to amend the Constitution. The astute Prime Minister asked the people to give her two-thirds majority. She posed the picture of the pauper and the prince, and showed herself as a valiant warrior on the side of the poor, and pointed out to the Supreme Court and to the provisions of the Constitution which were standing in the way of elementary economic reform.

Now, the massive mandate is for an amendment of the Constitution, and to remove that block on the road of progress. Having got that mandate, you also get the report of the Economic Review and, as far as it goes, the economic conditions seem to be set for a good take-off. Having got this mandate and having

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had this background of economic set-up, I do not see why the Finance Minister should have come forward with a budget as it is.

As our leader pointed out in his speech, the struggle for resources is grim. We quite understand the difficulty of the Finance Minister in trying to fill the gap of nearly Rs. 400 crores. Resources have to be found. The country of classical capitalism found its resources for development by piracy on the high seas by sending Clives and Hastings for colonial loot. Unfortunately, for our Indian capitalist class, the high seas are no more open for piracy nor are the colonies open for loot. Those countries which built up their Under industrial base took 300 years. We cannot afford to wait for 300 years, these circumstances, the Government of India has to wage a grim struggle for finding the resources. Yes. We have to find resources and have we really searched for the resources? The resources are to be found in a very narrow base. The resources are to be found not in the rural sector, because it is assigned to the States; the resources have to be found from the urban sector and that too not from all the classes. For resources we have borrowed heavily from abroad. When you want to fill up the gap of some Rs. 300 crores or Rs. 400 crores, was it difficult for the Government to ask for a moratorium? A country like Britain had asked for a moratorium from America. Last year, you had paid nearly Rs. 400 crores towards principal and debts. Now, if we ask for a moratorium of five years, can't we find resources that way? Government says no, because it is a question of creditworthiness. So, you would not resort to those people because the people are already mute to be taxed. Have tried surplus in the public sector? No, because we have only started the dialogue with the public sector. There is the Indian Oil Company managed by people who have got hidden links with foreign companies and from whom you cannot expect a surplus. Have you tried to utilise public financial institutions? Yes; LIC and IDB have given loans to monopoly houses to the tune of Rs. 161 crores and more. It was very interesting to hear the Minister saying that the LIC investment in public sector was Rs. 1.14 crores with a return of 10 per cent and in the private sector, it was Rs. 233.94 crores with a return of 6.8 per cent. When he was asked why he should not try to utilise the investment the national interest, his reply

was very brief: "The public finance corporations should look to the public sector undertakings with more interest." This is the positive indirection given by the Government. LIC will go out of the way to help big money-bags to save their holdings when they get into financial morass. Did Government think of nationalisation of foreign monopolies in India? No. It will lead to international complications. Even when they nationalise, we have seen how they do it from the way they have done in regard to general insurance. Even for managing general insurance, they have to give compensation. So, this source also is not open to them.

There was a tax called expenditure tax. But Shri Morarji Desai said, they had to spend more for its collection than the revenue itself. Is it not a fact that in India, there are people who are spending extravagantly, living ostentatiously, with a vulgar display of wealth in the midst of poor down-trodden people? Still, expenditure tax will not work and they will not resort to it. Will they try to realise the arrears of income tax amounting to Rs. 700 and odd crores? No. There are legal difficulties. They are very clever evaders and Government is not equal to them. They have been talking about black money all the time. What harm is there if you try demonetisation? The Finance Minister has rejected it offhand. What do you lose? A trial costs nothing. But there comes the fear of creating confusion and you are afraid of reaction. But taxing people is not difficult at all.

Take the imposts on the corporate sector. The tribute paid to the Finance Minister is, for the first time there is no new impost on the corporate sector. He has been raised to a historical figure and congratulated for setting up a record by his massive taxation measures in peace time. Has the Government applied its mind to the question of utilising the full capacity of the machinery installed? Everybody tells us that 50 per cent of installed capacity in this country is not being tapped. But there is no effort in that direction. He has taken the line of least resistance, i.e. taxing the people. They are not prepared to resort to any of these methods for finding resources. What is easy for them is to tax the people, that is indirect taxes. So, two easy methods are there; one is to loot the people and the other is pick-pocketing, inflation.

Coming to indirect taxes, since it has been dealt with by many members, I do not want to dwell on it at length. But the Finance Minister, while dealing with the tax on maida and petrol said that it was consistent with the socialist pattern. I can tell you that in a socialist country the two things you can look forward to as the cheapest things are bread and travel. In the country which is marching towards communism the first to be given is free bread and then free travel. So, that is the direction. Therefore, when I was reeling under the massive blows of taxation of the Finance Minister there came before my mind the picture of Marie Antoinette telling the hungry people "If you have no bread, why not eat cake?"

I want to ask the Finance Minister one pertinent question. Why are you giving up the principle of the last budget, the principle of avoidance of multiple effect of taxing intermediates that enter into the cost of other goods? Why are you so soft to the corporate sector? The answer is "we want re-investment." My simple answer is that if they reinvest, it is in the private sector. The *dharma* in the private sector is fish eating fish. Re-investment in the private sector will lead to development of monopolies and the whole platform of the other side during the elections and ever after was that monopolies block the road to progress.

So, my contention is that the taxation measures of the Finance Minister are self-defeating. He proposes price stability, which is not there; you can see it. He proposes social justice. Patiently, it is not there because the poor are being hit on account of the price rise. With regard to economic growth, the upheavals among the people because of the rise in prices is going to upset growth. So, what they are doing is they are cutting the branch on which they are now securely sitting.

He has made a claim of an increased investment of Rs. 300 crores in the budget for development. I want to say that in the last 12 months the price increase has been 7 per cent, offsetting this Rs. 300 crores which he has envisaged. What is more, if you see the ratio between investment and national income it was 11 per cent earlier and now, it is 9 per cent.

Another claim they have made is a crash programme for unemployment. The words

must have meaning. How can you call this a crash programme? If you link Cauvery and Ganges, I can understand your calling it a crash programme. If you convert all the metre-gauge lines into broad-gauge, I can understand you are calling it a crash programme. What is this crash programme with Rs. 50 crores when 55 textile mills have been closed according to your own answer?

With regard to employment, 50 per cent of the employees of the Central Government, nearly, 28 lakhs of them are getting a basic pay of less than Rs. 100. This is what they are getting when they are employed. And yet you call this a crash programme.

Then you say that you want to reduce and tax the salary and perquisites that are obtaining in the private sector. But when a question was asked about the salary and perquisites the answer was that "the information asked for is not readily available with the department as the same is not required to be furnished by the companies in terms of the Companies Act, 1956". This shows that they are not serious about the proposal because they have no idea of its magnitude.

Coming to Centre-State relations, my State has done whatever the Centre has asked it to do. In the State of Tamilnadu we have the agricultural income-tax, educational cess and raffles. Yet we are not having enough resources for welfare schemes.

Further, with regard to language, out of Rs. 25 crores allotted for the Fourth Five Year Plan, Rs. 12 crores are being spent for Hindi alone.

15.00 hrs.

With regard to Bangla Desh, the Budget is going to be upset. Our socio-economic structure is going to be upset. What is more, we are going to have an inimical border without Bangla Desh. You have to take the offensive because that is the best defence today.

Finally, I thought the Clives and Hastings of Indian capitalism had been removed by the electorate in the elections in 1967 and impeached in 1971, but the ghosts of Clives and Hastings of Indian capitalism are haunting the Treasury Benches and I would like the wizard of the Prime Minister to exercise those Treas-

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sury Benches of those ghosts, A crash programme of nationalisation is the only answer for all the three objectives set forth by the Budget. I want to know whether they have the will to do it.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : Mr. Deputy-Speaker, Sir, I have watched the Budget discussion for the last two or three days with great attention and interest. It has been a very serious discussion and it is not only as a Minister but also as a much more serious student of the present Indian situation that I will try to bring some element of seriousness into it. I am saying this because, I was listening to my hon. friend and colleague, Shri Balathandayutham. I thought, during the last 15 or 20 years he must have grown but the way he has put this very serious problem, he was speaking in the same manner in which he was speaking in the Annamalai University, and what has happened during the last 20 years in the situation of the country, in the correlation of political forces, in the economic situation that exists today, seems to have been completely lost on him.

SHRI KALYANASUNDARAM (Tiruchirappalli) : Perhaps he has not grown in the way in which you have grown.

SHRI K. R. GANESH : It is very difficult to come to any dispute with a very revered political leader like Shri Kalyanasundaram. So, shall leave it.

SHRI N. K. P. SALVE : He concedes that you have grown.

SHRI K. R. GANESH : This budget has come in a particular background and I place this background before you and the House.

A massive mandate was given to the party in power for change and for a radical social transformation. There is a reality of the economic situation which we cannot get out of. Being a very large and big country with a huge, multitudinous population that we have got, certain economic realities have grown during the last 20 years and these factors had to be taken into consideration in framing the Budget.

Then, there are certain constitutional problems which this House is aware of, which have been debated in the country and on which certain directions have got to be taken. The people of this country have given a mandate and in this House itself it has been proclaimed and conceded that if we have to bring about a radical social transformation, a certain amount of constitutional changes become necessary.

There was also the problem of Bangla Desh. It is a huge problem. The only difficulty is that our friends opposite want the Government to act on Bangla Desh and to come to grips with the huge, massive, colossal problem, which the nation in its entire history has not yet faced ; yet, after saying that, they would even not concede to the Finance Minister the massive effort that he has tried to make in the given situation.

I am not one of those, sitting on the Treasury Benches, to say that this Budget is socialist Budget. I am not going to say that. This Budget is a very honest effort in the given situation to rise the necessary resources so that in the coming years, it will be possible for us to build a national economy on the edifice of which socialism can be built in our country. It is an honest attempt that the Finance Minister has made.

Budget is one of the instruments. It is not a total instrument. The total national strategy has got to be seen and viewed in the context of our national situation to understand the direction in which the country is going. Whatever positive features there are in the Budget to which many hon. Members have pointed out, apart from that, we have to see the total national strategy of national revival and national advancement. The national strategy along with Budget, I submit, is following a very serious consideration given by the Government to bring about constitutional amendments in those sections and clauses in which the national advance is being hampered.

There is the decision to abolish privy purses and privileges of princes, to take over general insurance as a step towards nationalisation of general insurance and the dialogue and discussion that is going on today to bring about a ceiling on urban property. As regards land

reforms, I concede with some hon. Members on that side, that we may not be fully convinced that all that is possible in land reforms has been done. The Government itself has said that much more has got to be done. But certain steps have been taken and certain changes have taken place. The entire countryside looks much different than what it was when we became independent. A vigorous effort has got to be made. Certain administrative, political and other steps have been taken to see that full-scale land reforms as is practicable in the given situation are carried out.

Then, as regards monetary and fiscal policies of the Government, the nationalisation of banks is a big instrument to re-orient the entire monetary and fiscal policies in the direction of helping the public sector and taking away the concentration of economic power. In this connection, I would also like to place before you the recent guidelines that have been introduced as far as the investment of financial institutions is concerned in the various big monopoly houses and other houses that my hon. friend has mentioned. Certain guidelines have been given in which the shares of big financial institutions, at what point of time and under what conditions, could be converted into equity capital and all that.

This total picture has got to be seen before we can understand the present situation. Budget is one of the instruments in the total national strategy that has got to be seen.

SHRI R. V. BADE: Mr. Salve said that those who say, Budget is not a socialist Budget are idiots. Now, the Minister himself says that it is not a socialist Budget. He says that it is only a step towards socialism.

SHRI K. R. GANESH: It will be difficult to understand my arguments which I am placing for my hon. friend. Socialism is not built in one Budget. It is a very long-drawn-out process. What we can say is that we want to build up socialism. Whether you like it or not, whether the forces that are outside this party like it or not, we want to build up socialism because in a large country like India, there is no other way except to build up a socialistic society.

There is another point that I wish to make. One of the criticisms has been that “*garibi*

hatao” slogan has not been implemented. Of course, that is not a very serious criticism made by serious Members who participated in the debate. This “*garibi hatao*” slogan represents the will of the people. Now, “*garibi hatao*” is not going to be achieved by one Budget alone. It is not going to be done even in five Budgets till this Government will last. It has got to be a long-drawn-out process of national advance. We are indicating that national advance in this Budget. The way the country is going has been indicated in the various steps that Government had taken as I have indicated earlier. The whole indication of the national revival has got to be seen in this picture.

One serious criticism was made about growth. Both Mr. Indrajit Gupta and Mr. H. M. Patel, very senior Members, said that there has not been sufficient emphasis laid on growth in this Budget.

SHRI INDRAJIT GUPTA: He was referring to growth in the private sector while I was referring to growth in the public sector.

SHRI K. R. GANESH: I hope you will concede me when I say I am not trying to equate your position with his position.

It is not only the increase of Rs. 155 crores in the Plan outlay that has got to be seen, but we have to see this in the light of the various provisions that have been made in the Budget. For example, we have got this Rs. 25 crores for eradicating urban unemployment and Rs. 50 crores for the crash programme. I concede that this is not sufficient for meeting the growing problems that we are facing. But certain provisions have got to be made. Rs. 75 crores out of this Budget is not a small sum. It is true that massive resources have got to be raised. But what are the mechanics of raising that? What is the way? Certain political realities have got to be understood. There is one thing which we have got to remember that this country has got a very narrow tax-base. This narrow base of 10% or 15% of people is there in which we have to do all permutations and combinations. So, the first thing to be done is this, that this tax-base has got to be enlarged. We have to create necessary conditions to enlarge this tax-base.

With the present 10 or 15 per cent tax-base

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it is not possible for us to raise massive resources in a country like ours, with its complex and difficult problems. We want to use the Parliamentary system as a means of advancing and building up our economy, as a means of using that national economy to build Socialism in this country. This is what we are trying to experiment. It has been possible to achieve some success because a leader of vision and statesmanship and world perspective, Jawaharlal Nehru, carried this country forward. After all we have the public sector enterprises. After all we have built certain bases for future growth. We have made some advance. The position in 1967 was presenting a situation of disappointment and frustration. That situation has completely changed and the expectation of the people has been roused.

We, who want national advance, have got to see that these hopes and aspirations of the people are directed into proper channels. My main idea in intervening in this debate is to point out that the budget has to be seen in the context of the totality of situation. A levy here or levy there is but a small item in the mechanics of taxation as far as this budget is concerned. I am quite sure that the Finance Minister, after having heard the views of the House will certainly take many of these factors into consideration.

If the total outlay, not only the increased outlay on the Plan but also these outlays of Rs. 50 crores and Rs. 25 crores and the outlays that have been made for rural works programme are all added together, then it would come to a development outlay of nearly Rs. 240 crores and not just Rs. 155 crores. That is what I am submitting namely that we have got to see the total investments that are being made in the various sectors of our economy, in the very vitals of our economy.

I have very long briefs here with me, from which it is possible to contest every figure that has been given by every hon. Member, whether it be the question of direct taxes or indirect taxes, or the question of the total direct and indirect taxes accruing to the national revenues, or it is the question of the levies falling on the 10 per cent base in relation to the total *per capita* income of the country. I can contest any figure that hon. Members can give.

My object in intervening in this debate is to place before the House the total perspective of the budget in the context of the national situation.

SHRI S. M. BANERJEE (Kanpur) : Does his brief have figures of evasion ?

SHRI K. R. GANESH : I have those figures also. I have answered that point already. I can tell him the increase in arrears of income-tax that we have got. Shri Indrajit Gupta mentioned the figure of Rs. 700 crores. I may tell him that this figure is not also correct, because that is the gross demand that we have made, and there are many other factors in connection with that.

The total taxes that have been collected out of the arrear demand have been growing from year to year—from Rs. 59.94 crores in 1964-65 to Rs. 159.61 crores in 1970-71. This is provisional figure for 1970-71.

As a result of the vigorous steps taken by the Department in connection with collections, the actual collections in 1970-71 came to Rs. 826.29 crores. This is also a provisional figure, as against the budget estimate of Rs. 727.75 crores.

As I was submitting, the Finance Minister was faced with a very difficult task, in the context of the socio-economic conditions as they exist today in our country. I concede that we have to make a break-through and bring about radical changes in relation to the economic condition. But as the conditions exist today, and as the Constitution stands today, as the realities of the economic situation stand today, the Finance Minister has made a bold effort to raise the necessary resources and while raising these resources to see that the taxation does not fall on the common man or on the poverty-stricken man of this country. I wish to submit that I want to make a difference between the common man and the poverty-stricken man. In this country, 90 per cent of people have got a *per capita* income of less than Rs. 500 odd. It is this concentrated poverty, it is this huge unemployment problem that has got to be attacked, that has got to be tackled and for which resources much more massive, perhaps ten times more massive, have got to be raised. If we have got to apply our mind to the concen-

trated poverty which exists in the rural and urban areas, then hon. members will agree that some of the taxation measures that have been suggested for taking away resources from that section which afford to pay are justifiable. I do not deny the right of Members to criticise some of the levies that the hon. Finance Minister has put and at the appropriate point of time he will consider the criticisms, but if we have got to take the total picture of the Indian situation in view, if we have to eradicate the concentrated poverty which exists in its most humiliating form, if we have got to ensure a very fast rate of economic development which implies that necessary surpluses will have to be generated, if we have got to hold the commanding heights of the economy in the shape of a larger public sector, if we have to see to it that concentration of economic power in the hands of a few is broken, it is necessary for us to see that this 10 per cent which can afford to pay a little more bears that extra burden.

Let us take the Bangla Desh issue. It is a colossal problem that has come on us. It is a national problem. If we have to tackle it in the way hon. members want it to be tackled, resources are necessary and will have to be raised. This problem of raising resources is there in any underdeveloped or developing country.

Then take the food subsidy. We have to see that the price to the consumer is not increased and the price to the cultivator is not lowered also. On this account, we incur an expenditure of Rs. 30 crores. It is a measure of social justice, distributive justice to help the weaker sections of society.

Again, in this year's budget, there is a provision of Rs. 100 crores on account of interim relief recommended by the Third Pay Commission.

SHRI S. M. BANERJEE : He is talking of interim relief. Is it not a fact that the cost of living index has reached the 10 point average and according to the last Pay Commission formula, the Central Government employees are entitled to another slab of dearness allowance? Has it not touched 225 points?

SHRI K. R. GANESHI : This is not a point which immediately arises out of it. Tomorrow

there is a question on this in the Rajya Sabha.

SHRI S. M. BANERJEE : I am a member of the Lok Sabha. I cannot go and sit in the Rajya Sabha.

SHRI N. K. P. SALVE : He can sit in the gallery.

SHRI D. D. DESAI (Kaira) : Are we hearing a thesis on *garibi hatao* or *garibi badhao*.

SHRI R. S. PANDEY (Rajnandgaon) : It is both *garibi hatao* and *amiri hatao*.

SHRI K. R. GANESHI : He does not understand what *garibi* is. To him it is just a slogan. Either my English is bad or his capacity to understand me is very low.

When I referred to *garibi*, I was referring to the concentrated poverty that exists in the rural, urban and slum areas. Let him not speak about motor spirit, petrol and things like that. It may be all right for political slogan mongering. Any Government that comes and sits in these benches has got to take into account the conditions obtaining in India which I depicted and has got to apply itself to solving this problem of concentrated poverty, the problem of accelerating growth at a very fast rate, the problem of building up a viable public distribution system and so on. These are the basic problems of the Indian economy today. So, the strategy laid down by the Finance Minister in his budget, the total strategy of which I had spoken in the beginning, was in the direction of meeting these huge gigantic problems. Government is giving consideration to the question of arrears of tax, realisation of income-tax dues, the question of black money for which a Committee has been set up—an interim report has been submitted by it—and to the question of better utilisation of the public sector so that the public sector generates more and more surpluses, and when the time comes, the Government will come out with their policy. I can assure the House that this Government which can nationalise the Banks, L. I. C. and General Insurance, which can bring about land reforms, which has brought about in the last 20 years all the important legislative measures that this country is proud of, is also capable of tackling this problem which the hon. Members have mentioned.

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There is only one question concerning my constituency to which I wish to refer. Shri Dasaratha Deb raised the question of the outlay on the Andaman and Nicobar Islands and said that less was spent on education. For his information and the information of the House I may submit that *per capita* expenditure on education in the Andaman and Nicobar Islands is the highest in the country. The territory is so spread, so far as flung, that it is necessary to build a school even where there are only five or ten students. There are places in the islands where there are primary schools with less than 10 students, but you have to provide primary schools. Having put people there, you have to provide them with certain minimum necessities of life, certain minimum educational facilities. The total number of schools, higher secondary, primary and middle schools in the islands, will be the highest in the country.

I submit that the Finance Minister, in the given conditions of our country, political, economic and constitutional conditions, has made a massive, bold effort to raise resources for the advance of the country so that in the years to come he can lay a firmer basis for a rapid rate of growth and for more equitable distribution and social justice.

SHRI BIRENDER SINGH RAO (Mahendragarh) : Mr. Deputy Speaker, Sir, in his Budget speech in the opening lines Mr. Chavan has claimed that the economic picture of our country is very promising. I fail to understand how such a senior leader and administrator like our present Finance Minister can say that the economy of our country presents a very promising picture. He should show very well that the present structure of our economy stands on the shifting sands of foreign aid and that the basis of this economy is fictitious figure of our national savings. He has also failed to assess realistically the problem of refugees from Bangla Desh.

I am a soldier, an ex-Army man. I have listened to most of the speeches and would like to express a soldiers' point of view. The Finance Minister has made very significant changes in increasing the outlays on social welfare and development as he has said, but it pains me to see that no proper attention has

been paid to the defence of our Country. The outlay on our defence is about the same as it was last year.

AN HON. MEMBER : No.

SHRI BIRENDER SINGH RAO : Very little increase. I have seen the figures.

AN HON. MEMBER : How much do you want ?

SHRI BIRENDER SINGH RAO : I want it to be doubled, if you want to remain independent and save your country. This is what I am going to say.

We are refusing to face facts. Since the Prime Minister moved a resolution in this House expressing sympathy with the freedom fighters of Bangla Desh much water has flowed under the bridge. It is a sad and dismal failure of our foreign policy and also our defence organisation. Our only sin is that we are a weak nation. We have not built up our military power otherwise we would not have been facing the problem of Bangla Desh today. Most of our friends in the House may not have seen what war brings. I have been in the battle and I have seen the plight of people on whose land war is fought. I have witnessed its horrors. I have also been very closely associated with defence efforts after the Chinese aggression of 1962. As a former soldier I warn the Government that the people, least of all the soldiers, would not tolerate another debacle like the 1962 one because of the inefficiency of the Government to raise our defence potential. We should pay immediate attention to our defence needs and we should treat this period as a national emergency. Rs. 785 crores proposed to be given to States as grant-in-aid to be wasted could all be diverted to Defence; Rs. 50 crores provided for creating employment opportunities and another Rs. 25 crores for providing employment to the educated unemployed could also be diverted to defence because our defence services could provide best opportunities for the employment of our young men. There could be a lot of employment by developmental activity thus created all over the country. Programmes like community development should be scrapped. A lot of money could be saved and diverted to build an efficient Navy and Air Force. It is very painful to see that while India is sur-

rounded on three sides by sea, we do not build a strong navy. We are concerned about what is going on in the Indian Ocean, but our Navy is insignificant. Is it worth being called a Navy? Are we really competent to fight our two strong neighbours, at least one of them is very strong—China. We need a much larger air force to meet them. We have to increase our armed strength. I am sorry to say that very little attention has been paid by the Government and also the Members of the House to this question. If we do not pay attention immediately to this problem, time will be lost. We are already too late. We are talking about recognition of Bangla Desh. I wish it had been recognised within fifteen days after the trouble started. We are moving towards September and October, the same period when China attacked, when the Tibetan passes would open. Very little time is left. We could just move like Hyderabad into Bangla Desh and help freedom fighters to consolidate their position there in four months and could have come out. Then we could face the whole world. If nothing has been done so far, I would say that it is meaningless to ask that Bangla Desh should be recognised. Whether we recognise it or not, it matters little. What we need is strength and we should build up military strength speedily. Then only we can help Bangla Desh. We can only then find friends in the comity of nations. We are isolated today. We have no mutual defence pact with even the smallest country like Nepal or Ceylon. Our roving ambassadors are going from door to door but they find the doors are closed. Champions of human rights have closed their eyes to what is happening in Bangla Desh. Pakistan has turned the table on us. We should declare a national emergency and pay immediate attention to our defence and increase our military power. They claim that this is a socialistic budget. I heard the hon. Minister just now saying that some of us did not understand what *garibi* is. It is irrelevant to give the slogan of *garibi hatao* today, I say that our slogan should be '*takat balaao*' That is the only thing. Without that, we cannot exist. Sir, I want to ask the Minister very humbly, what does he mean by "Remove *Garibi*?" What the poor people want is bread, cheap bread. What they want is coarse cloth at least to cover their bodies. What they want is a shelter.

I would like to tell him that during the last 20 years - I do not know if they had tried to

find out this—how much the prices have fallen and what is the value of our cash today. Rs. 100, twenty years ago, means Rs. 59 today in India. That is the fall in the value of money. There is so much increase in the money circulation during the last 20 years. From Rs. 2,000 crores, the money⁽ⁿ⁾ supply has increased to Rs. 7,000 crores. And on top of all this, since the nationalisation of banks, the situation has been further aggravated. The borrowings by commercial banks from the Reserve Bank of India have increased by more than double in two years; from Rs. 169 crores to about Rs. 370 crores. What is all this going to bring if not higher prices.

I would like to compare the prices of consumer goods. A poor man wants cloth. But they are snatching it from him. They are increasing the duty on coarse cloth, so that he cannot even scratch his sweating body. If you compare the price of coarse cloth with the price of land, what do we see? Just to give you an example, land in the countryside is selling at eight annas per square yard or per square metre. That is the average price of land; very good, cultivable land; and that is land for ever; for his children for generation this land becomes one's property. One has the right to bore through the earth on one's land from India to America on the other side. This land is available at eight annas per square yard. But the cheapest variety of cloth today costs Rs. 2.00 to Rs. 2.50 per meter, nothing less than that.

The most important thing for the wage-earner is bread. I wonder if our Finance Minister is as innocent as the Dauphin of France who said during the French Revolution, "These people are shouting for bread; why should they shout for it? Why can't they eat cakes?" Duty on bread maida is really hard. I would say bread should be the cheapest thing. There should be no duty on bread. It should be subsidised. Most of the people, poor wage-earners, take their breakfast and luncheon with bread and a little *chana*. This is what they are doing in Delhi and other towns. You go to any housing colony; you will see it. But they have even tried to increase the price of bread, and coarse cloth.

I am surprised that the Finance Minister's attention has also been drawn to the painted lips and the colour on the shallow cheeks of Indian women. He is probably the greatest

[Shri Birender Singh Rao]

Mahratta of the 20th century, and it is certainly not in keeping with the great Mahratta tradition of giving protection to women and honouring them. The aids to beauty for our women should not be taxed. It is not chivalrous. It is also not fair to the Prime Minister. She is the symbol of Indian women today, and I know from personal experience that the women in India, irrespective of how their husbands or brothers voted, have voted for the Prime Minister's party in general simply because she belongs to their class. So, the Finance Minister would probably agree to withdraw this tax on aids to beauty. I think he would be making a very good gesture.

There has been some criticism about the agricultural sector not being touched. I would say, what has been done already is too much. Our agricultural machinery is already selling in the blackmarket at very high prices. Levy has been imposed on tractors and a tractor can now be bought only at Rs. 10,000 more, in the blackmarket. It also goes against the Directive Principles of State Policy. Article 48 lays down that Government shall try to have modernised agriculture in the country. We are passing through a transitional period. At this time when we are just becoming a little self-sufficient in food grains, peasants should be left untouched. Peasants should be encouraged; you are going to need their services. In conclusion, I would like to quote Goldsmith :

“For Princes and Lords may flourish or may
fade,

A breath can make them, as a breath
has made,

A bold peasantry, its country's pride,

If once destroyed, can never be sup-
plied.”

SHRI C. M. STEPHEN (Muvattupuzha) :
Sir, I rise to support the budget. I compliment the Finance Minister for the boldness and purposefulness of the budget. The budget is not a mere statement of income and expenditure. In a democratic set-up, every budget is a milestone in the onward march of the nation. This budget is much more so, because it comes after a national referendum as to the direction and goal to which the people of this country want this country to be taken.

15.43 hrs.

[SHRI N. K. P. SALVE *in the Chair*]

When I approach the budget, I apply three yardsticks to decide whether it measures to my expectations, viz., whether the budget is purposeful or whether the Finance Minister has conceived in the budget the purpose which the nation wanted him to hold in view; whether the Finance Minister has evolved the correct strategy for the purpose of taking the country to the goal to which we are to go; and, whether proper policies and programmes—fiscal and political—have been evolved for implementing the strategy that has been laid in the budget. Measuring it by these three yardsticks, I am completely satisfied with the budget; it is satisfying in an extreme measure. In no respect the budget has fallen short of my expectations. Apart from being a member of the ruling party, as a person responsible to the people who have elected me, I have tried to analyse the budget more critically than my friends opposite. The more closely I look at the budget, the deeper I analyse it, the more convinced I am becoming that this budget is the best that can be presented in the obtaining situation.

With regard to the first yardstick, the Finance Minister is very clear in his mind. He has spelt out the purpose with which the budget has been evolved in no uncertain terms; viz., “national growth coupled with social justice”.

He has no illusions as to the effectiveness of this budget. He candidly states at the end of his speech :

“It is hardly possible to claim that a new social and economic order can be ushered in through budgetary policy alone, much less through a single budget.”

There is no tall claim about this. But the question is what is the direction, whether the direction is correct, whether the policies are correct and whether he has kept in his view what the people want the Finance Minister of this country to keep in view.

He has kept in his mind a future India in which there will be social justice, a future India

in which there will be progressive growth, a future India in which there will be distributive justice. He has kept that in his mind and I do not think that anybody in the opposition will challenge this statement of mine. I do not think anybody in the opposition will challenge that the people of this country want to go to this ultimate goal which the Finance Minister has delineated before us.

Now the question is whether there is a proper strategy. While hearing the budget speech I was reminded of a speech which I have listened to, a speech by Pandit Jawaharlal Nehru at the AICC session, when he was trying to outline the basic plan for the country. He said: "I want to cut a coat; I have a particular measurement; but the cloth available to me does not measure up to the dimension of the coat". Then he asked the AICC "What should I do? Should I cut the coat in accordance with the cloth which is available to me or should I get the cloth and cut the coat to suit my physical frame? The people of India want a particular dimension. So, I will get the resources to cut the cloth according to the requirements of the people." This is the standard that the Finance Minister applied in framing the budget. May I submit that the Finance Minister could have, if he wanted, presented a budget which was balanced and in a measure surplus also? He could have limited the plan expenditure to the actuals of 1970-71 and could have avoided to offer to spend Rs. 300 crores more. He could have forgotten about the unemployment problem in this country and could have avoided to set apart Rs. 50 crores for a crash programme and Rs. 25 crores for the educated unemployed. He could have forgotten in his callousness the plight of the children of this country and could have avoided injecting into this budget a programme of Rs. 10 crores for them. In that way, he could certainly have saved Rs. 375 crores and that would have meant that he could have presented a budget which was completely balanced and slightly in the surplus.

But should he have done that or should he have sought to implement the programme incorporating all these things in it? The Finance Minister could have assumed the posture that here is a Finance Minister coming in the course of a few years who, for the first time, is presenting a balanced budget, a surplus

budget. He could have taken the credit for it and perhaps applause from the galleries. But I say that he would not have been honest to the nation if he had done so. So, he tried to cut the coat in accordance with the requirements of the nation. Putting his confidence in the people of this country, in the patriotism of the people of this country; taking strength from the progress that this country has made in the course of the last few years, he told himself, "I believe in India, I believe in the people of this country, I will go to the people and ask for tax and I will get the tax so that this country can march forward". It is therefore that I say that this budget is purposeful, there is a strategy in the budget. The strategy of this budget is not one of stagnation, the strategy is not one of limiting oneself to the resources at hand, the strategy is one of self-generating dynamism, the strategy is one of growth and march forward, the strategy is one of progress with growth. This is the strategy that is evolved in this budget and that is a strategy that is certainly unimpeachable.

If that strategy is accepted, then the question is whether proper measures have been evolved here, fiscal measures have been evolved here. Here the question of distributive justice comes in, its social impact. Sir, when you were sitting here you have spelt out the impact of the direct taxes. I do not want to go into it further. My hon. friends on the other side were saying that the corporate sector has been spared. I do not understand from where they got this information. If one thing has to be said about this budget it is that a definite attempt has been made to make a dent into the corporate sector.

An effort is made to put a ceiling on the income from the corporate sector. No company will be permitted hereafter to pay out more than Rs. 5,000 as salary. No company will be permitted hereafter to shell out more than Rs. 1,000 as allowances and all that. For whatever capital gain there is, there is tax being imposed. Higher wealth tax is being imposed. The corporate sector is being taxed and this is the beginning of the taxation.

But may I say that the corporate sector cannot be shaken completely because we want a mixed economy here? If there is a guarantee for the reinvestment of the corporate sector money in this country and if it is not

[Shri C. M. Stephen]

drained out by the leeches, there is no danger in the corporate sector being left with a certain measure of money so that reinvestment may take place until such time that the public sector grows up tall enough to absorb the whole thing and take over the productive enterprises of this country. I do not want to go further into it.

Coming to direct taxes, I remember, in the Taxation Enquiry Committee of 1954, Dr. John Mathai put forth one suggestion. The ultimate aim he spelt out was that the highest income after tax, that is, the net income, should not be more than a multiple of 30 of the income of the lowest slab of the Indian tax-paying assessee. That is, the highest income must not be more than 30 times the lowest slab. What is the picture we are finding here? A person who is earning Rs. 10 lakhs, after tax and surcharge, is going to get Rs. 67,000, which means, ten times the lowest slab man. Could it be more steep and more regressive? Therefore that is being done. But what is more important is the concessions that have given.

MR. CHAIRMAN: You will please conclude now. Time is over.

SHRI C. M. STEPHEN: One more aspect is deficit financing. It is only to the extent of Rs. 220 crores. In the Fourth Five-Year Plan deficit financing is contemplated to be Rs. 850 crores and the Fourth Five-Year Plan contemplates that in relation to the resources deficit financing can be to the extent of 5 per cent. If this is the standard, with Rs. 375 crores more that you are putting in and out of the entire resources that would be pumped in, this Rs. 220 crores is absolutely nothing.

MR. CHAIRMAN: I am afraid, you will have to conclude now.

SHRI C. M. STEPHEN: It is not going to raise the price level at all.

There are certain points I want to make but as there is no time I am concluding. The unemployment problem which is there is being tackled in a very vigorous way. When we come to the question of the overall Plan tempo, we find that is being taken up on a higher

tempo. I am really sorry that I am not spared sufficient time to go ahead a little more.

MR. CHAIRMAN: Kindly conclude.

SHRI C. M. STEPHEN: I want two minutes.

MR. CHAIRMAN: You will not take any more time. Please conclude.

SHRI C. M. STEPHEN: Others are given. I ask you only for two minutes more. My party will allow it, I am sure.

MR. CHAIRMAN: Kindly conclude. Kindly appreciate my difficulty. I am helpless in the matter. You will please conclude.

SHRI C. M. STEPHEN: I am not in the habit of encroaching upon the time limit, but there are certain points which I do want to make out. I crave of my party to give me a few minutes more, if there is anybody here. The Minister is here and he is agreeing. It is the party's time.

MR. CHAIRMAN: It is not in my hands. I am bound by certain rules. Kindly conclude.

SHRI C. M. STEPHEN: The party can give me the time.

SHRI K. MANOHARAN (Madras North): You are wasting your time. Go ahead.

SHRI C. M. STEPHEN: I am concluding.

My hon. friends on the other side attack this Budget. I do not want to reply to that attack but the basic question remains that a national challenge and a national task have got to be fulfilled. My hon. friends on the other side have been making grimaces about *garibi hatao* and all that. I have an answer to that. Has anybody got an illusion that overnight in the morning, poverty can be removed? Poverty can be removed only by successive action. The question is whether the direction is correct and I say that the direction is correct.

One more point and I have done. The Finance Minister has laid emphasis on regional

imbalance. He has laid the emphasis correctly. The unemployment question is a major question. I may make a mention of the crying unemployment problem in my State. The unemployment problem is characteristic of my State, that is, educated unemployment problem. We have got refugees from East Bengal coming on. But you are having refugees in a long line coming out of Kerala, the educated people, who want jobs.....

MR. CHAIRMAN : Now, I am on my legs. Of course, it is an interesting speech. But you have to finish now. Please sit down.

SHRI C. M. STEPHEN : Just half a minute more. I am winding up.

I would appeal to the hon. Finance Minister and the Government of India to take a particular part of the country, for example, Kerala, where there is a particular problem and to tackle that problem on a crying-solution basis. The unemployment problem in my State may be taken up like that and it may be tackled on that basis.

With these words, I support the Budget completely with a full satisfaction that I have got before me a Budget which is progressive, bold, purposeful and satisfying in all respects and in all measures.

SHRI BISWANARAYAN SHASTRI (Lakhimpur) : Mr. Chairman, Sir, I rise to support the Budget proposals. I also take this opportunity to welcome the Budget as a growth-oriented Budget. The Budget has made certain marked departures from the past in respect of creating a cess for the children, imposing restrictions on expenditure by the companies and acquiring property at the declared value by the owners.

The Budget is not merely a statement of receipts and expenditure nor is it an account maintained by a housewife. The budgetary provisions reflect public finance. It is a barometer which indicates prosperity of the country, the social conditions and the standard of living of the nation. Therefore, the Budget proposals are to be examined from those angles. It should not be taken as to whether a tax is imposed here or there. But it is the totality of the view that has to be taken into account.

From that point of view, I consider this Budget as a growth-oriented Budget.

The Budget proposals have been criticised by the Members of the Opposition Benches in all imaginary ways. All the adjectives current in political lexicons have been used to denounce it. Perhaps, they want to make their existence felt by the people in this way. The Budget should be examined objectively. There should not be any subjective view.

The Congress Party received a massive mandate in the recent mid-term poll from the people for transformation of the society to lead the nation in the path of progress to prosperity. To put this question as to whether the Budget proposals have helped in ushering a new order, the answer is "Yes". The next question is "How?". To answer this question, let me point out the weaknesses of Indian economy and India's public finance. These are, to my mind, (a) inadequate resources, (b) unequal distribution of wealth and (c) slow pace of industrial development.

Since the Finance Minister has to find out resources, he cannot but step up resources to finance industry and other things for rapid growth. Of course, he can borrow money from foreign countries. But a nation's strength does not lie in what it can borrow from other countries. Its strength lies in what it can produce.

Again, there are political difficulties. If there is a deal with the USA, the slogan raised is : The country is mortgaged. If the deal is with U. S. S. R., the bogie is : India has become a satellite of Russia. When there is an impose on the affluent society—I should say, on those who have something more than the others,—the cry is raised. The budget is anti-people.

16.00 hrs.

This reminds me of a Jataka story.

Once a dacoit in a forest used to rob and kill passers-by. But he would not kill a person unless the person is made to appear a guilty one. He had his own standard of judgment. He had a bed and he asked his victim to lie on the bed. The dacoit warned him that he would be killed if he was found shorter or longer than the bed by a hair-breadth. And consequently, the poor fellow was killed.

[Shri Biswanarain Shastri]

The Budget proposals may appear short to those who do not believe in democracy and long to those who are opposed to socialism.

One should not make his mind too much prejudiced and adopt a fault-finding attitude. It appears full of blemish to a prejudicial mind even though there is no blemish.

The Finance Minister proposes to mobilise resources for growth and growth alone can lead the country to prosperity and socialism. Only growth can remove and banish poverty. Therefore the budget is consistent with the Slogan—*Garibi Hatao*.

It is said that there is no tax on corporate income. That is not the correct picture. The tax on corporate sector may apparently appear static in the present time but in the near future it will create more and more avenue and yield more taxes, in the coming years. There are restrictions placed on salaries, perquisites, travelling expenses etc. There are taxes on the maintenance of guest houses. These are only a few of the various taxes on the corporate sector.

Coming to the Taxation proposals I want to say a few words. What should be the fiscal policy that should be followed by the Government of India? What is it that should be done in the present context to usher in the promised socialist society?

In ancient times the fiscal measures were such that there should not be any heavy burden on the agriculturists. They are not only the backbone but the kingpin of the nation. So far as businessmen and traders are concerned, the taxation should be gradual. Whatever tax is imposed, that has to be realised in full and then only new levy may be imposed.

I am afraid whether the Government has got the machinery for realising these amounts. I do not know whether the Finance Minister has got the machinery geared up to this extent whatever proposals are made would be fully implemented.

It is apprehended that when new taxation comes into force there will be price rise. If the pace of growth makes steady progress the fear

is baseless. If there is no growth of course there will be price rise. In a changing situation nobody can say that price will remain ever steady.

The Indian economy operates on a very narrow margin. Therefore, marginal shortfall in supply and marginal increase in demand may upset the entire economy. There should be emphasis laid more and more on Resources and the Finance Minister has done well in mobilising resource for growth.

During the last three plan periods the average annual total output has been increasing at the rate of 3½ per cent. Against this average the annual growth rate of population is about 2½ per cent. It means, we had a nominal 1 per cent average *per capita* output. If there are no resources there cannot be growth and the country cannot progress towards prosperity.

Therefore, taxation is inevitable. Now, the question comes on which subject there should be tax. There is objection that tax has been levied on maida, petroleum and other things. Of course, those things should not be taxed. But to mobilise resources, such things as are utilised by the majority of the people cannot be exempted.

So far as tax on lipstick is concerned, it is stated that it is a tax on cleanliness. But if any body remembers or recollects the origin and development of the application of lipstick, he will be horrified because it has a very nasty past.

While making the budget proposals, I am sure the Finance Minister has kept in view the social obligations and the social needs. In this respect, I would quote what the Prime Minister said while presenting the budget last year, namely :—

“The budget has been prepared to reconcile the imperatives of growth with concern for the well-being of the needy and the poor.”

I would appeal to the Finance Minister here about one thing—some concession of taxes on motor spirit. He has imposed tax on items like motor spirit, maida, soap and other such things. These are the things which are used by the lower middle class people and others, not but

by the common people in the villages. Those who have criticised this have the people living in the urban areas in their view. You may go to the villages and see if anybody uses bread or things prepared out of maida. The people living in the cities are more vocal and they are an organised society, and, therefore, their voice is raised here by their representatives, but the voice of the people living in the interiormost villages has never been raised.

There is scope for practising economy on the expenditure side. To mention briefly, luxury cars should be done away with. There is scope for practising economy in our foreign missions abroad.

Coming to my State, I must speak one word. We live in a peculiar geo-political condition that is not of our creation and we are destined to live there. Private capital is shy of coming there, and the Government of India are not coming in a big way to establish industries there, and, therefore, there is regional imbalance in growth. If there is regional imbalance, the country as a whole cannot prosper.

So far as the employment position is concerned, the BSF and the CRP are the two big things where there is big recruitment, but I am sorry to say that not many persons have so far been recruited to these forces from Assam. Since these provide the greatest employment avenue I would take this opportunity to appeal to the Government of India to look into this matter.

SHRI VIKRAM CHAND MAHAJAN (Kangra) : There has been great criticism regarding the budget proposals. Some have gone far and have criticised it by saying that it is a sort of betrayal of the masses and of the trust reposed by the people. As my hon. friend Shri Biswanarayan Shastri has put it, one cannot be more effective by using adjectives but it is only mere oratory. But one has to look into the realities to find out what exactly the budget means.

The present budget is, one cannot deny it, a great step in the march towards socialism. A real effort has been made to reduce inequalities and to meet the problems facing the country. The main problems facing the country are the problem of inequality, the problem of unemployment, the problem of poverty and the problem of population expla-

sion, and the problem of malnutrition which the newer generations are facing. For example, our younger generations are not getting enough nutritive food. The result is that they are both physically and mentally under-developed.

In this year's budget, a big attempt has been made to see that they get proper nutrition. Thus for the first time perhaps in the central budget, there is a provision for nutrition for the young children.

Secondly, there is an attempt to reduce inequalities. For example the rate of wealth tax has been raised. If a person has a wealth of Rs. 15 lakhs and he puts it in fixed deposit in a bank, it will fetch 7½ or 8 per cent; if he invests it in companies, he may get 10 per cent. On a wealth of Rs. 15 lakhs, income at the rate of 10 per cent would come to Rs. 1,50,000. On this, income tax would take away about Rs. 80,000 to Rs. 90,000 and he would be left with Rs. 60,000 or Rs. 70,000. So on a wealth of Rs. 15 lakhs, the net income would be Rs. 70,000—a return of 5 or 6 per cent on capital. What would happen if with each successive year, the wealth of that person would be going down, from Rs. 15 lakhs to Rs. 14-1/2 lakhs and so on. So in this budget there is an attempt to reduce excessive concentration of wealth among the higher echelons.

Then the budget enhances the income tax on incomes over Rs. 15,000 a year, leaving out the weaker sections. Similarly taxes have been imposed on luxury goods, not necessities like wheat, rice, dals etc. Of course, as speaker after speaker pointed out, there is scope for modification of the tax on maida, and petrol, specially those who run taxis and scooters. I hope the Finance Minister will reconsider this at the appropriate time. Also I personally think the tax on coarse cloth should go, but there is justification for taxing the finer varieties of cloth.

Thus an attempt has been made to tax the wealthier sections of society, leaving more benefit to the lower income groups. The exemption limit now provided comes practically to Rs. 6,000 a year. This is quite fair.

Now, I would like to give a few suggestions which may be looked into. There is great scope for economy in the administrative structure. We have a chain of officers, from the clerk, to the head clerk, to the section officer, then

[Shri Vikram Chand Mahajan] under-secretary, then deputy secretary, then joint secretary, then additional secretary and then Secretary. Each has its complement of chaprasi etc. which means that there is a multiplicity of officers in the entire bureaucracy. Not only it causes a heavy strain on the economy, but efficiency also suffers. The time has come to reconsider whether we really need such an elaborate echelon of officers. It happens that the main decision is taken at the lower level; for example, the clerk takes the decision and I think in 90 per cent of cases, this decision goes through with minor modifications. Therefore, it can be considered whether it is not proper to cut out this elaborate system which has become outmoded and reduce the number of officers, having one or two instead of such a lot of them.

Secondly, I find that the Estate Duty which is painless and brings about social justice has not been revised this year. Our rates are lower than those of Great Britain. I, therefore, suggest that a higher Estate Duty should be imposed. It will be easier to pay and it is also not deterrent to the economy of the business. There is no ceiling on business income. In fact, it does not deter a person from earning more as some other taxes may. This is one of the strongest arguments put forward in favour of a higher Estate Duty and lesser taxes on regular incomes. I think the present income-tax should continue and at the same time we should have a higher Estate Duty.

We have a great problem of population explosion. The present system of taxation favours the married man and the person with a larger family. A bachelor has to pay more than a married man and a married couple has to pay more than a person with more than two children. So I suggest that the bachelors should be given more incentives and people with larger families should be taxed more. Those who exceed the limit should pay a sort of penalty for depriving the children of the weaker sections of the society from getting the best out of the provisions made by the country. Therefore, I suggest that there should be a tax on larger families.

Deficit financing should not be resorted to such a great extent because ultimately it hurts the weaker sections of the society and it is in fact a sort of indirect tax. Deficit

financing is necessary in a growing economy to a certain extent, but if it crosses the upper limit, then it starts hurting the economy. I think deficit financing to the extent of Rs. 220 crores would not help the economy and may hurt the economy. Therefore I suggest that this heavy deficit financing should be avoided.

Finally, I submit that the Budget on the whole is an attempt to reduce inequalities among the different sections of the society. It is a budget which does help investment and growth. I hope that the suggestions which I have made will be considered.

श्री मूलचन्द डागा (पाली): सभापति महोदय; हम भारतवासियों में एक आदत है कि हम अपनी लाचारियों और परेशानियों को पचाना जानते हैं। हम हर प्रकार की कुर्बानियां करने के लिए तैयार हैं और कठिनाइयों को झेलने के लिए तैयार हैं, लेकिन सरकार के द्वारा जो धन-दौलत इकट्ठी की जाती है, उसमें लाभान्वित कौन होता है? आखिर सरकार हम पर कितना बोझ डालना चाहती है? जैसा कि मैंने कहा है, हम भारतवासी अपनी परेशानियों को सहने के आदी हो गये हैं। लेकिन आम लोगों की कुर्बानी से जो धन उत्पन्न होना है, जो साधन जुटाये जाते हैं; उनका लाभ एक विशेष वर्ग उठाता है। सरकार ने जो टैक्स लगाये हैं, उनका लाभ किसको हुआ है? सरकार कई सालों से मूल्यों को नियंत्रित नहीं कर सकी है और कीमतें बराबर बढ़ती जा रही हैं। सरकार की नीतियों के कारण दूसरी और तीसरी योजनाओं के दौरान मुद्रा 17 गुना बढ़ गई है। यह सोचने की बात है कि उससे देश के कौन-कौन से वर्ग मजबूत हुए हैं।

आप बार-बार कहते हैं, हम भी मानते हैं इससे गरीबों को लाभ होगा लेकिन एक बात मानने की यह है कि आपकी कीमतें दिनों-दिन बढ़ती जाती हैं। उनको रोकने में भारत सरकार बिल्कुल असफल रही है। दूसरी योजना के अंदर 33 प्रतिशत मूल्य बढ़ गए और अब तीसरी योजना के बाद 32 प्रतिशत बढ़े। इसका सबसे बड़ा कारण यह है कि 1939 में 249 करोड़

मुद्रा थी वह 1970 में बढ़ कर 4248 करोड़ हो गई। इस तरह से आपकी मुद्रा बढ़ती गई और आज आप टैक्स लगाने की बात कहते हैं। आप टैक्स लगाइए, लेकिन भारत की आर्थिक दृष्टि से आज बड़ी हीन अवस्था है। हम तो इसको हीन अवस्था ही कहते हैं कि आज हम सुगन्धित तेलों पर और साबुन पर और ऐसी चीजों पर टैक्स लगाते हैं यह कहकर कि यह विलास की सामग्री है। आज हमारे यहां यह विलास की सामग्री लगती है; फाइनेंस मिनिस्टर कहते हैं कि यह विलासिता के अन्दर आती है। 23 साल के बाद यह हालत है। मैं पूछना चाहता हूँ, दूसरे देशों के मुकाबिले में आज हम कहां टिकते हैं? अपने पास का देश है चाहे पाकिस्तान है और चाहे लंका है, उनकी नेशनल इनकम आप देखिए और अपनी देखिए तो दुख मालूम होता है कि किस तरह से हम लोग अपने आप को उठाने की बात कहते हैं। योजनाओं की कोई बात नहीं। आप टैक्स लगाइए, वह भी हम देने को तैयार हैं, कुर्बानी के लिए भी हम तैयार हैं, हिन्दुस्तान के लोग सारी कठिनाइयां उठाने को तैयार हैं। लेकिन उससे लाभ क्या होता है? जिब दिन आपका बजट आया भावों की उछल कूद उसी दिन से शुरू हो गई। इससे पूंजीपति लाभान्वित हो सकते हैं, सरकारी कर्मचारी लाभान्वित हो सकते हैं, या कोई विशेष वर्ग लाभान्वित होगा, लेकिन हिन्दुस्तान के जो गरीब हैं उनको इससे लाभ नहीं पहुंचा है। वह गरीब ऊपर नहीं उठे हैं, वह और दबे हैं। आप देखिए हम लोगों को खाने को जो मिलना चाहिए वह 23 सौ कैलोरी भोजन मिलना चाहिए और भारत को मिलता है 18 सौ कैलोरी। पाकिस्तान को 2,290 कैलोरी, लंका को मिलता है 2,180 कैलोरी, इटली को 2,860 कैलोरी और अमेरिका को 3,200 कैलोरी। तो भोजन जो हमको मिलता है उसमें कमी है और जो हमारी वार्षिक आय है उसको ले लीजिए तो उसमें भी कमी है। आप देखिए आज हम लोग कहां तक आगे बढ़े हैं? भारत के प्रत्येक व्यक्ति की वार्षिक आय इन तीन योजनाओं के वावजूद 453 रुपये है जब कि पाकिस्तान की 810 रुपये, जापान की

6908 रुपये, जर्मनी की 11340 रुपये, फ्रांस की 13035 रुपये और अमेरिका की 24773 रुपये हैं। तो आप किन बातों में आगे बढ़े हैं? हम टैक्स देने को तैयार हैं। मुल्क के ऊपर खूब टैक्स लगाइए लेकिन उसका नतीजा क्या निकलता है? दस करोड़ रुपया हमने बच्चों के लिए रख दिया, उनके पोषण के लिए, बहुत बड़ी बात अखबारों में आ गई। हमने 50 करोड़ बेकार युवकों के लिए रख दिया, अखबारों में आ गया। लेकिन काम कितना हुआ? बैंकों के राष्ट्रीयकरण के बाद क्या आपने देखा कि बैंकों के कर्मचारियों का ऐंटीच्यूड क्या हो गया है? जितने छोटे काश्तकार हैं दस से पन्द्रह बीघे काश्त करने वाली उनको कितना कर्जा इन बैंकों से आपने दिलाया? जो छोटी-छोटी जमीनों पर काश्तकर रहे हैं, जिनके पास जमीन केवल एलाट की हुई है, जो खातेदार नहीं हैं उनको कौन आज कर्जा देता है? आज बैंकों में क्या हालत हो रही है कभी देखा आपने, कर्मचारियों में कितनी स्फूर्ति आ गई है? सारा प्रशासन ढीला है। निकम्मा है अव्यवस्थित है। सारे प्रशासन पर करोड़ों रुपये आज खर्च हो रहे हैं। करोड़ों रुपये हम सरकारी कर्मचारियों को तनख्वाहों में देते हैं और हर साल बजट में वृद्धि होती जाती है। इधर हमने बजट बढ़ाया उधर मूल्य बढ़ गए। तनख्वाहें जो बढ़ी उस के करोड़ों रुपये देने हैं। करोड़ों रुपये तनख्वाहों के सारी स्टेट्स को देना है। बैंकों का कर्जा आज कितने करोड़ रुपये हमको देना है?.... (व्यवधान).... ओवरड्राफिट तो है ही। सरकारी कर्मचारी जो तनख्वाह पाते हैं, क्या इतनी तनख्वाह बाजार में कहीं वह पाएंगे? लेकिन हम उनकी तनख्वाह फिर भी बढ़ाना चाहते हैं। जो वास्तव में काम करने वाले हैं वह हिचकिचाते हैं उनमें हिम्मत नहीं है, साहस का कदम वह उठा नहीं सकते। यह बजट है क्या? सरकारी अधिकारी बैठते हैं अपने कमरे में जिनका आंकड़ों का बड़ा ज्ञान है और सिर्फ किताबी ज्ञान है वह बजट बनाते हैं। जो मिनिस्टर होते हैं उन्होंने अपनी कलम से कुछ हेर फेर कर दिया और बजट बनकर आ जाता है। कमेंट्री हो जाती है, अखबारों में निकल जाता है। लेकिन जो गांवों

[श्री मूल चन्द डागा]

का रहने वाला है वह इस समाजवादी वजट से जो इंदिरा जी का बना है उससे प्रभावित नहीं होता है हम चाहे जितनी लम्बी डींगे हाँके। आज बंगाल की समस्या का नाम लिया जाता है। बंगाल की समस्या को तो हमने खड़ा कर दिया। उसी समय हमने निर्णय ले लिया होता तो यह समस्या खड़ी नहीं होती। आज कहते हैं कि पचास लाख आदमी आ गए, अब समस्या खड़ी हो गई। अगर उसी समय निर्णय ले लेते तो यह स्थिति नहीं आती। आज हिन्दुस्तान में निर्णय लेने वाला नहीं रहा। समय से निर्णय न लेने के कारण इतना और डेफिसिट बढ़ा। इसी तरह आज हिन्दुस्तान में कई बातें ऐसी हैं। कौन कहता है कि आप राज्य सभा रखें, अपर हाउमेज रखें। क्या जरूरत है कि मंत्रियों के इतने ज्यादा पद रखें? लेकिन आज प्रशासन का जो खर्चा है उसको कोई रिड्यूम करना नहीं चाहता, उसके लिए कोई कदम उठाना नहीं चाहता। आप देखते हैं कि सरकारी कर्मचारियों के साथ कौन झगड़ा मोल ले? हड़ताल हो जायगी। कोई मजबूत कदम उठाने की हिम्मत नहीं पड़ती है। मैं कहना चाहता हूँ कि हम समाजवाद का कदम उठाना चाहते हैं तो एक बात से उठ सकता है कि हम लोग कुछ ठोस और मजबूत कदम उठाएँ.... (व्यवधान).... आप राज्य सभा भंग कर दीजिए। क्या जरूरत है राज्य सभा की? क्या जरूरत है आपको अपर हाउमेज की? क्या जरूरत है इतने मंत्रियों को रखने की?....

AN HON. MEMBER: What is the need of this House also?

श्री मूलचन्द डागा: That is necessary. रखना चाहते हैं रखिए, नहीं रखना चाहते हैं न रखिए। जितने आपके उपक्रम चले उनमें सब में आपका नाम रहा। अरबों रुपये की दौलत उनमें लगी और करोड़ों का काम हो रहा है। एक बड़ी बात यह और हुई कि जो गांवों में छोटी-छोटी इंडस्ट्री चलती थी उसके लिए आपने एक सर्कुलर निकाला 29 मई, 1971 को जिसके अनुसार हजारों छोटे-छोटे गृह उद्योग करने वाले बेकार हो गए।

उसके अनुसार जो न पावर इस्तेमाल करते हैं न स्टीम, जो हैंड आपरेटेड काम करने वाले हैं उनके ऊपर भी एक्ससाइज ड्यूटी आपने इतनी बढ़ा दी जितनी लूम पर थी। इस प्रकार राजस्थान के गांवों के हजारों आदमी जो इस धंधे में लगे थे जो हाथ से काम करने वाले थे उनको समाप्त करने का काम आपने कर दिया। हजारों लोग बेकार हो गए। जो भिबंडी से कपड़ा आता था उसके लिए पावर लूम पर जो टैक्स लगता था वह लगा दिया और जो हाथ से काम करते हैं, एलेक्ट्रिसिटी नहीं, स्टीम नहीं, कुछ नहीं इस्तेमाल करते उनके ऊपर भी उतना ही टैक्स लगा दिया। इस तरह हजारों की संख्या में वह स्पिडलर्स बेकार हो गए। तो आप कहाँ उनको रखना चाहते हैं? इसलिए मेरा ख्याल है कि इस पर भी आपको विचार करना चाहिए और मैदा के मामले पर तो आप सोचते ही होंगे कि मैदा पर टैक्स न लगाया जाय।

SHRI Y. S. MAHAJAN (Buldana): Mr. Chairman, Sir, I welcome the budget presented by the Finance Minister to this House. I welcome it because it is progressive, radical in nature and purposful. Under a planned economy like ours, the annual budget is an important instrument of economic policy. It is not merely a statement of revenue and expenditure. It also incorporates the capital receipts and capital expenditure of the community. That is, on a certain expectation of resources, it arranges for their disposal, that is it decides how the money resources are to be expended for the development of the economy. I think the budget must be considered from this developmental point of view.

We have adopted a policy of planned economic development for the last 20 years. In the first 10 years, from 1951 to 1960 our real income increased by 3.7 per cent per annum and the *per capita* real income increased only by 1.7 per cent per annum. During the next nine years, till 1969, the progress was not so satisfactory. We registered a progress of 3.4 per cent, but with population increasing at 2.4 per cent, the real *per capita* income increased only by 0.9 per cent. Thus, over these 19 years, there has been a distinct improvement in our economic conditions. But it has not come up to our expectations. During

the last year—1970-71—our economic progress has been fairly satisfactory. Our foodgrains production has increased by 5 to 6 million tonnes. Industrial production increased by 5 per cent. The real national income increased by 5.5 per cent. This is the second time that we have done it according to the targets set in the fourth Five year plan. Not only has agricultural production responded well, but our exports increased. Our foreign balance was in a strong position and foreign aid is being reduced.

Under these circumstances, it was natural for the Finance Minister to feel encouraged to embark on a larger annual programme of development this year. He has decided that during 1971-72 we should spend not Rs. 155 crores but Rs. 300 crores more than last year on economic development. This larger investment is going to be distributed between important areas, or I should say, strategic areas like shipping, ports, roads, mines and metal, agriculture and family planning.

It has been said that this programme is meant to benefit the private sector. This is looking at it from the wrong point of view. We want to develop the public sector so that it would occupy the commanding heights of the economy. The public sector is the spearhead of one economic advance. If it advances, the whole of our economy will advance and we can progress more rapidly.

This budget has to be welcomed also because it is an important landmark in our march towards socialism. This is perhaps the most radical budget so far, because it slashes down the inequalities to a considerable extent. Mr. Chairman, in your speech you had dealt with this point but at the risk of repetition. I may point out, if you earn Rs. 1 lakh more, you have to pay Rs. 60,000 by way of income tax. If you earn Rs. 1 lakh more you pay Rs. 92,000. On the third lakh, you pay Rs. 97,500. That means, no honest man can ever be rich in this country. Holding of property beyond Rs. 5 lakhs becomes uneconomic. After Rs. 10 lakhs, it is still more economic. After Rs. 15 lakhs, it is impossible, because you have to pay a tax of Rs. 8 per cent. If you invest Rs. 15 lakhs on housing or put it in a bank, you cannot get a net income of more than Rs. 8 per cent. Therefore, we have virtually a ceiling on income as well as

on property. This is an important landmark in our march towards socialism.

Thirdly, we welcome this budget because it makes a determined effort to solve the problem of unemployment. This problem has been with us since 1942, or since the end of the second world war. At the beginning of the Second Plan we had a backlog of five million. At the beginning of the Third Plan it rose to 7 million. At the beginning of the Fourth Plan we had a backlog of 10 million to 14 million and it is expected that by the end of the Fourth Plan it will reach 20 million. Though the plans have been arranged in such a way to create employment to the maximum extent, that does not solve the employment problem because our population has been increasing at a phenomenal rate. Therefore, some special efforts have to be made outside the plan. This budget proposes that we should spend Rs. 50 crores for a crash programme for increasing employment in the rural areas. It has further provided Rs. 25 crores for giving aid or self-employment opportunities to the educated people in this country. For the first time we have gone beyond the plan and made this arrangement. People have criticised the Finance Minister on the ground that the amount provided is too small. But it is only the beginning. Our Government is quite conscious of the immensity and urgency of this problem. I am quite sure that our Government is prepared to increase this provision ten-fold, if necessary, to see that this problem is solved. Well begun is half done.

Lastly, this budget has been criticised by the members of the opposition on the ground that it would increase the price level. So far as the prices of petrol, fine and super-fine cloth are concerned, I agree that their prices will increase but they are commodities which are consumed by the middle and higher middle class and richer sections of the community. So far as the commodities consumed by the poor people of this country are concerned, their prices will not increase. Take the case of coarse cloth. There the duty has been raised from 3.6 paise to 4 paise. In the case of medium cloth the duty has been raised from 4.8 paise to 6 paise. Nobody in this sense will contend that these increases are appreciable. Again, take the case of soap. Laundry soap and household soap have not been touched by the increase in excise duty. Even the duty on

[Shri Y. S. Mahajan]

maida is only 10 paise per kilogram. But since this is linked with the health and nutrition of children, and since our responsibility towards children is absolute its fulfilment should not depend on yield from taxation of maida. I think it will not be inadvisable if the Finance Minister reconsiders his position in this matter.

It is reported that meetings have been arranged and *morchas* organised against this budget because it is contended that prices will increase by 8 to 10 per cent. This is an absolutely wrong conclusion. The price level depends on a number of factors, many of which are beyond the control of the government. Suppose the influx of refugees increases tomorrow to a larger number. Naturally, our expenditure will go up. Similarly, suppose the monsoon fails next year, then also the prices will go up. So, the question we have to consider is whether the budget is responsible or increasing the prices. I submit that the prices will not increase on account of the budget.

The Finance Minister deserves all our sympathy and whole-hearted support for the reason that he has brought forward this budget under the shadow a very great tragedy, a tragedy which has resulted in the massacre of lakhs of people and the fleeing of millions of people to this country. They are people who were formerly our citizens. They are people who belong to us and we have to give succour to them. We do not know how much of expenditure will have to be incurred till they are repatriated. This budget has been brought forward at such a critical time. Therefore, this deserves support from all sides of the House, because this is a calamity for which the Finance Minister is not responsible, the Government of India is not responsible. Under these conditions, I hope this House will give its whole-hearted support to the budget presented by the Finance Minister.

श्री रुद्र प्रताप सिंह (बाराबंकी) : मान्यवर, आपका मैं दिन से आभारी हूँ जो आपने मदन में 1971-72 के बजट पर अपने विचार प्रकट करने का अवसर दिया। मैं इसका समर्थन करना चाहता हूँ।

श्रीमन्, मैं सबसे पहले अपने दल के नेता,

अपने प्रधान मंत्री को इस बात के लिये वधाई देना चाहता हूँ कि उनके नेतृत्व में देश में कांग्रेस दल को स्पष्ट बहुमत मिला और इस के फलस्वरूप यहाँ पर केन्द्र में एक ऐसी सरकार का गठन हुआ जो कि देश में वास्तव में समाजवाद लाना चाहती है। मैं वित्त मंत्री जी को इस बात के लिये वधाई देना चाहता हूँ कि उन्हें लोक सभा के मध्यावधि चुनाव में जनता का जो दल को आदेश प्राप्त हुआ है उसका स्मरण है और तन, मन, धन से उसका पालन करना चाहते हैं। श्रीमन्, वह आदेश था देश में सामाजिक और आर्थिक विपमता को दूर करने का। देश से गरीबी, बेकारी और बेरोजगारी को हटाने का और देश के जो पिछड़े हुये हिस्से हैं उनका संतुलित विकास करने का। और साथ ही साथ इस बात का भी आदेश था कि देश के अन्दर एक सामाजिक और आर्थिक ऐसी व्यवस्था की जाय जिसके अन्दर जो जनता है वह शोषण से मुक्त हो सके।

श्रीमन्, यह वास्तविकता है कि देश में कृषि के क्षेत्र में उत्पादन में वृद्धि हुई है। परन्तु इसके साथ साथ यह भी दृष्टि में रखना चाहिये कि लागत में भी पर्याप्त वृद्धि हुई है। इसके लिये आवश्यक है कि सिंचाई के साधन बढ़ाये जायें और अधिक उन्नतिशील बीजों का अविष्कार किया जाय। साथ ही साथ कृषकों को जो कृषि के यन्त्र हैं उनके मिलने में बड़ी कठिनाई हो रही है, जैसे छोटे ट्रैक्टरों का देश में बड़ा अभाव है। उनके बनाने की व्यवस्था की जाय जिससे कृषकों को शीघ्रतापूर्वक ट्रैक्टर प्राप्त हो सकें। हमारा ऐसा विश्वास है कि अगर ऐसी व्यवस्था सरकार की तरफ से हो जायगी तो उस समय देश के जो उद्योग कृषि के क्षेत्र में हैं, जो उनकी उत्पादन क्षमता है, उसमें दुगुनी वृद्धि सम्भव हो सकती है।

श्रीमन्, गन्ने की खेती की स्थिति बहुत ही गर्भर है। मैं माननीय सदन का ध्यान इस ओर आकर्षित करना चाहता हूँ कि स्थिति यहाँ तक पहुँच गयी है कि मिलों के ऊपर किसानों का कई वर्षों का गन्ने का मूल्य बकाया पड़ा हुआ है जिसकी अदायगी नहीं हो पा रही है जिसकी वजह से

स्थिति बहुत भयानक हो गयी है और यहां तक स्थिति पहुंच गई है कि काश्तकारों के ऊपर जो अन्ध बकाया है उनकी अदायगी के लिये काश्तकारों को अपने घरों के जेवर बेचने पड़ रहे हैं। अगर मिल मालिकों के पास काश्तकारों की बकाया अदायगी के लिये पैस न हों तो मैं चाहूंगा कि मिल ओनर्स के घरों के जेवरों को नीलाम कर के किसानों के गन्ने की कीमत दिलाई जाय।

श्रीमन्, लघु उद्योगों के क्षेत्र में भी पर्याप्त उन्नति हुई है। मगर इसके साथ-साथ इस बात की आवश्यकता है कि उस क्षेत्र में लागत और कार्यकुशलता में भी वृद्धि की जाय। साथ ही साथ औद्योगिक प्रशिक्षण की भी बड़ी आवश्यकता है जिम्मे जो लोग उद्योगों में लगे हुए हैं वह अधिक कुशलतापूर्वक कार्य कर सकेंगे तथा जो शिक्षित बेकारी है वह भी दूर हो सकेगी। इसके अतिरिक्त यह भी आवश्यक है कि जहां तक हो अधिक से अधिक बड़े-बड़े उद्योगों का राष्ट्रीयकरण किया जाय। और साथ ही साथ उद्योगों के क्षेत्र में लाभ, और व्यवसाय की दृष्टि से सरकार की ओर से बड़े-बड़े उद्योगों की स्थापना की जाय।

श्रीमन्, मैं सरकार को इस बात के लिये बधाई देना चाहता हूँ कि सरकार ने ग्रामीण क्षेत्र में प्रत्येक परिवार में कम से कम एक व्यक्ति को रोजी देने के लिये व्यवस्था की है। साथ ही शहरी क्षेत्र में भी रोजगार देने के लिये कृतसंकल्प है और उसके लिये वचनबद्ध है। उसके लिये अलग से बजट बनाने की बात कही गई है।

श्रीमन्, यह बड़ी प्रसन्नता की बात है कि सरकार का ध्यान मूठ्यों के बढ़ने पर पूर्ण रूप से है और इस बात के लिये प्रयास करना चाहती है कि नवविष्य में किसी प्रकार की मूठ्यों में बढ़ोत्तरी न हो।

श्रीमन्, बजट में इस बात का भी जिक्र किया गया है कि प्रादेशिक जो असमतार्य हैं, असंतुलन है; उनको दूर करने का प्रयास किया जायगा। यह एक बहुत ही सराहनीय कार्य होगा और मेरी समझ में इसमें देश में जो संतुलित विकास होगा

उससे देश के अन्दर एक राष्ट्रीय एकता की भावना पैदा होगी।

श्रीमन्, यह प्रसन्नता की बात है कि सरकार ने नौकरशाही के ऊपर भी ध्यान दिया है और यह महसूस किया है कि देश की प्रगति के मार्ग में, और देश में समाजवाद लाने के मार्ग में जो नौकरशाही बाधक है उसको ठीक करना चाहिए।

औद्योगिक सम्बन्धों में सरकार श्रमिकों के साथ जो सलाह-मशविरा करना चाहती है वह देश में समाजवाद लाने की दिशा में एक मजबूत कदम होगा।

श्रीमन्, सरकार ने वीमा को जो राष्ट्रीयकरण किया है मैं उसके लिये सरकार को बधाई देना चाहता हूँ और इस बात के लिये सरकार से आग्रह करना चाहता हूँ कि निकट भविष्य में तीव्रता के साथ उद्योगों के क्षेत्र में भी इस राष्ट्रीयकरण की परम्परा को जारी रखे।

श्रीमन्, सरकार ने गन्दी वस्तियों के सुधार के लिए, और बच्चों के पोषण के लिए जो योजनाएं बनायी हैं वह देश की उन्नति में सहायक होंगी। साथ ही साथ पब्लिक स्कूलों में 25 प्रतिशत स्थान गुणवान उम्मीदवारों के लिए सुरक्षित किए जा रहे हैं यह एक बहुत ही महत्वपूर्ण कदम है, इसके द्वारा हम योग्यता और धमना के अनुसार देश के बच्चों को एक अवसर प्रदान करने जा रहे हैं।

श्रीमन्, पूर्वी बंगाल में जो लोग भारत आए हुए हैं उनकी सरकार ने जो सहायता की है उनके लिए सरकार सराहना की पात्र है। लेकिन मैं जरूर कहूंगा कि अपने देश की आर्थिक स्थिति को देखते हुए यह बहुत जरूरी है कि इस बात की व्यवस्था की जाय, जैसा कि बजट में कहा गया है कि, वह लोग इज्जत के साथ अपने घरों को वापस चले जायें। इसके लिये जो भी राजनीतिक, कूटनीतिक और सामरिक नीति अपनाने की आवश्यकता हो उसको अपनाने में कोई हिचक नहीं होनी चाहिए।

[श्री रूद्र प्रताप सिंह]

इसी प्रकार से आय के साधनों के बारे में सरकार ने ऐसी नीति बनायी है कि जिससे कर निर्धारण से वचने का कोई तरीका न निकाल सकें, और जो असमानतायें हैं वह समाप्त हों। सरकार ने यह भी ध्यान रखा है कि जहाँ तक सम्भव हो आवश्यक वस्तुओं पर करों का प्रभाव विशेष रूप से न पड़े। कर प्रणाली को और अधिक सख्त करने की बात कही गयी है, यह बड़ी प्रसन्नता की बात है।

शहर और देहात, दोनों क्षेत्रों में धन और आय की समान सीमा निर्धारित की जाय नहीं देश में वास्तविक समाजवाद की स्थापना हो सकेगी।....

सभापति महोदय : अब आप अपना भाषण समाप्त करें।

श्री रूद्र प्रताप सिंह : अब चूंकि समय कम है इसलिये मैं, दो एक महत्वपूर्ण बात जल्दी जल्दी में कहना चाहता हूँ। व्यक्तिगत सम्पत्ति की उच्चतम सीमा निर्धारण के बारे में जिस नीति की घोषणा की गयी है यह समाजवाद की दिशा में एक बहुत मजबूत कदम होगा।

अन्त में, चूंकि समय नहीं है, एक महत्वपूर्ण बात का जिक्र करना चाहता हूँ। इस बजट में इस बात का ध्यान रखा गया है कि जहाँ तक सम्भव हो सके अमीर लोगों के ऊपर अधिक टैक्स लगे और गरीब लोगों पर नहीं लगे। यह बहुत अच्छी बात है। गरीबों के काम में आने वाली चीजों पर कम से कम करों का बोझ पड़े और जिन वस्तुओं का इस्तेमाल गरीब बहुत कम करते हैं, या बिल्कुल नहीं करते—जैसे कि नशीली और विनासिता की चीजें हैं,—इनपर जो टैक्स लगाया गया है मेरी समझ में वह कम है। अगर इनमें वृद्धि की जाय तो ठीक होगा, विशेष रूप से नशीली वस्तुओं पर और अधिक टैक्स लगा सकते हैं।

अन्त में मुझे यह कहना है कि आज अधिक

क्षेत्र में विपमताओं को समाप्त करने के लिए केन्द्र तथा राज्यों के कार्य क्षेत्र का जहाँ तक प्रश्न उठता है और उससे सम्बन्धित जो संबैधानिक प्रश्न उठते हैं उनको समाप्त करने के लिए अगर आवश्यक हो तो हमारे देश में जो वर्तमान मंत्रिधान है उसमें निश्चित रूप से संशोधन किया जाय।

यह जो घाटे का बजट है इसका कारण हमारे साधनों का अभाव न होकर हमारे राष्ट्रीय चरित्र की कमी है। अगर चरित्र में उन्नति हो जाय तो घाटे की व्यवस्था दूर हो सकती है। सार्वजनिक क्षेत्र में जो उद्योग हैं, और जिनका हम राष्ट्रीयकरण कर देते हैं, अगर हमारा राष्ट्रीय चरित्र उठ जाय तो उनमें घाटे का कोई प्रश्न ही नहीं उठेगा। इसके लिए मेरा सुझाव है कि जहाँ तक हो सके शिक्षा का राष्ट्रीयकरण किया जाय।

“समाजवाद की राह पर मैं अकेला ही चला था जानिवे मंजिल, मगर लोग मिलते गए, कारवां बनता गया।”

इन शब्दों के साथ मैं इस बजट का समर्थन करता हूँ।

SHRI S. RADHAKRISHNAN (Cuddalore) : The Finance Minister has presented this budget which is really a socialist budget, I support the Budget and the Demands.

I want to place before the House certain major issues to be considered by the Members. I wish to draw the attention of Mr. Baladhandayutham from the benches of the Communist party. He was making a ghostly touch in his budget speech and he has made a ghostly disappearance from the House. I remember that he was saying that Hastings and Clives of Indian capitalism have been impeached and the ghosts of Hastings and Clives are occupying the Treasury benches. What I say is that those ghosts are not occupied only in treasury benches but ghosts are there in the Opposition benches also. There are ghosts everywhere in all parties even in the name of communism.

In the last mid-term election people gave a massive mandate and they have impeached some of the ghosts from the Opposition benches.

16.52 hrs.

[SHRI K. N. TIWARY *in the Chair*]

I wish to place before the House certain important issues to be considered by hon. Members. This is about the dissatisfaction and misapprehension prevailing in the States all over the Country, in some States and particularly Tamil Nadu.

The Chief Minister of Tamil Nadu Mr. Karunanidhi presented the Budget in the floor of the Assembly during the month of March. He expressed his dissatisfaction. He stated that the Finance Commission and the Planning body had been partial in making the allotment to the State. This is found in the Budget speech presented before the Assembly. The Chief Minister made special attempts to say that the Fifth Finance Commission and the Planning Commission had been partial. He has argued that near about Rs. 800 crores has been given to other States under Special Accommodation. He said: "I am not going to argue whether this amount is given or not, but in the interest of the national integration I want from the Finance Minister a categorical reply to remove away the suspicion that is prevailing here." He has argued that calculating on the various commitments made, the figure comes to roundabout Rs. 98.5 per head, calculated on the basis of all-India, whereas, if it is worked out for Tamil Nadu alone, it comes to Rs. 87.5 per head. In the First Five year plan itself the allotment for Tamil Nadu comes to 10.8 per cent whereas in the Fifth Plan it comes to only 5.7 per cent, that is, half of the total percentage given in the First Plan. I want to say, in the interest of the nation, that let the Finance Minister come out and clear away the suspicion that is prevailing.

The country has to be ruled as a total entity and anything detrimental to national integration should be eschewed. The activities of the Central Government and the budget that they present should reflect the aspirations of the States. The Central budget should be a consolidated one reciprocating the aspirations

and wishes of the States. That is the first point that I would like to make out.

Regarding taxes, my hon. friend Shri Balathandayutham and others have criticised them and said that they are a burden on the people. No doubt, that is the usual criticism which is made. As usual, our friends opposite call themselves socialists and they think that they are the only socialists in the country, and, therefore, they have availed of this opportunity to make a best show of their performance as if they are wedded to socialism. Our Minister of State in the Ministry of Finance, Shri K.R. Ganesh has ably replied to my hon. friend Shri Balathandayutham. The people of our country have seen many of these socialists in power in different States of India; we have seen many of our Opposition parties ruling in different States under the banner of socialism and with the word 'socialism' imprinted or engraved in it. They have been given a chance to rule in some parts of our country, as for instance Kerala and West Bengal, and we know how they ruled. They rule those parts of the country and ultimately they were ruled out of the country. The people have given a massive mandate to our party, and they have expressed their faith in the causes of Shrimati Indira Gandhi. So, our friends need not worry about socialism and other things. Socialism and other things are safe in the hands of Shrimati Indira Gandhi and her Government.

SHRI M. M. JOSEPH (Peer-made): Deficit budgets have become a permanent feature of the Indian economy. This time, the Union Minister has presented a deficit budget of Rs. 397 crores against which he has announced fresh levies for Rs. 177 crores still leaving a deficit of Rs. 220 crores. There is every likelihood of the deficit being increased for the year 1971-72. The budget provides for only Rs. 60 crores for the refugees from Bangla Desh, an amount which may have already been spent. On the Prime Minister's own calculation, Rs. 180 crores may be needed for six months only. But in the budget, provision is made for a sum of Rs. 60 crores, though he expects no more than Rs. 20 crores by way of foreign assistance. How can he be certain that there will be no further influx of refugees? I doubt whether the refugees will not swallow much of the annual plan allocations for 1971-72. So, the Central budget deficits will be

[Shri M. M. Joseph] considerably larger than what the Finance Minister expects, and thus the gap between income and expenditure will be larger.

It appears that Rs. 731 crores remained uncollected during 1970-71. Government would do well to collect the arrears first and utilise it for the developmental works instead of levying new taxes on consumer goods which are necessities for the common man. The pity is that most of the tax money will be invested in the public sector industries which go on incurring losses year after year. Rs. 100 crores was spent during 1970-71 for clearing the heavy losses on Industries in the public sector. If this is continued, the private management may be forced to think why they should not also be as bad as the public sector.

The Union Finance Minister has succeeded in his revenue-raising exercise. His eye has caught almost everything under the sun. He has relied very heavily on indirect taxes. The proposals will fetch Rs. 177 crores during the remaining months of the financial year, out of which more than Rs. 75 crores will be through indirect taxes.

17.00 hrs.

Really, there are some redeeming features in the present budget. Raising the exemption limit of individual income-tax, encouraging small savings, making special provision for the educated unemployed and fixing a salary ceiling of Rs. 5000 per month are welcome features. A sum of Rs. 25 crores is being set aside for schemes specially designed to absorb the educated unemployed; I hope my State, Kerala, which is in the forefront of the arena of the unemployed, will stand to benefit considerably.

The Finance Minister said in his speech that the Government have received from the people a massive mandate for socialism. I do appreciate it, but the Minister and Government as a whole should think again whether this budget leads to socialism or not. The new proposals would make the common man's bread, clothes and travel costlier. Bread is the cheap food of the poor; bread and butter is a common middle class breakfast, not the privilege of the rich or of the higher income groups. The increase in the excise duty on

maida is, no doubt, an anti-socialistic step. We, the Christians, pray every day: 'Give us this day our daily bread'. If the Government do not come forward with a proposal withdrawing the excise duty on maida and bread, the poor children of our nation will, I am sure, begin to pray: 'Oh, Mr. Chavan, allow us not to *chavan*; give us our daily bread at a moderate cost'. *Chavan* in our language means to 'die'.

Similarly surprising is the statement that readymade garments are mostly purchased by the well-to-do. The additional excise burdens on the cotton textile industry will have an adverse effect, particularly at a time when the industry is in such a bad shape. The overall effect of these duties will be to increase the cost of living on the masses. The increase in petrol prices would make travelling more expensive. Three-wheelers and taxis are bound to raise their fares because of the increase in running cost. Every new levy will have a chain reaction. The increase in the duty on petrol will be reflected in higher cost of road travel. With rail fares being increased, travel by road as well by rail is going to be most costly.

The 20 per cent tax on foreign travel will affect our economy adversely. At least exporters should be exempt from this tax. My humble suggestion is that the Government should come forward with a proposal withdrawing the excise duty on maida, bread, coarse cloth, petrol and readymade garments.

श्री शिवकुमार शास्त्री (अलीगढ़): सभापति महोदय, सबसे पहले मैं वित्त मंत्री जी को आचार्य शुक्ल की जो एक कसौटी थी, करों के विषय में, उसको बतलाना चाहता हूँ और उसके प्रकाश में वे स्वयं निर्णय कर सकेंगे कि जो कराधान वे कर रहे हैं वह कहां तक उचित है। आचार्य शुक्ल ने कर के विषय में यह लिखा है:

मधु दोह दुहेद्राष्ट्रं भ्रमरा इव पादपम् ।

टैक्स लगाते समय, कर लगाते समय यह ध्यान रखना चाहिए कि जिस तरह से भंवरा फूल से रस ले लेता है, न उसके रंग को बिगाड़ता है और न उसकी गंध में कमी आने देता है

लेकिन उसके साथ साथ वह अपना भाग ले लेता है और जिस प्रकार से गौ का बछड़ा दूध पीने के लिए माता के थन को चूसता है और इस तरह से चूसता है कि उसको अपनी खुराक मिल जाए और थन को हानि न पहुंचे, उसी प्रकार से प्रजा के ऊपर कर लगना चाहिए।

इस प्रकाश में अगर आपने जो कर लगाये गये हैं उनको कसौटी पर कसेंगे तो आपको निराशा ही हाथ लगेगी। यह भौरा फूल के रंग और रूप को बिगाड़ने की बात ही क्या, ऐसा लगता है कि ऐसा फूल पर झपटा है कि फूल ही डाली के साथ नहीं रहेगा। उसी प्रकार बछड़े की जो उपमा दी गई है कि पेट भरने के लिए थन से उसको दूध मिल जाए और थन को हानि न पहुंचे, उसको क्षति न पहुंचे, उसके घाव न हो, किन्तु यहां ऐसा लगता है कि यह बछड़ा इतना बेदर्द है कि माता के थन को ही दूर कर देना चाहता है।

भारतवर्ष में प्रतिवर्ष बजट आता है और लोग पहले से ही भयभीत हो जाते हैं। हर कोई समझने लग जाता है कि जो गरीब हैं, जो रोज मजदूरी करते हैं उन पर मुसीबत आएगी और फिर महंगाई बढ़ेगी। यद्यपि इस बार के चुनाव के पहले जनता को यह बहुत बड़ी आशा थी कि शायद अब की बार ऐसा नहीं होगा लेकिन यह सिद्ध हो गया है कि ऐसा सोचना बेसमझी की ही बात थी। ऐसा हो नहीं सकता है। शासन को चलाना है तो उसके लिए पैसा तो चाहिए ही।

मेरे सैयाद की तालीम की है धूम गुलशन में, यहां जो आज फंसता है वह कल सैयाद होता है।

शासन अगर चलाना है तो उसको चलाने के लिए पैसे के कुछ स्रोत तो चाहियें ही। लेकिन देखना यह चाहिये कि जिन लोगों से कर लिया जा रहा है उनमें कितनी क्षमता है और कहां तक उससे लिया जा सकता है। जहां से बचत हो सकती है, जहां से किफायत हो सकती है, जब

तक उस पर दृष्टि नहीं डाली जाएगी और एक ही जगह से अगर कर चूसा जाएगा तो निराशा ही हाथ लग सकती है। उसका परिणाम यह होगा कि जो दबे हुए हैं वे और भी दबते चले जाएंगे।

मैंदे पर लगे टैक्स का और उसकी महंगाई का रोना रोया जा रहा है। सरकार की दृष्टि में यह कम बढ़ाया गया है। लेकिन हम तो रोज देखते हैं कि डबलरोटी पर दस पैसे उस दिन ही बढ़ गये जिस दिन पूरा बजट भी पेश नहीं हुआ था। साबुन की टिक्की पर भी दस पैसे बढ़ गए। इसी तरह से और भी चीजों के दाम बढ़ गए। इस सब से बढ़ कर जो बहुत कठिन परिस्थिति आने वाली है वह है बंगला देश से आने वाले रिफ्यूजीज की। मुझे तो ऐसा लगता है कि आपका सारे का सारा ढांचा ही उसके कारण बिल्कुल अव्यवस्थित हो जाएगा। मैंने एक बड़ी ही मनोरंजक बात एक व्यक्ति से सुनी थी जो हमारे बजट के आलोचकों के विषय में पूरी तरह फिट बैठती है। आप इन चीजों के विषय में क्या सोचते हैं, इसको तो आप छोड़ दें। हमने एक बहुत बड़ी मुसीबत मानवीय दृष्टिकोण से स्वीकार की थी और करनी चाहिए थी। प्रत्येक मानव को उस आपत्ति के समय में उनकी सहायता करनी चाहिए थी अपने आपको बचाने के लिए और उनको बचाने के लिए भी। लेकिन जिस सतर्कता की आवश्यकता थी वह नहीं बरती गई। पहले सप्ताह या दस दिन के अन्दर ही बंगला देश को मान्यता देकर उनके आर्थिक और सैनिक क्षेत्रों में उनको सहयोग देना चाहिए था जैसा कि आपने लंका द्वारा की गई सहयोग की प्रार्थना पर अपने सहयोग का हाथ आगे बढ़ाया था। लेकिन यहां आपने वैसा नहीं किया।

क्षिप्रमक्रियमाणस्य कालः पिवति तद्रसम् ।

अगर आप कोई काम करना चाहें और सोचने-सोचने में ही सारा समय गुजार दें तो

[श्री शिव कुमार शास्त्री]

होता यह है कि वह समय ही सारे के सारे रस को पी जाता है। यही बात बंगला देश के विषय में हुई है। इस समय भी लाखों व्यक्ति रोज चले आ रहे हैं। एक डेढ़ करोड़ का प्रतिदिन आपका व्यय हो रहा है। अब साठ करोड़ रुपया आपने बजट में रखा है। उससे क्या हो सकता है। कुछ नहीं हो सकता। यह तो वैसी ही बात है कि एक बेचारी बुढ़िया की चक्की के पाट घिस गये और उसको खोटने वाला एक व्यक्ति आ गया। उसने उसको कहा कि इसको खोट कर ठीक कर दो ताकि आटा पिस जाए। उसको चक्की देने के बाद वह पानी लेने के लिए चली गई। अब जो खोटन वाला था वह जवान आदमी था। उसने जोर से पाट पर जो हथौड़ा मारा वह टूट गया। वह घबरा कर उठा। उसने देखा कि यह तो नुकसान हो गया है तो ऊपर छींके में एक घी का घड़ा रखा था उसका सिर उससे जा टकराया और वह गिरकर टूट गया। इसको देखकर वह घर से भाग निकलना चाहता था। बुढ़िया दरवाजा बाहर से बन्द कर गई थी। उसने एक जोर से दरवाजा खोलना चाहा। दरवाजे के किवाड़ पुराने थे वे भी टूट गए और टूटने के साथ ही वहां एक चर्खा पड़ा था, दरवाजा उसपर आ गिरा और वह भी टूट गया। वह नौजवान तेजी से भाग निकलना चाहता था कि कहीं बुढ़िया न आ जाए। बुढ़िया सामने से पानी लेकर आ रही थी। आते ही उसने उससे पूछा कि चक्की ठीक कर दी। उसने उत्तर दिया बिल्कुल ठीक कर दी। वह कहने लगी मजदूरी तो लेते जाओ। उसने उत्तर दिया नहीं आज ऐसे ही सही। उसने उसको पकड़ा लेकिन नौजवान ने जोर से उसको धक्का दिया और नतीजा यह हुआ कि उसके सिर पर जो पानी का घड़ा था वह जमीन पर आ गिरा और वह स्वयं भी गिर पड़ी। वह रोने लगी और कहने लगी, अरे यह घड़ा भी तोड़ दिया मैं तुझे रो लूं। उसने कहा अन्दर जाकर देख, तब इकट्ठी रोना, कहां कहां रोओगी। इकट्ठा ही एक वार रो लेना। यहां भी यही बात। मैदा की तरफ देखते हैं, डबलरोटी की तरफ देखते हैं, साबुन

की तरफ देखते हैं या किसी दूसरी तरफ देखते हैं तो यही दृश्य नजर आता है। बंगला देश की अकेली समस्या ऐसी है कि जिसको देखकर चारों तरफ रोना पड़ता है। मैं समझता हूं कि अब भी समय है कि हम सोचने विचारने में समय न गुजारें और कुछ ठोस कदम उठायें। सरदार पटेल ने एक बार एक बात कही थी। उन्होंने कहा था अगर इसी तरह से ये लोग हमारी तरफ आते रहें तो इनके लिए आपको जमीन देनी पड़ेगी, भूभाग देना पड़ेगा। जिस चीज से आप डरते हैं वह तो आपके ऊपर आने वाली है। आ रही है। इस प्रकार आप बचना चाहें तो नहीं बेचेंगे। यदि आप सावधान होकर और अपने दायित्वों और कर्तव्यों को निभाने के लिए दिलेरी से आगे बढ़ेंगे तब तो इस समस्या का समाधान हो सकता है और यदि आप दायें बायें झांकेंगे तो उससे इस समस्या का समाधान होने वाला नहीं है।

इस सारे बजट को इस परिपेक्ष्य में देखना चाहिए।

वित्त मंत्री को इस विषय में अनेकों बार सुझाव दिये गये हैं कि वह किस किस मद में मितव्ययिता कर सकते हैं। इस लिए उन्हें इस बजट में यह व्यवस्था करनी चाहिए थी कि हम अमुक-अमुक मदों में क्वायत करके इतनी राशि बचायेंगे। जो टैक्स बकाया पड़ा हुआ है, उन्हें उसको बसूल करने के लिए पग उठाने चाहिए थे। अगर ऐसा किया जाता, तो यह निराशाजनक स्थिति सामने न आती।

मैं आशा करूंगा कि जो सुझाव दिये गये हैं, मंत्री महोदय उनको दृष्टि में रखेंगे, वह जहां से बचत कर सकते हैं, वहां से बचत करेंगे और बंगला देश के लिए जो कदम उठाना चाहिए, उसे सतर्कता से उठावेंगे।

SHRI J. B. PATNAIK (Cuttack) : I rise to support the Budget and to congratulate the Finance Minister on doing the best of the difficult job. The economy of the country is poor. It is 80 per cent rural and 85 per cent

in private hands. So poverty here is not only a problem to be solved, it is an impediment to the solution of the very problem. It is therefore from this point of view that we shall have to see this Budget. A challenge has been thrown and the Finance Minister has taken up this challenge. In response to the commitment of the party he has rightly discharged his duty to the nation.

There has been a lot of talk about the abolition of poverty. Some Members from the opposition party have ridiculed the idea and the party's commitment to the abolition of poverty. I say that if poverty is to be abolished from this country and if socialism is to be brought about in this country, it is only this party which can bring about socialism and which can abolish poverty and not those people who have monopolised socialism on the opposition benches.

What is expected of a Finance Minister in the present circumstances is not to usher in socialism only through one Budget or a few Budgets and the Finance Minister has put this point very ably in his speech. What is expected of the Finance Minister is to bring forth such proposals which can lead to taking bold steps towards the socialist goal. We shall have to consider this Budget from that standpoint and see whether the Finance Minister has been able to take a bold step towards elimination of the regional imbalances and the disparities in income. He has taken the right step in this direction. He has moved against concentration of wealth in a few hands, and for locating unearned incomes and unaccounted wealth. He has been able to give more opportunities to those who are socially backward and economically retarded. He has taken a bold step towards solving the problem of unemployment in the country and he has made a large provision for the quicker growth of the country's economy. The Finance Minister has promised legislation against benami holdings and undervaluing of properties. He has provided Rs. 75 crores for providing employment to people both in the urban and rural areas. He has provided in actual terms of expenditure Rs. 300 crores more in the Plan outlay for the Centre than what was done in the previous year.

There is much controversy regarding deficit financing and indirect taxation. In a develop-

ing economy, deficit financing to a reasonable extent is allowed. I may quote here some of the examples of history. The Soviet Union in the decade 1929 to 1939 has multiplied its industrial output by three times but the prices have risen in that country by seven times. Even then, this has not affected the economy of that country. During the three decades preceding the first Great War, Japan's economy also showed a rise in prices. The prices had risen 200 per cent, but at the same time, there has been a remarkable industrial growth and there has been a remarkable agricultural growth. So, deficit financing is not always bad. Deficit financing to a reasonable extent somewhat becomes inevitable in a developing economy, and from that standpoint, we have to judge the deficit financing in our budgets.

Then, there is a controversy regarding the increased rate of indirect taxation. In fact, as an inducement to save and as an inducement to invest, a proportionate increase in indirect taxation has been accepted as a feature of modern economy.

With these words, I would now make a few submissions to the Finance Minister. His statement regarding elimination of regional disparities is welcome, but if we take the three Plans into consideration, the rich States have become richer and the poor States have become poorer. The States which are at the bottom of the economic ladder are the States of Bihar and Orissa. The *per capita* Central assistance to these States during the Fourth Five Year Plan is going to be Rs. 63 and Rs. 71 respectively, whereas to some States it is going to be between Rs. 157 to Rs. 382. If this becomes the attitude, how can we eliminate regional imbalances in this country?

What is needed to turn the corner is provision for rapid electrification and irrigation facilities in this country. I propose that there should be a countrywide plan for electrification and for extension of irrigation facilities to every inch of land. There are now certain States where electrification facilities have been provided to almost every village, from 60 per cent to 100 per cent of the villages. There is, on the other hand, a State like Orissa where electrification facilities have been provided only to two per cent of the villages. So, this disparity in electrification in this country could be removed if there is a plan on the basis of the

[Shri I. B. Patnaik]

whole country and not Statewise plans. I would submit to the Finance Minister whether it would not be possible to have a type of Commission for both electrification and irrigation for the whole of the country, and for this, the responsibility should be taken by the Centre and the States equally.

I would suggest two measures in the interests of augmentation of our Government's revenue. One is nationalisation of import and export trade. This would give us a large investible surplus and secondly the arm of taxation should be extended to the rich peasantry in the rural areas. The Finance Minister has given an indication in that respect, and I would submit that if it is possible he should see that these peasants are brought under the arm of taxation and concentration of wealth in the rural areas could thus be prevented.

I propose that much stress should be given to full utilisation of the machinery for industrial production in the country. Now we have a lot of idle machines and idle industries, and that is not only a sheer wastage but there is something wrong in our economy. There should be a proper vigilance on our part and attention should be paid that full utilisation is made of our whole industrial capacity.

With these words, I support the budget presented by Finance Minister.

श्री अचल सिंह (आगरा) : अध्यक्ष महोदय, आज हमारे सामने सन् 1971-72 का बजट जो पेश हुआ है वह बजट है जिसके बारे में यह कहा जा सकता है कि यह समाजवाद के रास्ते पर फिट नहीं करता है क्योंकि बजट देश की गरीबी की और खुशहाली की एक तस्वीर होता है। हमारा देश एक गरीब देश है। उसके लिए यह बजट फिट नहीं करता है। क्योंकि मैं देखता हूँ कि पिछले 20 साल से हर साल डेफिसिट बजट बनता चला जाता है और हर साल टैक्स पर टैक्स बढ़ाए जाते हैं। आखिर को कहीं टैक्स की रक़ावट भी होगी? अगर इस साल हमने टैक्स लगाया, पार साल फिर लगाएंगे तो हालत क्या होगी? एक समाजवादी देश—पोजीशन हमारी यह होनी चाहिए कि सरप्लस

बजट बने जिससे लोगों को राहत मिले और आराम मिले। यहाँ पर जो बजट हमारा बनाया गया है उसमें काफी टैक्सेज बढ़ाए गए हैं और उन टैक्सेज की वजह से हम देखते हैं कि अभी से बाजार में काफी तेजी हो गई है। कोयला जो खास ईंधन है गरीब आदमी के वास्ते और अमीर के वास्ते वह दस बारह रुपये का 40 किलो बिक रहा है। मिट्टी का तेल है, साग सब्जी है, दालें हैं, घी, दूध, मसाले हर चीज काफी तेज है। हम इस बात का अनुभव करते हैं कि पिछले दस साल में रुपये की कीमत काफी गिर गई है। जो सामान दस साल पहले 1 रुपये में मिलता था वह आज तीन रुपये चार रुपये में आता है। इसलिए हमारी कोशिश यह होनी चाहिए कि हम टैक्स लगाएं। सरप्लस बजट बनाएं और वह सरप्लस बजट बनाना कोई बड़ी बात नहीं है। हमारे देश के वास्ते क्यों कि हमने अपने देश में रेलवे में लगभग 35 सौ करोड़ की पूंजी लगा रखी है, पब्लिक सेक्टर में लगभग 4,000 करोड़ रुपये लगे हुए हैं। अगर इनमें दस परसेंट भी फायदा करें तो साढ़े सात सौ करोड़ रुपये का फायदा हो सकता है जब कि डेफिसिट कुल साढ़े तीन सौ करोड़ या 400 करोड़ का है। हम देखते हैं कि प्राइवेट प्रोजेक्ट्स में काफी फायदा होता है, दस बीस परसेंट तक वह फायदा करते हैं लेकिन हमारे जो पब्लिक प्रोजेक्ट्स हैं उनमें करोड़ों रुपये का नुकसान होता है। हमारे जितने कारपोरेशंस हैं, लाइफ इंश्योरेंस और बीसियों कारपोरेशंस हैं उनमें भी नुकसान होता है। लाइफ इंश्योरेंस में जरूर फायदा है। लेकिन जैसे मैंने पब्लिक सेक्टर के प्रोजेक्ट्स के बारे में बताया, इनमें अगर हमारे अधिकारी जो उसके इंचार्ज हैं वह ढंग से काम करें तो काफी फायदा हो सकता है। लेकिन हम देखते हैं, जैसा अभी एक माननीय मिनिस्टर श्री कुमारमंगलमजी ने कहा था, कि वहां के डायरेक्टर चेयरमैन या इंचार्ज जो भी हैं वह लार्ड आफ लार्ड्स बनकर बैठे रहते हैं, वह खूब आराम करते हैं और वहां पर काफी श्रष्टाचार चलता है, रिश्वत चलती है, चोरी चलती है जिससे काफी नुकसान होता है। तो अगर इस

तरफ पूरा ध्यान दें और उनसे कह दें जो इंचारज हैं कि अगर आप ठीक तरह से काम नहीं करते हैं और हमको कम से कम दस परसेंट पन्द्रह परसेंट का फायदा नहीं देते हैं तो आप इस योग्य नहीं हैं कि आपको यहां रखा जावे, तो मेरा ख्याल है कि मजदूर होकर वह ठीक काम करेंगे। लेकिन चूंकि उनसे कोई जवाब तलब नहीं किया जाता है इसलिए उनको मौका मिल जाता है और हर साल नुकसान उठाना पड़ता है जिससे डेफिसिट बजट बनता है और फिर टैक्स लगाना पड़ता है। तो अगर हमारे वित्त मंत्री जी या प्राइम मिनिस्टर एक कमीशन मुकर्रर करके हर एक पब्लिक सेक्टर की प्रोजेक्ट की जांच करवाएं और उसमें जो अधिकारी इस तरह से निकम्में हैं उनसे जवाब तलब किया जाए तो अवश्य उनमें फायदा हो सकता है क्योंकि हम देखते हैं कि प्राइवेट जो फार्मस हैं जो टैक्सेज भी देती हैं, इतना खर्चा करती हैं तब भी दस बीस और तीस प्रतिशत तक फायदा वह करती हैं और इन्हें कोई इनकम टैक्स नहीं देना पड़ता, कोई और टैक्स इनपर नहीं लगता। इन सरकारी उपक्रमों पर तब भी वह घाटा देते हैं। तो मैं तो यह कहूंगा कि मंत्री महोदय इसके ऊपर ध्यान दें। मेरा ख्याल है कि अगर उन्हें कसा जाय और रेलवे को भी और पब्लिक प्रोजेक्ट्स को भी तो आइन्दा साल देखेंगे कि डेफिसिट बजट नहीं होगा। आज हम एक विशेष सक्लिल में पड़ गए हैं। बाजार में तेजी होती है तो सरकारी कर्मचारी तनख्वाह बढ़ाने की मांग करते हैं, पे कमीशन बैठता है, मजदूरों के लिए वेज बोर्ड बैठता है, तनख्वाहें बढ़ती है और फिर उसका असर बजट पर पड़ता है, फिर डेफिसिट फाइनेंसिंग होती है। इससे बचने का तरीका यही है कि जो हमारे पब्लिक सेक्टर के प्रोजेक्ट्स हैं और रेलवे है इनमें ठीक तरह से काम हों और मैं समझता हूं कि माननीय वित्त मंत्री इसके ऊपर ध्यान देंगे। इन शब्दों के साथ जो बजट उन्होंने रखा है मैं उसका समर्थन करता हूं।

SHRI RAJA KULKARNI (Bombay-North East): Mr. Chairman, Sir, I welcome the budget presented by the Finance Minister and

I congratulate him for bringing such a budget at a time when the country is taking a turn and a new direction on its onward march towards creating conditions for the establishment of a socialist society. The budget as a whole, is all stimulant to the economy as it stands, without being provocative to any section of the society.

The parties which have made an attack on the budget, both inside the Parliament and outside,—probably these are the parties which are now talking of the interests of the people but during the elections they did not understand the interests of the people, and the people have rejected them. But now they talk about understanding the people. But the budget shows that it is only the Finance Minister and the Government who have really understood the interests of the people, and they have brought these proposals here. These proposals deserve whole-hearted support from all sections of the people, whether in the rural areas or urban areas.

It is true that there have been certain taxes because of which there have been attacks on the budget. But a proper evaluation of a budget can be made, not on the basis of any isolated proposal here and there incorporated in the budget. The budget can be properly evaluated by the context in which it is put up. It is the economic context of the situation of today that has given effectiveness to the budget.

It is the nationalisation of banks, it is the nationalisation of insurance, it is the promise which the Finance Minister has given about the two Bills which are to be brought forward—one about acquiring power to government for purchasing property at prices recorded in the sale deeds as well as the new Bill which has been promised for discouraging the practice of benami transactions in land and property—these along with the already existing institutions which have come for checking the monopoly—have raised the creative value of the budget.

MR. CHAIRMAN: The hon. Member may continue his speech tomorrow. We have now to take up the Half an Hour discussion.

17-30 hrs.

HALF-AN-HOUR DISCUSSION

SETTING UP OF THE MILLS IN ORISSA AND OTHER STATES

SHRI SURENDRA MOHANTY (Kandrapara): Mr. Chairman, on the 26th May there