

[Mr Deputy-Speaker]

No. 662 Up on the Gwalior-Sheopur Kalan narrow gauge section. Now, the Deputy Minister for Railways has volunteered to make a statement. Before we take up the next item the Deputy Minister for Railways may make a statement.

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MOHD SHAFI QURESHI) I regret to inform the House of an accident which took place on the Gwalior-Sheopur Kalan Narrow Gauge section of the Jhansi Division of Central Railway.

At about 10—20 hours on 9-3-1974 while Mixed Train No 662 Up was running between Birpur and Silpuri stations the last two bogies of the train—one Third Class bogie and the other a Third-cum-Luggage and Brakevan—derailed and capsized. As a result of this accident 5 persons were killed and 8 injured of whom 4 were hurt grievously. Immediately on receipt of information about the accident a Railway Medical Van accompanied by Railway doctors left Gwalior. Doctors from the nearby Birpur hospital also reached the site to render assistance. Medical assistance was also rushed from Morena by road. The injured, after first-aid were immediately removed to hospitals for medical attention. 30 other passengers who received trivial injuries were rendered first aid on the spot whereafter they continued their journey.

On receipt of information of the accident Divisional Superintendent Jhansi and other Divisional Officers rushed to the site by road. The Additional Member (Traffic) Railway Board, the General Manager and other senior officer of the Central Railway also proceeded to the site of the accident.

An *ex gratia* payment of Rs 500 to the next of kin of each of the dead and of Rs 300 to each of the four

grievously injured persons has been made.

The Additional Commissioner of Railway Safety, Bombay commenced his statutory inquiry into this accident at Gwalior yesterday.

14 48 hrs

GENERAL BUDGET, 1974-75—
 GENERAL DISCUSSION

MR DEPUTY-SPEAKER Now, we take up discussion on the General Budget. Shri Mukherjee, you may fire your salvo or fusillade, if you like.

SHRI SAMAR MUKHERJEE (Howrah) Mr Deputy-Speaker the Budget placed by the same Finance Minister who placed previously three more budgets is in character in no way different from the previous budgets. It is on the other hand more pronounced pro-monopolist and anti-people. In the Budget presented here it has been claimed that inflation will be controlled and it is oriented towards development. But actually the character of the Budget and its effect is visible even before the presentation of the Budget. The day it was presented the next day the reactions came and the reaction from the Lyons Range which is a centre in Calcutta of the big business is a great joy greeted the Budget. They welcomed it in such a way that that type of welcome was not visible even during the presentation of the earlier budgets. I am reading from Hindustan Standard.

The market greeted the Budget well. This is because of the inflationary potential of the Budget.

The claim is that this Budget is anti-inflationary but the big business circle is very jubilant because it has the potentiality of inflation. The report further says

"Inflation it should be noted, is always a bull point for the market and the budget for 1974-75 holds out prospect for further acceleration of

the pace of inflation Not only will the vast array of excise given further spur to inflation but the deficit financing as proposed is likely to mount up greatly (in practice as the market circles know from their past experience with inflationary pressures thereof on the economy)

So, it is quite evident that the budget is a pro-monopoly budget As a matter of fact, the budget has had a very cheering effect on the psychology of the traders in the stock market They had of course an anticipation of the fact that the budget will be a useless one for the market They anticipated it That was why in the pre-budget days, the Lyons Range was very lively and the share market was so jubilant that the prices of the shares went up So, they have confidence in Mr Chavan and the Government of India They had full confidence that the budget which would be coming would advance their interests and would place the whole burden of the economic crisis on the common masses and thereby generating further inflation and deficit financing would be more helpful for boosting the price of shares That was why they stood up with their stocks and in some papers it came out that even the big business did not expect so much of conclusions as the budget gave to them

Here is a report which shows how after the presentation of the budget the commodity prices went up It is from *The Patriot* dated 8th March, 1974 The report says under the heading '70 per cent rise in prices after budget'

"There was a survey made by a committee of the Planning-Commission-sponsored Consumers Council of India It reports that the essential commodities listed in the survey include wheat flour, exercise-books red chillies, sugar, ghee oils, besides soap, cosmetics, tooth-paste, brass, coal and cement Prices of milk eggs, cigarettes, match-boxes, soap and many other articles have gone up by 20 to 60 per cent

The prices of mustard oil, coconut oil, vanaspathi oil and gingily oil have soared up by 40 to 55 per cent in the open market In all the States, the prices of utensils used especially by the poorer classes have gone up by 20 to 30 per cent. The revised postal rates are still to come into force, but extra charges on post cards are being charged on common men In Delhi, during the last few days, the price of wheat flour has jumped up by 15 paise to Rs 2 15 per kg, cement by Rs 5 per bag coconut oil by 80 p to Rs 21, vegetable oil by 25 p to Rs 7 75 per kg sugar by 25 p "

So, from the market reactions also it is clear how far the budget is an economic instrument to fight not against poverty but against the poor, and exposes how it is linked up with the "great ideal" by which the Finance Minister Shri Yeswantrao Chavan swears he has stood firm and to which ideal this budget is directed

The Budget has created a paradise for the monopolists big business, landowners and hoarders and a hell for the common man This is so glaring that now even the common people are seeing it with their own eyes This is in essence a class-budget for the interest of the hoarders landlords and capitalists It is against the common people The whole essence of it is the class essence That has to be properly understood It is more and more a surrender to the big business More and more the vested interests are putting pressure for more concessions and more and more Government is granting them concessions In the name of development of backward areas, the monopolists and big houses have been given full scope to set up their factories and industries in different parts In the name of development of the core sector even the previous restrictions have been liberalised It is not only that concessions have been granted in this budget it is the first time that on the one hand the common people have been burdened with heavy in-

[Shri Samar Mukherjee]

direct taxation and on the other big business has been relieved of its tax burdens and more and more concessions have been given in various forms

Another feature is that the Government is retreating from State trading Government is completely shirking the responsibility of supplying food and other essential commodities to the vulnerable sections who constitute the overwhelming majority They are retreating even from their previous commitment and the result is the price hike It has not been controlled The Budget has further stimulated rise in prices Further rise in prices and further inflation means further erosion of the standard of living of the common masses So Shri Chavan's Budget has upset the budget of the common masses and boosted the budgets of the affluent and richer sections, the big business, monopolists and hoarders

Before this Budget was presented, we had the Railway Budget where freights and fares have been increased Ultimately, the entire burden on this account will be placed on the common masses The rise in prices of postcard, envelope, telephone and telegram—all this is adding to the burden of the already burdened common masses

The serious thing is the price rise In the Budget, he has admitted that the performance was not up to expectations Now they are linking this rise in prices with the world situation to find some excuses. Excuses are always there. In the previous budget also there were excuses They are giving excuses all the time. But how can you control the prices unless you take full responsibility to supply foodgrains to the vulnerable sections? That is possible only if the Government seriously undertake the responsibility of supplying foodgrains

to the common masses at fair and reasonable prices, which are within their reach. Without doing that, they are more and more giving up the responsibility of public distribution. That means they are asking the people completely to depend upon the black market This is the big factor which has upset all the calculations of the common man's budget.

15 00 hrs

It has affected very seriously the whole economy and this generates further inflation If the prices are not controlled, and the Government does not act as a defender for the safety and security of the common masses, the talk of social justice and socialism is nothing but a hoax In this respect, I will place before the House the picture of the socialist countries The talk of socialism and social justice which you indulge in is just contrary to what the socialist countries are doing

In China, the Chinese currency has remained stable all along, and the Chinese industry and agriculture are expanding steadily and the State revenue is growing

SHRI B V NAIK (Kanara) China and India—are our systems similar?

SHRI SAMAR MUKHERJEE: You claim that you are going to build socialism

SHRI N K P SALVE (Batal) Not the Chinese variety

SHRI SAMAR MUKHERJEE: mean the Indian variety, by giving concessions to monopolists, by imposing a greater burden on the common masses (*Interruptions*) That is the real crisis. The day when the budget was presented I had seen that Mr Chavan got the thumping support by the thumping of tables hers by the majority of the Congress MPs. He has got the thumping support

from Lyons Range and Dalal Street and from the big monopolists from outside. Your support and the support of Lyons Range and Dalal Street are one and the same. (*Interruptions*) and you are defending the budget of the big monopolists because you are blind. You do not know what is socialism. You do not know that this Government is building capitalism in India. The objective result of the basic laws of capitalism is that capitalism develops into monopoly capitalism. In a society where capitalism thrives, the Government is always the instrument of the capitalist class. There is no other go, there is no other alternative, however much you may deny it

SHRI N K P. SALVE. Come to the budget

SHRI SAMAR MUKHERJEE. Mr Chavan says, that the price-hike is a global factor and we have to see the budget in that light (*Interruptions*) You must learn that the price rise is not a global factor everywhere throughout the world. In the socialist countries there is no price rise

AN HON MEMBER Soviet Union also

SHRI SAMAR MUKHERJEE. In no socialist country there is any rise in the prices. In China, the State systematically raised the purchasing power of grain, cotton, oil-bearing seeds, hemp, silk from cocoons, tea, sugar and certain other products, while lowering the sale price of chemical fertilisers, insecticides, diesel and certain agricultural products.

AN HON MEMBER: How much do they pay?

SHRI SAMAR MUKHERJEE: Do not ask questions. Try to learn. The peasants there can now exchange their farm products with manufactured goods. Though the purchasing power of the grain has gone up several times, the retail price of grain has

not changed. They purchase from the co-operatives and that is why the Government pays a greater price to the peasantry. But the retail price has never changed since the revolution. At the same time, the price of daily-used manufactured goods has gone down step by step and in certain cases by big margins. The price of medicines of vital importance to the people is 80 per cent less than in 1950. In the socialist society, the entire responsibility for feeding the people has been taken up by the Government. That is why there is no price rise there. In China, there is stability of the currency. In 1973, China had a record grain harvest together with an improved increase in industrial output.

Retail sales have increased seven fold since Liberation. There is no inflation in China. While paying for farm and other products sold by the people's communes, brigades and commune members and making appropriations and bank loans to aid agriculture, the State sees to it that more manufactured goods and means of production for agriculture are provided to meet the growing rural purchasing power.

You do not know what is socialism. You are talking about socialism but working for the big monopolies. North Korea is a small country. In their Constitution they have categorically stated that everyone at the working age in that country should be provided with a job by the State, according to his ability and aptitude and get distribution according to the quantity and quality of work done. This report here says:

"All our working people are provided with adequate food, clothing and housing conditions by the State. Everyone in this land is given the right to be fed the moment he is born; all the children and students, from the children in nurseries and kindergartens to the students in colleges and universities, are supplied with clothes by the State. The

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State provides our workers and office employees with dwelling houses, and the peasants also live in modern houses built by the State”

Cuba became free only fifteen years ago. A report on conditions in Cuba has this to say:

“At the very beginning, the Revolution cleansed our country of political, racial discrimination and discrimination between women and men, it abolished the social insecurity of the elderly and the helpless, and did away with many other evils that accompany Capitalist society. The exploitation of some men by others no longer finds support in our economic-social system. Labour has become something elevated something a man can be proud of. Illiteracy has been eradicated in our country. Free medical assistance and hospital care for all our citizens are penetrating to even the most isolated corners of the country side”

I shall now give another example of North Viet-Nam. During the debate on Approach to the Plan, I quoted the example. A journalist who visited Hanoi has this to say about North Viet-Nam where there were so many years of devastation by the American Imperialism

“no posh restaurant no night club. The Vietnamese are adequately fed and modestly clothed. Everybody gets his or her quota of rice, cloth, pork and sugar, all of which are strictly rationed. No problem of hoarders and profiteers in Vietnam. Adults get 20 kg of rice each. The price of 10 kg of rice is four dong (Rs 8)”

This is what is a socialist country. There, the responsibility of feeding the people is absolutely taken by the Government. Here, it is the opposite. Here, the people are subjected to the greeds and mercies of the black marketeers. Even the commitment made

by this Government that at least in regard to wheat, there will be state trading and there will be a public distribution system has not been fulfilled and that policy has been abandoned.

SHRI PILOO MODY (Godhra). Here, the people take the responsibility of feeding the Government.

SHRI SAMAR MUKHERJEE. They will take and they will come forward to take that responsibility.

Now, there is the report of the Agricultural Prices Commission. Only four or five days before it has come out—it has come out on the 8th March. The news item in the ‘Financial Express’ (dated 8th March) say—

“In its report on the price policy for wheat for the 1974-75 season, released yesterday, the Commission has observed that unless the surplus States are willing to subject themselves to the discipline of maximising their contribution to the Central pool of foodgrains and the deficit States to that of limiting their demands on it, the viability of the public distribution system as it currently operates cannot be ensured”

They are in favour of abolishing even this public distribution system, which is still in existence. They have also recommended an increase in the procurement price. The moment this recommendation appeared in the news papers, the farmers from Punjab and Haryana came out with a demand that the procurement price should be increased to Rs 115—125 per quintal of wheat. The Government is going to yield to them, because the whole feature of this Budget is to completely surrender to the pressures of these big business houses and the hoarders. In the villages, who are the hoarders? It is the big landlords and the big farmers who are the hoarders. But the Government is completely impotent to take any firm action against them.

Even two or three years before, there was a talk about imposition of ceiling on land. But, this has been forgotten by the Government. Nothing has been said about the implementation of the agrarian land reforms. This has been shelved completely. In rural areas, there is exploitation. In the existing situation, where the price is rising, and when the Government is helping these hoarders to amass more money, the village economy has completely changed. This type of Budgets and Five Year Plans are only helping in economic polarisation, in the villages as well as in the towns. This has not helped in reducing disparity. This has only widened disparity. You are helping in the concentration of wealth in the hands of a few. In the Directive Principles of State Policy long before you declared that the main objective is to reduce concentration of wealth. But even after 26 years this has not been done and more money has gone into the hands of few persons and fabulous profits have been made by these monopolists. Figures have been repeatedly quoted in this House. You can see that the profits are rising. For example, you see the combined profit and loss account of 37 sugar companies. Before 1971-72 their profit was Rs 622 lakhs and in 1972-73 it has increased to Rs 1527 lakhs. That is why they are contributing more money for the Congress election campaigns. When the Congress comes to power they get help from the Government and more profits are made by them.

Now about these big business houses. In 1964 March, the assets of Tatas were Rs 418 crores, and in 1971 March, they were Rs 711 crores. Similarly the assets of Birlas increased from Rs 293 crores in 1964 March to Rs 687 crores in 1971 March. In the case of ICI, the assets increased from Rs 37 crores in 1964 March to Rs 229 crores in 1971 March. This is the socialism you are building.

SHRI PLOO MODY: That is, en-

courage growth figures in the country.

SHRI SAMAR MUKHERJEE: So, this Budget is not anti-inflationary. In his speech, Mr. Chavan spoke about the need for restricting deficit financing. He said that this is the reason why he has tried his level best to spread the net of taxation on the common masses, though some affluent sections have also taxed. But, ultimately, he has mentioned at the end that he will have to leave a gap of Rs 125 crores which he cannot meet by taxes. In the last budget when the gap was Rs 85 crores the actual deficit increased to Rs 650 crores that is about eight times. In that context, there is no doubt that this gap of Rs 125 crores will increase by more than ten times, especially when we take into account factors like the rise in prices.

By the abandonment of the take-over of the wholesale trade and by the refusal to implement basic land reforms to make the toilers the owners of the land and then help them in all possible ways, the Government is creating a situation where there will be no food for public distribution. So, there is bound to be far more agitations. At the same time to keep the city-dwellers satisfied they will have to indent a large quantity of food from outside. There is a newspaper report which says:

Food Ministry's SOS for imports

New Delhi March 11 There will be substantial import of foodgrains this year. The Food Ministry has already moved the Cabinet in this regard and has added a note of urgency to it. According to the Ministry the import should be arranged at an early date since food stocks are depleting at a fast rate. The present stocks are estimated at 33 million tonnes."

In West Bengal statutory rationing may break down at any time. In the modified ration shops in the rural areas there are no supplies. The supplies have completely collapsed. This is the situation in other States

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like Gujarat and Maharashtra. In the matter of feeding the people and supplying all the daily necessities at a price which is within their reach the Government is adopting an attitude of absolute irresponsibility. So, all this tall talk of social justice and socialism is nothing but deception.

So, we are faced with a serious situation. The Prime Minister in her reply to the debate on the President's Address said that we have been faced with a national crisis. What are the implications of this slogan of national crisis? Now there is no coal, fertilizer, food or essential commodities like cloth or sugar in the market, apart from the shortage of power. Everything has disappeared from the market. Last night I received a report that even soap is not available. At the same time, the prices are rising at galloping speed.

If the Government persist in continuing the present policy, it is bound to drive us towards a bigger catastrophe and there is no way out unless the Government changes its basic policies. The first thing that is necessary is to increase the purchasing power of the rural masses, and that can be done only by introducing the basic land reforms. The landless agricultural labourers must be provided land from the landlords. But the Government has completely surrendered to the landlords. That is why the unemployment in the rural areas is increasing tremendously.

Mr Chavan has cleverly avoided the problem of unemployment in the Budget as if it is not a serious problem. Unemployment is a very serious problem. The government has cleverly done one thing. They are not publishing figures of total number of unemployed persons in the country. Even from the figures as can be seen from the registers of the Employment Exchanges, it is horrifying. In 1971, the Employment Exchanges' figure was 4.2 millions. In October, 1973 it

rose to 8.2 millions. This is social justice. This is how we are heading towards socialism.

He has asked us not to lose faith in the policies pursued by the Government. The persons who are being benefited will not lose faith. The big business, the hoarders, the black marketers and landlords will not lose faith. They have greater faith. That is why even before the presentation of the Budget, the share market boosted up because they knew which type of budget was coming. Mr Chavan has full confidence on them. That is why he has given full remission from 97.5 per cent to 75 per cent of their income-tax, expressing full confidence in them that by this remission, their dishonesty will go and they will turn out to be honest people and will declare their incomes. There is mutual confidence between them.

This proves as to which class you represent. Your Budget, your economic policy, is an instrument to strengthen capitalism. This is bound to lead us to disaster. All your calculations will not be fulfilled. The people today are not passive. They are coming forward in protest. This is the most healthy sign that the people are refusing to die. What is your reaction? Instead of shooting any hoarder who is robbing the thousands of people of their food, which is the basis of their very existence, and who is responsible for the death of thousands of poor people, you are shooting at those who are demanding food.

Your class character is quite clear. There is no ambiguity. But the tragedy is that the people gave massive support to those whose whole outlook and understanding is completely bankrupt. Our country is being led by them. Just now, the Railway Minister said that he was faced with the problem of industrial relations. Already the strike notice is there. If it is materialised in April, there will

be a complete deadlock. The factories will be closed because there is no coal. The coal will not move. The trains will also be cancelled because for Railways itself there is no coal.

The other day, Shri Indrajit Gupta raised this point. The photograph appeared in the papers that just in front of pit-heads, the coal is lying but there is no transport. There is dislocation of the economy. The economy is disintegrating. In this situation, it is the monopolists, foreign and Indian, who are putting heavy pressure.

This morning, there was a Call Attention on one report which was leaked to the press. That was the report of the World Bank team of analysts which has given an assessment of the present Indian economic situation. The press report says.

"The working paper represents a much-awaited long-range forecast of where the Indian economy now is, where it is going, and what amount and type of foreign aid will be necessary to help it reach needed goals."

This World Bank report has categorically stated that the Indian Government will have to more and more depend on foreign aid. So, all your slogan of self-reliance is absolutely bogus. You are allowing more and more foreign collaboration and these foreign companies are remitting huge profits to their home countries. Last year this ESSO company declared a dividend of 81.25 per cent and yet, this ESSO is provided with a huge compensation in the recently-passed Bill. This is your sense of justice—justice to the big business, justice to the foreign monopolies but no justice to your people. For them there is the army, there is the police and there is the CRP and that is why the Budget has provided additional monies for defence and for police. There is no immediate possibility of any conflict with any country. Even

Pakistan has given recognition to Bangia Desh. Despite that, in the Budget the defence amount has been further increased. Another point in the report though discussed in the planning, to which I would like to draw your attention is that even after 1980 India will have to depend on foreign aid and foreign loans. This is their total assessment. It is a gloomy picture of India's economy and of India's future.

So, the performance of the Finance Minister and this Government is leading the whole country to a bigger catastrophe. How to save the country from this? We do not expect any great change from you. But change will come from below and forces are already in action. If the millions and millions of the poor people realise that unless they unite and fight, there will be no safety and security for their lives, millions will have to die. Only then, the working class, the peasantry, the employees, the lower middle-class and all the sections of the people will unite to change this policy. The situation has come when the real fight should be to fight for changing the present policies. To save the people from catastrophe pro-monopoly, anti-people's policies must be replaced by pro-people, progressive and radical policies and that the struggle for policies at this stage is the most important struggle to be launched by the entire people of India.

I am totally opposed to this Budget.

SHRI N K P SALVE (Betul): I have made a diligent study of the various adverse comments appearing in different newspapers and economic journals, very knowledgeable and not so knowledgeable, but a very wide cross-section of the critics. I have also heard with rapt attention the scathing indictment of the Budget by the hon. Member from the Communist (Marxist) Party. After hear-

[Shri N. K. P. Salve]

ing his scathing indictment and criticism, I am inclined to believe that it is easy for one to be critical than to be correct.

15.29 hrs.

[SHRI VASANT SATHE in the Chair].

His grievance, if I am able to understand, is more against the political system under which we are working in this country and has no relation with the grim situation in the context of which the Budget proposals have been formulated. If he had done the latter, his evaluation could have been more objective. But I want to assure him. He has stated in the end that the workers will die, the peasants will fight and the system will change. I want to emphasise that he may not have belief in democracy, but democracy to us is not only a form of government, but it is an article of faith.

It is the very basis of our life and that is the only guarantee which will preserve all the values which we cherish. And, I would say to him that if he indulged in this sort of thinking that he would change the very political pattern, he was tragically mistaken. You have been thrown overboard in your effort several times. You have cited China, you have cited North Korea, you have cited Cuba. Somebody else with equal authority will also possibly give figures about Japan, West Germany, USA and other Western European countries who have also performed an economic miracle. They have performed an equally impressive miracle of economic growth as communist countries with a different political system. Do we go by the grim realities of the present situation in our country, while determining the merits and demerits of the present budget proposals or do we go by what other countries have done or not done?

If that is done, surely, I for one, do certainly admit that our economy at the present moment is in a very precarious condition and that it is in poor shape and needs to be improved. Surely I am not one who will lose hope because we are working under the democratic traditions. There is no need to have the pessimism that we may not be able to retrieve our economy. I do not at all share this kind of pessimism of the hon. Member. In fact he voiced his criticism from the coloured glasses and if one were to ascertain the power and the colour of the coloured glass one would find the myopia and the blindness in regard to the criticism itself and therefore I do not wish to attach any more importance to what has been stated by the hon. Member of the opposition, Communist (Marxist) party.

I will come to what those critics have said, who have said this after making objective evaluation of the budget proposals. I shall try to deal with the salient points.

The gravamen of the charge in the criticism against the budget is that there has been massive deficit financing of the order of (Rs. 65) crores steeply accelerated inflation of prices and scarcity of foodgrains, scarcity of essential commodities. These are the factors which have been mentioned by those critics who have criticised the deficit financing and they have said that those have been due to the mis-management of the economy and the mismanagement of the economy in its turn is again attributed to the massive deficit financing. They have pointed out that artificial money has given a spurt in money supply and the excessive money supply without any possibility of corresponding increase in goods, stocks and services being made available to the community either immediately or in future leads to undiminishing depreciation in the

purchasing power of the rupee and this process has unleashed unprecedented inflation. So far as the theory of inflation is concerned if spurt in money supply does not correspond with services, goods and stocks, it leads to an inflationary psychology, is utterly unexceptionable. But, are we to look at the problem of inflation of this country, sitting in an ivory tower, or are we to consider the grim realities in the context of which the heavy unproductive expenses of the Government are to be examined?

No Government which was committed to what it wants to do could never avoid these expenses. And if one were to analyse the causes which necessitated large deficit financing and upset the budget for the current year, the following compelling factors would unfold the predicament of the Government which forced the Government to deficit financing on a massive scale.

Let us understand those compelling factors which forced the Finance Minister to go in a big way to spend on projects which are non-productive. First of those expenses is to meet the cost of the Pay Commission's recommendations as improved by Government which has brought about a figure of Rs 236 crores.

Second one is the increased assistance for natural calamities—Rs 220 crores—which had to be done. Third is the increase in food subsidy. This too needed to be done. There the figure comes to Rs 121 crores. This is purely the increase about which I am talking of. Then comes the increase in fertiliser whose figure comes to Rs 46 crores. Increased assistance to States has got a special accommodation. These are said to be the causes for the inflation. Would the country have avoided this in this grim reality of the situation?

Add to these the misfortune on account of shortfall in excise revenue to the tune of Rs 107 crores. These are hard realities. And these are facts and figures which could be verified if someone else is capable of studying the entire facts and figures contained in the various budget documents. These would make it absolutely clear that the Finance Minister had one of the two options—either to create artificial money by deficit finance and help the vulnerable section of the society in the drought affected areas in the relief camps and in places of natural calamities and in giving help and succour to those who were victims of misfortune and were not capable of taking care of themselves and to say the Government servants their due as per Pay Commission's recommendations and face the problem of inflation or in the alternative refuse succour and help refuse succour and help to the vulnerable indigent section and avoid deficit financing. These were the hard options before him—deficit finance with its pernicious effects on country's economy or take the risk of forcing quite a few people in the vulnerable indigent sections whose numbers cannot be ascertained or determined to starvation deaths and to disaster. He had to face one of the two options—either he has to take to deficit finance with all its ramifications on the economy or to leave the vulnerable section to the mercy of wolves. He has taken the right decision a straightforward decision. It was the steadfast dedication of the Government to certain basic commitments to the vulnerable indigent section of the society which impelled him to excessive spending by Government on non-productive items causing heavy deficit in the budget. It is true as Mr Pilloo Mody pointed out just now. Is it possible to augment our revenue? It would be certainly possible. In fact, our anticipated revenues from the excise fell short by Rs 107 crores. If one were to see

[Shri N. K. P. Salve]

the reports contained in the Economic Survey on our performance in the industrial sector, one will find that it has been exceedingly dismal. It was pointed out in the Economic Survey that Deceleration of industrial production started some time in the end of 1972 but it continued even in 1973. One can only say that the growth will not be minus; at any rate, it is not going to be appreciable too. If we could have an industrial growth of 3.5 per cent or 3 per cent even, I have no doubt that we could have augmented our revenue from direct and indirect taxes to an extent of Rs. 350 crores to 450 crores. But, unfortunately, that could not come about. And, therefore, it was necessary to adopt a strategy in which this thing is not repeated again. What is the use of having high rates of taxes?

What is the use of having any amount of excise duties if they are not to be collected. What is necessary is collection. That will only deliver the goods for budgetary purposes. Even if you have 110 per cent tax on 100 per cent income how you are going to eradicate disparity. If you impose less tax and people pay honestly there is greater possibility of eradication of disparity.

We are in an unfortunate stage so far as industrial production is concerned. The various reasons which led to this unsatisfactory growth of industrial production have also been identified in the Economic Survey and as many as six factors have been identified. They are:

1. Inadequate supply of essential raw-materials;
2. Transport bottlenecks;
3. The labour unrest

4. Low level of industrial investment;

5. Management problem; and

6. Extraordinary shortage of power.

Add to this the problem of inadequate production of agricultural produce which always adversely affect the industrial growth in our country. For these factors surely Government must take its part of the blame but it is very uncharitable to say that wholly and exclusively the Government alone is responsible for all these six factors which have impeded to a certain degree the growth of the industrial sector. To what extent is it the fault of the Finance Minister in the Budget when such factors existed? I wish a more objective evaluation was made of the various forces which led to the fallacious situation and if one did that the only solution to the problem is production and more production in the industrial sector and the agricultural sector.

The second attack on this Budget has been on the issue of the reduction in the rates of taxation on incomes in the non-corporate sector. To those who are criticising the reduction in the rates of taxation in the non-corporate sector I would request them to kindly understand the purpose of this measure. I should first explain the exact position under the old Law and the position under the new provisions.

Presently we have eleven slabs on different incomes between Rs. 6,000 to Rs. 2 lakhs and the taxation rates vary from 10 per cent at the lowest slab to 97.75 per cent at Rs. 2 lakhs and above. Now seven slabs have been proposed between Rs. 6,001 to Rs. 70,000 and the rates of taxation will be 13.20 per cent at the lowest to 77 per cent at Rs. 70,000 and above.

Now the main criticism against the reductions of rates has been that this meant patronage to the rich and the affluent and that no relief was given to the poor. This is what Shri Samar Mukherjee also said that this reduction means you are pro-capitalist, pro-inflationary and that so far as the poor man is concerned he is left to his misfortune.

I wish that this measure is properly understood. In fact, this measure has been proposed primarily for purposes of combating the menace of tax evasion. The measure which should be adopted to give relief to the people in the low income group to effect the increase in prices is a different measure by itself. If someone thought that this measure alone would take care of both that was a mistaken notion of his. I completely agree with those who canvass that at the lower level to income there should be larger relief given from direct taxation, especially up to Rs 10,000, and that is the point that I am going to make next. But those who are mixing up the question of relief to the assessees in the low income group with the relief that has been given by the Finance Minister in terms of the budget proposals are mixing up one measure with the other. The problem of tax evasion is entirely different from the problem of relief to the low income group assessees. Both problems are real, but they are different, and the critics have been unfortunately mixing up the two.

Now, the new approach in the light of the Wanchoo Committee's recommendations has been taken by way of an experiment so that if tax evasion is curbed, the rationalisation of these rates might go a long way in bringing the recalcitrant tax payers and tax dodgers to a path of rectitude.

Analyse for a moment what the Finance Minister has done. Does it really mean a pro-monopoly budget? If you were to see the Calcu-

lation of the direct tax from income-tax, despite the relief given here, the overall of take on account of income-tax is not reduced. In other words, notwithstanding this relief, the revenues of the exchequer would continue to be the same. In effect what does it mean? The relief will come to honest people who have been paying their tax because they have been paying taxes on their real income. It cannot be increased, it cannot be reduced, it is the same income but lesser rates of taxation therefrom will the relief which goes to an honest taxpayer come? It will come from those tax evaders and tax dodgers who have not been paying their taxes properly or fully. I do not say that this is a total panacea and that this will completely eradicate tax evasion that is a different story. This is an experiment being made. Is it possible for anyone to say that this is not a desirable experiment? I would submit that it would be sheer perversity for any critic to find fault with the reduction of tax rates on personal income as a result of which the exchequer does not lose the honest taxpayers' benefit and the tax-evaders surrender larger incomes and pay larger taxes which only means less of tax evasion, greater rationalisation of tax rates for the honest taxpayer and weakening of the parallel economy. If this measure succeeds, it would really and truly broaden the base and give some basis for eradication of disparities.

Whether or not the new strategy succeeds is something which only the future will determine. But one should not overlook the rationale of the new strategy.

Under the existing provision, on Rs 1 lakh after payment of taxes you are left with Rs 55,000. On Rs 5 lakhs, after payment of taxes, you are left with Rs 55,000. On Rs 1 lakh, after payment of taxes you are left with Rs. 66,000. In

[Shri N K P Salve]

other words, above Rs 1 lakh and up to Rs 10 lakhs, on that Rs 9 lakhs, the tax paid is Rs 874 lakhs. Would it be reasonable to consider or not that a person would rather not earn this Rs 9 lakhs in the official channel but make a lakh of rupees or Rs 50,000 outside the books of accounts because of these inquisitorial rates of taxation? Therefore the Wanchoo Committee recommended that rationalisation of rates was necessary. High rate of taxation is the biggest factor which impedes eradication of tax evasion, generation of black money and its proliferation.

That is why this has been adopted. Anyone who looks at it objectively will find that this experiment is extremely worthwhile. It was long overdue and I do hope it will succeed.

Now simplified methods are suggested for avoiding tax evasion. As one who has the privilege of leading the Select Committee which is deliberating over the Taxation Laws (Amendment) Bill, popularly known as the 'Black Money Bill', of which you also happen to be a member, all of us are banging our heads against what appears to be a dead wall. The problem of tax evasion is so utterly complicated so utterly difficult both in respect of its magnitude and in respect of its quality. After nearly a year's deliberation we know how extremely comprehensive, stringent and draconian is the law which we are making, this is something over which we are having very serious thoughts as to whether or not we will be able to succeed in achieving the objective of the Bill, namely, arresting tax evasion, arresting the generation of black money and its proliferation.

Now, this is the position so far as the Committee is concerned, because

we do feel that purely by a draconian measure, purely by stringent and punitive laws, we cannot reform people's attitude and approach. If that were so, every country would have become a big nation by making appropriate laws in the matter.

MR CHAIRMAN: You had 20 minutes and you have exceeded that time by 3 minutes.

SHRI N K P SALVE: I shall try to rush through. I have been entrusted with the task of explaining and I am sure you will allow me a little latitude.

MR CHAIRMAN: You will be cutting into the time of your colleagues.

SHRI N K P SALVE: There is an allegation.

SHRI PILOO MODY: Have you understood all the aspects or not?

MR CHAIRMAN: I hope you have.

SHRI N K P SALVE: It is to the House that I am explaining.

MR CHAIRMAN: If you have, everybody else would be deemed to have.

SHRI N K P SALVE: I have however, some suggestions to make so far as reduction in the rates of taxation is concerned. My first suggestion is that so far as the first slab between 6,001, to 10,000 is concerned the rates of tax needs to be reduced immediately. It appears the Finance Minister has not carefully looked into the exact effect of the rates which have been prescribed at different slabs. It will be found that at 6,000 the relief is full but at 7,500 the relief is 77. At 6,000 it works out to 110 and at 7,500 it works out to 77, that is 102 per cent. At 10,000 it works out to only

Rs. 22, that is 0.22 per cent. At 12,500 it works out to Rs. 77, that is 0.61 per cent. This is utterly and hopelessly irrational and I am sure this could not have been contemplated that as you will be left with only Rs. 22. It needs to be properly looked into.

My suggestion is two-fold. Firstly, in the slab between 6,001 and 10,000, the taxation should be 10 per cent; secondly, no surcharge if the income is less than Rs. 10,000. This would mean a relief of Rs. 125 to a person earning Rs. 7,500 and a relief of Rs. 150 to a person earning Rs. 10,000.

The increase in the rates of wealth tax is exceedingly welcome and the burden on account of surtax which has been increased would be extremely negligible.

There is a very unkind cut proposed by amending S. 16 on the salaried employees. A ceiling in expenditure is sought to be put even in respect of expenses which are wholly and exclusively in respect of employment. I would request the Finance Minister not to have a further cut so far as the salaried employees are concerned and to reconsider the amendment to S. 16.

Even as regards the development rebate, there is one suggestion I have to make. I think it is due to sheer inadvertence that it has been left out. Whereas development rebate upto June will be allowed in case the machinery has been purchased or contract has been entered into for purchase of such machinery on 1st December, 1973, there is one more category which has been completely left out, and it is this. If an assessee were to fabricate his own machinery and certain other things and if he is not able to do that, due to power shortage or due to the

other six factors which have been identified for the unsatisfactory working of the industrial sector, I am sure appropriate changes would be made.

About indirect taxes, there is a sympathetic rise though the levy has been increased only on luxury items, but the question is, notwithstanding this sort of profiteering and racketeering by the traders and businessmen who increase the values and prices of items which are unconnected with the price rise in the budget, the Finance Minister had to take a hard decision. Where he goes in for deficit financing or he goes in for indirect taxes, he had no option but to go in for indirect taxes.

There is only one point which I would like to make so far as indirect taxes are concerned. I will take just five minutes more.

MR. CHAIRMAN: Come to suggestions. You have already exceeded your time.

SHRI N. K. P. SALVE: Give me five minutes more and I will come to the suggestions. (*Interruptions*) Five minutes will take care of my suggestions. In indirect taxes, on aerated waters, the levy is going to hit very harshly even the small manufacturer. In fact, the people who will be really benefited will be the Coca-Cola and Gold Spot people. There are small manufacturers in the villages in my constituency, which is an Adivasi area. They manufacture aerated waters. I would request the Finance Minister to see that the small manufacturers up to a turnover of Rs. 3 lakhs are left out.

Now, as directed by you, I will immediately come to my suggestions that I have to make. The budget this year has adopted a different strategy

[Shri N. K. P. Salve]

for getting over the chronic problems which have dangerously constricted and stultified the economic growth of the country. The Finance Minister has rightly said that there is no question of our deviating from the most cherished and avowed objective of consummation of economic growth and social justice. But a new strategy is being tried. We do not accept that there is any conflict in the concept of democratic socialism and economic growth. It is only dogmas and notions sometimes which impede the economic growth and we are going to take a more pragmatic attitude. Therefore, with this end in view for the country, I may make my suggestions.

Firstly, the entire fiscal and monetary policy must be reformulated with ruthless courage to make them highly production-oriented. Dogmas and wishful thinking are no substitutes for production to fight inflation. With this end in view, for agriculture liberal credits in the rural area and facilities for small irrigation are still far from satisfactory. They need to be provided.

Secondly, the public distribution of wheat has to be made a success. In fact, the entire foodgrains have to be distributed through a public distribution system. This is failing because the procurement approach is not realistic and the Food Corporation of India is thoroughly inefficient. There is no reason why market price should not be paid to the farmers for procuring foodgrains. There is no basis for penalising farmers alone when prices of all other commodities have steeply inflated. Only those who are wholly ignorant of the laws of economics indulge in wishful thinking that lesser procurement prices will bring down the overall price level. A successful procurement will obviate the need to import foodgrains which luxury we just cannot afford.

Foodgrains should be distributed at the procured prices to people earning Rs. 800 a month and above and should be subsidised for people earning less than that the cost borne by the Food Corporation of India in any case has to be subsidised by the Government. Then only it will become efficient.

Agricultural income-tax should be uniformly levied by all the States, and the States should be forced to augment their resources by mopping up the surplus profits of big farmers. This is necessary to avoid disparity in rural areas.

My fourth suggestion is this. There is a terrible psychological barrier to industrial growth. New industries have to be encouraged and no licences should be necessary up to Rs. 2 crores which do not involve foreign exchange. The existing industries should be allowed to utilise full capacities and expand the existing capacities up to 100 per cent without any licence.

16 00 hrs.

He should provide for outright deduction of 20 per cent of the capital cost of every new industry for Income-tax. This is not the same thing as development rebate which was given for every new plant and machinery even if the industry was old. Reduction in rates of personal taxation at a higher level is likely to give impetus to expenditure on conspicuous consumption. This must be prevented. Therefore, for assessee's earning more than Rs. 25,000/- the reduction in tax rates should be made subject to certain financial discipline and investment of money in business, shares and securities, and not be frittered away in ostentatious living.

He should revise the slabs as well as the proposed rates of taxes and keep the maximum rate at 77 per cent on income of Rs. 70,000 and above at least for three years and announce that in case the reduced rates bring effervescent response and augment

tax collections, further reduction in the rates bringing down the maximum to 70 per cent inclusive of surcharge would be considered. If the experiment fails, he should restore the old rates. He should steeply increase the rates of wealth tax. The aggregate tax on wealth and income, however, should not be made more than 100 per cent of total income. He should give liberal exemption for investments which the Government considers desirable. The power shortage is eating into vitals of the industrial sector.

Company Law should provide that every company should take not less than 30 per cent to 40 per cent of its directors from the employees by election every third year. Bad management has to be penalised and irresponsible trade unionism is to be discouraged.

We are facing our worst possible economic peril. We must fight back with all our might and with a strategy of ideal pragmatism. Laws of Economics do not surrender to wishful thinking. They only yield to superior economic strategy and therefore there is no cause for despair. No country has achieved a miracle of economic prosperity without trials and tribulations. I have not the slightest doubt in my mind that our struggle for economic emancipation of the people would succeed and that we shall bring about with consummation of the economic growth, social justice and we shall establish democratic socialism.

SHRI INDRAJIT GUPTA (Alipore)
I have listened carefully to my hon. friend Shri Salve and the brave words he spoke but the impact of those brave words is somewhat negated by his own statement that he is not quite sure whether this new superior strategy as he called it is going to succeed or not. He said that only time could show. (An Hon. Member: He is practical.) I will try to be even more practical.

Last Sunday I read in the papers that there was a function in Delhi at which the Vice-President re-announced the nation of the role of Chatrapati Shivaji Maharaj as a military genius and spoke of his role as a pioneer in guerilla warfare. An eminent descendant of Chatrapati Shivaji Maharaj has also spoken to us through his budget speech of his determination to wage a war against poverty, ignorance and disease.

SHRI PILOO MODY Guerilla war?

SHRI INDRAJIT GUPTA Unfortunately the guerilla tactics which are adopted by him year after year are not aimed at the forces which are responsible for poverty and hunger but they are aimed at the common people, who live in dread of these guerilla attacks, if I may call them on their pockets. This year once again justified their worst fears.

In this respect I must complement the Finance Minister for proving himself a master of guerilla tactics, worthy of Shivaji's traditions. Nobody knows where he is going to hit and where he is going to strike. People live in dread of him all the time. Sir, as a military genius who is expected to win not only guerilla battles, but also wars, he has proved himself to be a master of the art of surrender. I think, in this respect he has departed from the noble traditions of his ancestors.

Sir, this year's Budget, if I may summarise it, stands out in bold relief as a symbol of three major surrenders.

First is the surrender to the tax evaders. There has been a persistent campaign by the tax evaders over the years that evasion is due to high taxes in the higher income brackets. This case has been just now argued at great length, by my friend Mr. Salve also. So, at last the Minister has surrendered to these tax evaders and the maximum marginal rate has been reduced from 97.75 per cent to 77 per

[Shri Indrajit Gupta]

cent of the taxable income. What does it mean? For example, a person with an income of Rs. 10 lakhs will get a relief to the extent of Rs. 1,87,197. This is almost Rs. 2 lakhs. This is the rural and the vested interests later, why I call this as a surrender.

SHRI PILOO MODY: Leaving how much in his hands?

SHRI INDRAJIT GUPTA: The second surrender is the surrender to the rural rich and the vested interests in the country. This is the only point on which I find myself in agreement with Mr. Salve who has pointed out that the income of the rich farmers in the country-side is going scot-free and untouched. Not a word has been said about it in this Budget. Not a word has been said about taxation in the higher slabs of agricultural income and wealth. The whole thing has been conveniently relegated to the State Governments and it has been mentioned in the Economic Survey that the State Governments have done nothing whatsoever about it. The reason is, whether at the Centre or in the States, it is a question of political cold feet. They are suffering from political cold feet. Sir, I would like to know why the Raj Committee was set up at all, when its recommendations are going to be treated with such scant respect. This is the second surrender written large in the pages of the Budget this year.

The third surrender is of course to the monopolists and big business. No new taxes have been imposed on the corporate sector except this 10 per cent rise in sur-tax. This, Sir, is quite easily calculable. This increase in sur-tax is meant to absorb some of the excess profits of those companies which are making, what is referred to as 'windfall profits', who are declaring a dividend of 15 per cent and more. These companies only will be effected by this sur-tax and I think, they can digest this quite easily. From this, he expects to get Rs. 5 crores. In regard

to wealth tax he has proposed a tax of one per cent more, over Rs. 5 lakhs. This is estimated to yield how much? Only Rs. 9.5 crores in a whole year. So, the two major items of direct taxes the sur-tax on profits and the higher wealth tax are expected to bring Rs. 14.5 crores. What is the wonder—as my friend Mr. Samar Mukerjee has been saying at great length—if he is the recipient of so many hand-shakes, bouquets, garlands and smiles from people who do not bother about tooth-paste—probably, they do not have any teeth of their own left to bother about. This is not a wonder at all.

As against this, the indirect taxes are expected to yield Rs. 186 crores. So the unprecedented buoyancy in shares and the bullish rigging up of shares which we find in the stock market is a natural corollary to this.

I met an eminent businessman the other day, who used to be a member of Parliament. I happened to meet him here in Delhi accidentally. He was saying to me I can tell you frankly that we never expected, we never imagined, that the Government would really implement this part of the Wanchoo Committee's recommendations about lower rates of income-tax in the higher levels; this has come to us as a real windfall; it is a bonanza." I would ask: what about the rest of the recommendations of the Wanchoo Committee? Why only this part is taken out of it and implemented and nothing is done about the rest? Nothing is stated here about the menace of blackmoney, which is running this parallel economy.

The philosophy behind it as I have been able to understand, which Shri Salve has also expounded, is this bogus theory that if you reduce the tax level at the higher income slabs, then there will be better tax compliance and there will be full disclosures of income. I am afraid these hopes are belied by the sad experience which befell a few years ago one of Shri

Chavan's predecessors, whose passing away we mourned only the other day. He also had this idea that some sort of incentive given to the tax-evaders would bring about a change of heart in them and induce them to declare their wealth or their income and thereby without any punitive action against them, they can convert their black money into white. We are all familiar with the experiment of this scheme by the late Shri T. T. Krishnamachari which ended in an abject and total failure. You cannot bring about a change of heart in these man-eating tigers who are out to destroy the whole community only for the sake of their profit. Though Shri Salve is not sure about the success of this scheme and how it is going to work, I can tell you that it is deemed to failure, just as Shri T. T. Krishnamachari's hope of the change of heart by the tax-evader failed.

If one subscribes to the same theory, then one should also lift all controls because it is the theory advocated by them that it is because of controls that all this black money and all this corruption is taking place. Now the first step has been taken this year I anticipate that, unless the Government changes its course, we are in for a process, step by step, of de-control based on the same philosophy and same theory. Perhaps another step has been taken by the recent decision regarding the removal of restrictions on the movement of coarse grains. So, we will go on step by step in this direction. What is the use of excursions abroad? I fully sympathize with Shri Samar Mukherjee. I agree with him that there is no use talking here about other countries. What is happening in our own country is much more to the point. I think some measures of control, which of course are not properly implemented do not amount to socialism. If it is somebody's definition of socialism to have a public distribution system to distribute things which are in short supply. I do not agree with them.

The truth of the matter is, and this is the gravamen of my charge, that the 1974-75 budget is not meant to control inflation or the galloping prices, rather it is meant to accelerate them still further in an age of high prices and rising prices. In the capitalist system the main burden is always imposed on the shoulders of the masses, the working people and the consumers. The high prices of essential commodities always helps to swell profits. High prices are synonymous with high profits of those people who are monopolists, speculators or hoarders. This is the fundamental truth. The capitalists never lose because of high prices; it is the common man who loses because of high prices. This insatiable lust for super profits, which feeds on high prices and artificially created shortages, which feeds on deliberate restrictions on production and creating conditions of scarcity and thereby getting high prices and high profits, this is what leads to more and more disparities in consumption between the rich and the poor, and more concentration of economic wealth in fewer hands. I am afraid, this Budget is doing nothing but satisfying this lust still further.

For example, you take a few things. What will this income-tax reduction on higher slabs mean? It will mean, as I understand, that there will be more disposable money in the hands of higher income groups. On the other hand, the increase in wealth-tax over Rs. 5 lakhs will be a disincentive to acquire fixed assets and property. What will, therefore, happen to the extra money, the disposable money, which will be in the hands of higher income groups as a result of the reduction in income-tax? There is a disincentive to go in for fixed assets and property. The assumption is that it will automatically go into productive investments. I would like to know what guarantee is there that this extra money supply will go into productive invest-

[Shri Indrajit Gupta]

ments and will not be spent, as Mr. Salve apprehended, on conspicuous consumption of goods and services. There is no guarantee of any kind.

He is relying entirely on the whims of the rich and that means, if you rely on the whims of the rich, you are not in favour of planned economic growth, that you are against planned economic growth. There is no attempt to plug the loopholes of tax evasion. It is actually a confession of failure that our taxation administration has broken down. You cannot do anything to plug the loopholes. Therefore, you accept the argument of the tax evaders and retreat before them. Then, there is no attempt to mop up this capital accumulation for investment purposes. So, it is bound to lead to more inflation. I do not wish to repeat many other arguments which Mr. Samar Mukherjee has advocated here about the dangers of inflation.

I would like to say that an attempt is being made here to give an impression that the burden of indirect taxes has fallen mainly on what are termed as luxury goods or goods which are not consumed by the general mass of the people but only by the people in higher income groups. I say, this is a completely misleading statement because every rise, everything that can be interpreted as the rise in the cost of production, will eventually and inevitably be passed on to the consumers even if it is a tax on so-called luxury goods. Let me give you an example. Excise duties have been increased on air-conditioning equipment, etc. I am not against that. But you see what it will come to. What will the excise duties on air-conditioners, office machines, paper, higher postage etc. add up to? Every Company will say that their office expenses have gone up. Therefore, every Company, every big business, will plead that their office expenses have gone up steeply.

Do you think that they are going to absorb it? That will be passed on, inevitably, to consumers through higher prices.

Similarly, you take the case of paper. You talk about war against ignorance. Apart from Education budget that has been cut down steeply, what is the higher paper cost going to result in? There will be an impact on the prices of text-books and exercise books. Already, we have got reports and they have come out in the newspapers as to what is happening in the market. The prices of exercise books have gone up. The text-book suppliers are not supplying text-books on the ground that the prices of paper have gone up and they have to do re-costing.

You have no machinery to implement anything. The experts of your Ministry come forward with all sorts of statements saying that they calculate that nothing will increase by more than 0.01 per cent. It is a cruel joke on the people. Not only items on which excise duties are levied but even items on which excise duties are not levied, everything begins to shoot up in prices, before and after the Budget. You talk about war against ignorance. But the question of text-books, exercise books, that concerns education has again been thrown to the wolves.

Take the case of cloth. There is a deliberate sabotage by the mill-owners of the output of coarse cloth. Obviously, because it does not pay them to produce. In the pages of this Economic Survey—I have no time to quote at length—it is said here quite clearly that the production of coarse cloth is falling far behind the scheduled targets. And the reason for it is that the mill-owners say that they are facing a loss and that, therefore, they must be given higher prices. Therefore, they have reduced the production of coarse cloth

which forces people with limited means to go in for more expensive varieties on which the excises have gone up. I do not understand on what he has taxed them and on what he has let them off.

A point that struck me is: What is the meaning of this sanforized cloth. Some mention is made in your speech about sophisticated processes which result in things like sanforized cloth. Sanforization, as I understand it, is a process by which the cloth is pre-shrunk before it is put in the market for sale. It is pre-shrunk so that after you buy a certain length of it and having made it into something, then later on, when it is given for washing, it does not shrink further because the shrinkage is done earlier. Even for that it has been brought into the tax net. Even ordinary cotton cloth, fairly cheap and the medium varieties of cotton cloth as are shown as pre-shrunk or of the sanforized variety are brought in here. Somebody has advised him that this is a highly sophisticated thing. I do not understand these things at all.

Here, in this Economic Survey—I hope nobody is going to repudiate this Economic Survey also—which they have produced 'hey say on page 29:

"The financial position of the Posts and Telegraphs, on the other hand, continues to show considerable improvement mainly on account of a marked buoyancy in their revenues from telephone services. The net profits of Posts and Telegraphs have improved from Rs. 37 crores in 1971-72 to Rs. 40 crores in 1972-73 (RE) and are expected to go up to Rs 51 crores in 1973-74 (B.E.).

Then, why is the postcard taxed? It is an item which has been taken in isolation and we are told that they are suffering a loss on postcard and, therefore, the postcard must be

immediately taxed further. Why? What is the justification when the buoyancy of revenues of the Postal Department is something which is extolled in the pages of this Economic Survey? I think these things are just being done by somebody's whims, at somebody's whims and caprices. They have to find out some items. Otherwise, they would not be able to get this Rs. 186 crores. So, dig out anything you can. How many crores of rupees you are going to get from the tooth-paste? May I know? It is ridiculous. Tax tooth-paste if you want. But what are you going to get out of it? I can understand people make these proposals, as I said, who either never in their lives have to pay for their petrol because it goes into the account of some company or of some Ministry or who do not have any teeth of their own or wear false teeth. I can understand these proposals coming from such people. Otherwise, there is no logic behind them.

Then he has not told us anything about what has happened to the levy on motor spirit and how much has been realised so far from the excise duty which was imposed last November on petrol and motor spirit. As you know, the bulk of the increase which is given in the motor spirit is not due to the increase in the price of crude oil. The bulk of it has come because of the excise duty which was levied last year at Rupee one per litre and which in a full year was expected to yield them something like Rs. 150 crores. At that time, in the face of protest from everybody because it affects the public transport and everything, they gave a commitment in this House that this money which will be realised from the excise duty on motor spirit will be ear-marked specifically for improvement of the public transport system in the major cities.

THE MINISTER OF FINANCE
(SHRI YESHWANTRAO CHAVAN):
A part of it.

SHRI INDRAJIT GUPTA Part of it Then, tell us something more of what you are doing We do not see any improvement We see deterioration, further deterioration This money has been imposed on petrol only in order to use that money for the general revenues and how much of that is going to be spent for giving some relief to the commuter to the daily commuter who cannot get into the buses and who cannot get into the trams in a city like Calcutta and where the roads are in a shocking condition? Then, if this money is not to be spent for any improvement in the urban transport, it is a shocking thing

These are some stray examples The figure of 70 per cent rise has been calculated by many journals and papers and this 70 per cent rise has already taken place It is not just one per cent which had been predicted by the experts of the Finance Ministry It is a cruel joke, apart from straight rises which have been sanctioned by the Government without any excise, like on vanaspati What a wonderful machinery is this? Every few days they do it and they say it so blandly here that the price of vanaspati had to be raised three times in January, June and July during 1973 because of steep increases in the prices of vegetable oil So everytime the vegetable oil producers and millers go on jacking up prices—it is all that happened in Gujarat—then the Government has a Committee which every month or every fortnight immediately gives a corresponding increase, sanctions an increase in the price of vanaspati You may see the next sentence which says 'At the same time the industry was prevailed upon to place its entire output at the disposal of the Government for distribution through fair price shops' What is this? It is a statement of fact to say the entire stock of vanaspati has been placed at the disposal of the Government for distribution through the public distribution system? I want to know whether this is being contributed in this manner

And prices of Vanaspati have gone up and up It is not available in many places and straight increases are being given every few weeks The same is the case with cloth The same is the case with sugar and also with cement

Sir the truth of the matter is that the private sector is just being allowed to indulge in unrestricted profiteering, through cornering of stocks, artificial shortages, jacking up of prices which are unrelated to excise duties and deliberate restriction of production

I make the charge here Let alone socialism what is happening now is not even a mixed economy, the favourite phrase which we have been using over all these years We have got some public sector projects, that is the only sense in which you can use this term otherwise it is not a mixed economy it is more and more of pure, unalloyed private enterprise which is having its way all along the line and that is the direction in which this budget takes us further

Now I want to know whether this Economic Survey and the Draft Plan which is being given to us and this Budget are complementary to each other or are they contradictory I think in any country which professes to live by plan there should be some integral relation between a budget and a plan The budget should be an instrument for the implementation of the plan But here I find that the Economic Survey gives—read it and see,—top priority to the fight against inflation and for that it points out two main instruments One is effective public distribution system and the second is a credit squeeze, not for production, but for speculation, a credit squeeze on speculative activities and I suggest that this Budget, because of the gigantic deficits—which was visualised,—part of it was admitted and the rest is not admitted but we know it is going to come—will blunt completely the effectiveness of both these instruments, the public distribution

system and the credit squeeze on speculation. It leads to greater tenancy to hoardings and larger bank deposits become available for financing speculative investors and hoarders at lending rates of 12 per cent to 15 per cent at a time when the prices are rising in one year its if by 25 per cent to 27 per cent. The Economic Survey has admitted it. I could go on quoting that Bank credit is being used for building up inventories on a big scale and the bulk of the new deposits are being used for credit in the commercial sector. The Economic Survey says as much as that. I submit that it is not an instrument for curbing speculation but for accelerating it and I would like to ask the hon. Minister to ponder over what will be its political implications. The budget negates the same perspective which is recommended in the Economic Survey. Please think about it. Even after what happened in Gujarat, even after this mounting wave of strikes, bandhs etc., throughout the country, if the Government refuses to learn from the compulsions of the run-away prices, it is diverting the country to a precipice of chaos.

So, I would end by making a few suggestions, very briefly or measures which we consider, to be urgently necessary if the Government has got the courage to take it in both hands to do

Firstly, the purchase and sale of shares without depositing all the share certificates should be made a penal offence and should be implemented as such. This is one of the most fruitful sources of black-money—the passing of shares from hand to hand without even bothering about the share certificates.

Secondly, why does the Government not nationalise all urban lands at stipulated prices, that is, the prices at which the owners say, they have acquired the land? Let Government take over that land. There is a legislation which says that in case of landed property, houses and so on, the Govern-

ment has got the power if it so wants to take over at the ostensible transaction value. But, say that Government should nationalise all urban lands in and around the major cities. They can sell them again later on if they want to. This is the biggest racketeering in black money that is going on in urban land. You can do that in a planned way on the basis of the housing projects and all that.

Thirdly, about the tax arrears of the larger assesseees. Are we to take it now that a decent burial has been given? Nothing has been said about it. We are not even told what is the accumulated quantum of these unrealised tax arrears particularly the actual of arrears of larger assesseees. Even Shri Salve said nothing about it. Why are we not making a drive to realise those arrears?

Fifthly, what about the perquisites? Rural wealth-agricultural income of the larger farmers who are enjoying all other facilities like subsidies and so on. This must be done.

Fifthly, what about the perquisites? I have not time. Otherwise, I could quote figures to show what a huge amount is being given as perquisites to the higher executives, administrators, officers and other officials—not only in private sector but also in the public sector. They are, of course, taxed. What do you get out of it? This should be cut down or they should be taxed. What is the use of talking of socialism and talking about conspicuous consumption when one officer is getting perquisites amounting to Rs. 10,000/- a month over and above his salary?

Then, Sir Government should take over the consumer goods industries, that is, cloth, sugar, vanspathi, cooking oil and so on. Without taking over them, the physical control of the stocks can never be in the hands of Government and no amount of control and price fixation is going to help you. This has been proved sufficiently now.

[Shri Indrajit Gupta]

Then, Sir what I repeat every year and what is rejected every year is the moratorium on foreign debts because, our credit worthiness will go down in the eyes of the world. The countries which are smaller and much more underdeveloped and much more weak than ours had been forced by economic circumstances to resort to this. Is it anything criminal to say that we will pay you later on, we cannot pay you for five years?

Then, Sir about demonetisation, I do not expect him to make an announcement about it. But, every year we are hoping that at least the Government will wake up one day and do something about demonetisation of hundred rupee notes. I would say that we should even demonetise ten rupee notes. There is no other way to get at least a chunk of the black money. If you are afraid of doing it for ten rupee notes, do that for hundred rupee notes. The clever people have realised that if it comes about, that won't affect ten rupee notes.

As regards foreign trade we are losing crores of rupees every year through malpractices. Everybody knows it. So, I do not want to elaborate it. At least exports of jute, tea etc., should be taken over by Government. I refuse to believe that we cannot save. Out of the enormous defence budget—out of Rs. 1700 to 1800 crores every year— why cannot we save at least Rs. 100 crores without affecting the combat effectiveness of our armed forces or even without affecting the emoluments of our service personnel? We do not want to touch their emoluments. Do not touch them. Certainly, do not do anything which will lessen the combat effectiveness of the forces but even within the framework, if a judicious pruning of expenditure is undertaken, you will find that at least from Rs. 50 crores to 100 crores can be saved. Unproductive expenditure is going on there also just as in many other Ministries and government departments.

Finally, he has made a reference in the Economic Survey also, they have said without proper good industrial relations reduction cannot increase and the return from public sector units cannot increase. I fully agree with this. But I say who is responsible for this? Why is that new legislation to bring about a new structure of industrial relations on a new healthy and democratic basis replacing the old out-moded waste thing which is not working is not being brought. We want that legislation. It is being drafted and re-drafted and re-drafted for the last two or three years and now I am told by the Labour Minister that the draft has been sent to various Ministries to elicit their opinion and suggestions and, of course it is not coming back from them. If you are serious to bring about good industrial relations why don't you hurry up with that Bill and see that industrial relations are put on a really healthy basis. That alone in the long run will bring about better labour-management relations and would certainly contribute to the higher production and higher return from the public sector units.

With these suggestions I oppose the Budget as it is.

SHRI B V NAIK (Kanara) Mr Chairman, Sir, I welcome the Budget. It has been variously described not only now but even at the time of presentation that it is a sort of a soft budget. Some have stated that it is a rightest budget. But I think Sir, on the basis of comparison with the previous budgets, I think, at best it could be defined as a sort of a thoughtful budget.

Sir, the leader of the CPI(M) party has called it as pro-monopolist and anti-people. I would shortly come out with regard to figures to point out the true nature of this budget.

The first and foremost question is one of comparisons as has already been stated and ably stated by my predecessor Shri N. K. P. Salve. What is it

that we are comparing? Are we comparing the two political systems? I think, Sir, the comparison could not be fair. It would not be fair to a system like China, it would not be fair to a system like ours, which is a democratic system. It is true that totalitarian countries have a greater amount of political discipline. I do not think that in this country because the Defence Minister acts against the wishes of the Prime Minister he will be shot down in some aeroplane like Lin Piao was done. In China Lin Piao was liquidated and after he was liquidated he was disgraced after a couple of years. Not only that but the ghost of that great Confucius who lived 2500 years back is now being degraded. I do not think that we are going to pull down the statues of our great philosophers like Vyasa or Shankracharya even though in the flush of our freedom struggle we might have pulled down a few statues here and there. But it does not make any difference.

So, the two systems are not comparable. So, we should not suffer from the idea of comparing ourselves with a system which has a better capacity and which has more discipline. If, for example, there is a revolt in Gujarat, our CRP, SRP and our Army boys have to go there and whether they are garlanded or they receive brick-bats or bouquets, they do the job. But what happened in Budapest in Hungary in the fifties? I do not want to pull the legs of any party. I have a lot of sympathy with some of the great socialist countries. That happened in Prague in Czechoslovakia when there was a revolt? Were there any rifles? Were only 303s used? On were there tanks in the streets of those cities?

SHRI P. G. MAVALANKAR (Ahmedabad): How is it relevant, Sir?

SHRI B. V. NAIK: The hon. Professor Mavalankar was not present when the Chinese system was voted by the Member of the CPM. So, because of his absence, my relevance may not be called into question.

MR. CHAIRMAN: Let there be no cross-talks. Let the hon. Member address the Chair please.

SHRI B. V. NAIK: Let us not compare the incomparables. If we want to compare we can make certain geographical comparisons.

Now, from the general, let me come to the specific things in the budget..

MR. CHAIRMAN: The hon. Member has only five minutes more. So, let him come to the specific things straightway.

SHRI B. V. NAIK: I am coming definitely to the specific things. The only two countries in the world which are sub-continent and which can be compared to the Indian sub-continent with multilingual and multi-sub-nation status will be the USSR to the north and divided continent or the sub-continent of Europe. So, these are the only two comparisons possible. Let us therefore not go on the basis of the Chinese model or some other model. We have to derive our own mode.

Regarding the budget being pro-monopolist I had the opportunity to collect a certain amount of data. Who is the biggest monopolist in this country today? It is the public sector, which I have repeatedly stated, manufacturers anything from shoes to ships and has a total capital base exceeding Rs. 16,000 crores or about 20 billion dollars, and which we may regard as one entity because it is functioning under the Government, Central as well as State; if we take the public sector undertakings under the State as well as the Central Government, it would come to a sort of mighty megalith. Compared with that, what is the size of our biggest monopolist in the private sector? It is only Rs. 800 crores. In comparison with the public sector, the biggest monopolist in this country is just a pigmy. I am not saying this to justify monopolies but rather to emphasise certain points while dealing with these two sectors which have been missed so far, namely those in regard to the

[Shri B. V. Naik]

plugging of the loopholes in our budget which we have to look into with reference to the private sector. The biggest loophole in respect of the private sector exists in respect of the industrial concessions that are being enjoyed by the private sector today.

It shall be our duty in trying to augment our resources to see to it that the industrial concessions, whether in the form of raw materials, land, concessional rates of electricity power, energy, water, infra-structure facilities whatever these are, are adequately compensated for. There are certain people who believe in the operation of the free market forces. Now my hon. friends on the other side will look at me with a bit of wonder whether I am a champion of the public sector or the private sector. I am a champion of nobody. There is a kind of confusion because we have been conditioned to think in terms of life, political life in particular in terms of black and white. Life at large is neither black nor white; there are various shades of grey. Under these circumstances, I would suggest that the budget can go to a certain extent in a democratic system to achieve the twin objective of controlling inflation and socialisation of our economy. But it cannot go the whole way.

I would, therefore, suggest that in plugging all the loopholes in respect of the agricultural sector, it is not a question of implementing the recommendations of the Raj Committee alone. They are well known. Certain States have laws in regard to agricultural income tax. I am not saying that; I am saying that at least the beneficiaries whether in the realm of the States or the Centre, even the beneficiaries of our green revolution, the beneficiaries of our large irrigation projects have to contribute their due. The biggest of the farmers have not yet been paying the simple irrigation cess. At least we can collect it and enforce it. It is not going to hurt them. They are the best beneficiaries

in the rural side. The irrigation cess should be collected.

The other point—whether we buy a tin of ghee in the DMS counter near the Central Hall, for which there seems to be an abundant demand or any other item elsewhere—is to price our consumer surplus. I have absolutely to complain against the rise in prices in the postal charges. The consumer surplus is there, whether it is in the case of the HMT watch which is selling at Rs. 150—the consumer wants to buy it because its intrinsic value is much more than that—or any other product: we have to price the consumer surplus particularly in respect of commodities coming out of our public sector, call it steel, electricity, consumer surplus particularly in respect of which is again a public sector product for which there is so much of demand.

The second way of increasing our budgetary resources would be by way of repricing the various products which are coming. This would be a tremendous source for increasing our internal resources. According to the annual report of the working of the industrial and commercial undertakings

MR. CHAIRMAN: Your time is up.

SHRI B. V. NAIK: I Will come to few valid points to make and since I am only the second member from our Party, I hope some time would be given to me.

MR. CHAIRMAN: You have just begun making them. But ten minutes are over and you have only two more.

SHRI B. V. NAIK: I will come to the most valid point of plugging the loopholes. According to the 1972 report, the public sector undertakings employ—that is, non-railway, non-postal—7½ lakh people. This industrial base is virtually more than 20—25 times the biggest monopolist in this country, whose name I need not mention—I do not want to hallow these

people the monopolists— has got a tremendous capacity to function. But many of them are functioning below their productivity, for which solutions have already been suggested. I feel the internal policy of the country should invariably dictate its external policy. I was the first, who had in connection with the Breznev doctrine last year, the good fortune to suggest a reconsideration of the Asian collective security concept.

SRI, I am coming only to our external policy which has a bearing on our finances as well as our economy. If President Anwar Sadat of Egypt could take arms from Russia, fight a disastrous battle against Israel, defeat it and then next month if he can go to make the entire Suez Canal of 80 miles into a sort of duty-free industrial free zone to be made into a blooming field and to see it that the tremendous amount of free enterprise economy functions in the entire canal zone from Port Said to Suez, should we be always 'Holier than Thou' in regard to our external relations? We are spending about Rs 1900 odd crores on our armaments. Countries like the United States spend about 65,000 crores on their armaments every year. One Defence Department there spends Rs 65,000 crores which is, more than what we are going to spend for our industrial development—at 49 paise per rupee in the course of five years. Similar is the case of other super-powers. The USSR spends about 80 million dollars or nearly Rs 45,000 crores to Rs 50,000 crores. What I am trying to say is that either we find that the local indigenous conditions are such that we try to take it from the haves and then create the wrath like we have in Gujarat—the Gujarat war is not the war of the poor, not a class-war as Shri Samar Mukherjee was saying, it is not the poor who are in revolt. It is the people who are well-fed, it is the Fascist forces, it is the forces of the RSS and the Jan Sangh, the misguided people who are waging a war in Gujarat, who are against the party democratically elected on the basis of

mass franchise. But those people on the other side are trying to give it a colour of class-war (*Interruptions*). Why I am saying this is because if you try to disturb the essential structure in this country, if we try to disturb it—(*Interruptions*)—Prof Mavalankar you will have your turn to speak, when you can refute it.

MR CHAIRMAN Mr Naik, you were coming to a point, but you suddenly got derailed to Gujarat and left the point which you were trying to make.

SHRI B V NAIK He is trying to destroy my trend of thought. What I was trying to say was this. Prof Minhas was saying a particular thing. As far as we know, Prof Minhas is the son of a sharecropper. He does not belong to the so-called Kulak lobby.

MR CHAIRMAN Come to your point.

SHRI B V NAIK Either we have to equalise within our internal resources, or when the country needs, when the country is in dire stress, we take the help of others. Many countries have taken assistance from abroad without any strings. The taking of assistance by Egypt from the USSR or other countries on a similar parallel has not destroyed their concept or their feeling of sovereignty. We are living in the 74th year of the 20th century and the concept of absolute sovereignty will have to change. I feel that in the light of these suggestions, we will find it very helpful if we are able to slightly deviate from our inflexible position of non-alignment to a more meaningful situation of a more flexible response to the requirements of the country during this year, not being unnecessarily guided by hard and rigid dogmas, but being more or less guided by pragmatic idealism which was already referred to by Shri Salve.

With these words, I welcome the thoughtful budget presented by the hon Finance Minister.

SHRI E. R. KRISHNAN (Salem)
rose—

MR. CHAIRMAN: Because the Members on this side are very few I shall be calling two Congressmen and then one from the Opposition alternately. Otherwise, it will become unequal. Shri Damani.

SHRI S. R. DAMANI (Sholapur): I had carefully listened to the speeches of Members of the Opposition, Prof. Mukerjee and Shri Indrajit Gupta. One thing is clear. This Budget has been approved, praised and welcomed by all kinds of papers whatever their ideology may be, they welcomed the Budget proposals. The criticism made here is not quite relevant. This time after several years the hon. Finance Minister had made a departure from the past. This year he has concentrated on matters such as how production can increase, how unemployment can be reduced and how the prices can be brought down and how the common man can get benefit. These are the considerations on which he has based his Budget proposals. The reduction in taxes was recommended by the Wanchoo Committee. It was done to rationalise the rate of direct taxation. By doing this, I think he has created an opportunity for saving and investment. To the common man and the middle class people whose budgets were upset by rising prices he has given this relief to help them. Indirect taxes and excise duties have been put on items which are not in use by the common man. Thirdly the increase in the exemption limit from 5,000 to Rs. 6,000 also gives a kind of relief though not sufficiently to the middle class people. Therefore, according to me these taxation proposals are production-oriented and saving-oriented and I congratulate the Finance Minister on this.

Since the last few years our economy is under strain. Last year prices have gone up by 14 per cent and this year again the prices have risen by 26 per cent. We see agricultural production

increasing to some extent and industrial production has also shown a slight increase though not according to our expectations or according to our plans. What are the reasons for such steep rise in prices, 26 per cent, which never occurred, in this country after Independence? While replying to the discussions the hon. Finance Minister should throw light on this point.

According to me one of the major reasons had been the continuous rumour that was spread about demonetisation. That is what Mr. Indrajit Gupta has said. It was done with the intention of bringing the Government under difficulties. The agriculturists and other producers felt that if they sold their products for money and kept the money then they might stand to lose in case of demonetisation. So they decided to keep their products with them for some time and did not offer the products for sale. On the one hand production has not gone up as per our plans. On the other hand there were such persistent rumours to obstruct normal market operations. These have caused such a steep rise in prices. Whenever the hon. Finance Minister came to know about the rumour, he denied it categorically but it had no effect. After some time the rumour was spread again. These were the tactics followed by persons who wanted to disrupt our economy.

MR. CHAIRMAN: If the assurance of the Finance Minister does not satisfy them then what else do you think is going to satisfy them.

SHRI S. R. DAMANI: In fact I may say that on the Budget day the rumour was thick that in the Budget they were going to devalue the rupee and Rs. 100 would be worth only Rs. 80. The price of gold went up to Rs. 700 and price of silver also shot up; the prices of all commodities have gone up. This propaganda was done by interested persons to disrupt our economy. The Government should take serious action against these people; they should probe

this through the CBI why this was happening.

Secondly about reduction in direct taxation. I have to say that the low income group people will get some relief to meet the increase cost of living.

17 hrs.

People ask why relief has also been given to those who belong to higher income group; from 97.75 per cent the rate of tax has come down to 75 per cent. The hon. Finance Minister has given some relief by the right hand by reducing the rate of income tax in the higher slabs. He hopes that tax evasion could be reduced and that people would be more honest and that they would pay taxes honestly. Therefore, he does not expect any fall in collection in spite of the reduction in the rate of tax. Side by side he has taken by the left hand what he has given by the right hand to the higher income groups; he has increased by 50 per cent to wealth tax and that means Rs. 10 crores has been taken from the higher income groups.

The exemption limit suggested by the Wanchoo committee was Rs. 7,500. Last year most of the hon. Members of this House requested the Finance Minister that that recommendation should be accepted and the exemption limit should be fixed at Rs. 7500 because of the rising prices. I submit that the hon. Finance Minister should reconsider this matter and bring the exemption limit upto Rs. 7500 which will really help the low-income group people. As I said that was the recommendation of the Wanchoo committee. The Finance Minister has said that by increasing the minimum from Rs. 5000 to Rs. 6000 the number of assessments would be reduced by four lakhs. By putting the limit at Rs. 7,500 the number of income-tax payers would be further reduced and then the income-tax officers can very well concentrate on deserving cases and on the collection of arrears, which is our aim. So, they can be utilized for this purpose. At

the same time, people will also get relief. So my suggestion is that the limit should be increased to Rs. 7,500.

While extending the operation of Development Rebate for one more year in certain cases, the hon. Finance Minister has announced the application of this rebate for boilers which will use coal in order to save furnace oil. The period given for conversion of oil-fired boilers into coal boilers is insufficient. Because, the boilers are not manufactured in large quantities their production is limited. When the industry has to change to a system of boilers by coal from furnace oil, they will require a large number of boilers. So the time limit should be extended so that the purpose of reducing dependence on oil is achieved. It should be examined and suitable action taken.

Coming to development rebate, it was introduced for the first time by the late Shri T. T. Krishnamachari in 1958. Industrialisation in India gained momentum from that year and it continued upto 1965. A major part of the industries were established in India during those seven years. It is only because of this incentive that industrial activity received momentum. It is a big incentive and it is very useful. Since we want rapid industrialisation and industries to go to small towns, the continuance of this incentive is very essential. As it has proved very useful, it should be further extended. In the Fourth Plan the growth of industrial production was much less than the target. In the Fifth Plan we have to catch up and we have to go further. We have also to increase exports to earn more foreign exchange to meet the increasing import bill. So, I would request the Finance Minister to allow the operation of development rebate undisturbed.

When the Prime Minister presented the budget in 1970 she introduced an incentive for saving. If any person invests money in Government securities, bank deposits or blue chips interest or dividend on it upto Rs. 3,000

[Shri S. R. Damani]

would be exempt from income-tax. By this incentive the bank deposits have gone up from Rs. 6,000 crores to Rs. 10,000 crores, and that money is being used for development purposes. It is a fact. Therefore, I suggest, the limit of Rs. 3,000 should be increased to Rs. 5,000 to attract more savings. You have reduced the income-tax. Side by side, if you give this extra incentive, the Bank deposits will increase; the investments in industrial sectors will increase. We will have more industries and we will get more production. More production will bring more revenue. This incentive has so many useful purposes to serve. This limit of Rs. 3,000 should therefore be increased to Rs. 5,000 so that we get more financial resources the Fifth Plan projects, both in public and private sectors.

Lastly I would say that no economy has been effected in non-Plan expenditure. It is going up. Efficiency is going down; discipline is going down. This should be checked. Otherwise, what will happen? We all know how the public sector is running. There should be strict discipline in public sector undertakings. The hon. Finance Minister has said in his Budget Speech that he is changing the pattern of management. I hope, he will do it. We expect about Rs. 6000 crores contribution during the Fifth Plan from the public sector industrial units. Unless the management improves, how is he going to get it? During the Fourth Plan, their contribution is only one-third of the expectation. Therefore my suggestion is that there should be strict discipline and more able persons should be put in-charge of public sector. Units who will be acceptable for results. This is very essential. With these words, I thank you very much for giving me this much time to speak on the General Budget.

*SHRI E. R. KRISHNAN (Salem):
Mr. Chairman, Sir, on behalf of Dr. Vidya Munnappa Kanchegam, I rise to

place my views before the House on the 1974-75 General Budget.

At the very outset, I would say that production must be increased substantially to control spiralling prices and galloping inflation. But I wonder whether the Central Budget presented to this House by Shri Chavan, our Finance Minister, who speaks eloquently inside this House and outside about the socialistic objectives of the Central Government would pave the way for augmenting production which in turn will bring down the prices of essential commodities and also control the menace of inflation.

I will quote some available authentic statistics. Sir, the direct taxes are a potent instrument for establishing egalitarian society in our country. In 1960, the revenue from direct taxes amounted to Rs. 420 crores. In 1971, it was Rs. 1233 crores. In 11 years the revenue from direct taxes increased by 300 per cent. The indirect taxes spread poverty in the country and this cannot be denied by anyone in the country. In 1960 the revenue from indirect taxes amounted to Rs. 1040 crores and in 1971-72 the revenue was Rs. 4511 crores. In 11 years the revenue from indirect taxes had increased by 450 per cent. At the same time, the income from entrepreneurship and property had increased from Rs. 187 crores in 1960 to Rs. 649 crores in 1971-72. From this figures, I begin to doubt whether the trend of tax evasion in the country has taken deep roots or whether the capacity of the Government to tax has got strengthened.

Sir, I regret to say that under the dispensation of the Central Government all the taxes seem to be collected only from the poor people. At this rate, instead of rooting out poverty from the country, the poor people might become extinct in course of time if the taxation policy of the Central Government continues. Though

the public property may not increase, yet the property of the ruling party gets multiplied beyond one's comprehension: While the poor people of the country are undergoing untold hardships the hoarders, the blackmarketers, the tax-dodgers, and the smugglers, with the tacit support of the Central Government seem to thrive in our country.

Sir, through increase in postal, telegram and telephone tariffs and by increasing the tax on bidis, cigarettes, hookah tobacco, toothpaste confectionary items loved by children, coffee, paper products, the Government would be collecting Rs. 212 crores of additional revenue. In spite of this heavy dose of taxation, the deficit is of the order of Rs. 125 crores. There are two well-known methods being adopted by the Government to cover this gap: one is by floating public loans and the other by printing currency notes in Nasik Press. I do not think that this deficit will remain at Rs. 125 crores, if last year's example is taken. Last year the anticipated deficit was Rs. 300 crores or so and it went up to Rs. 1000 crores.

In reply to Starred Question No. 59 on 22nd February, 1974, the Finance Minister has enumerated the steps taken to bring economy in expenditure so that inflation could be contained to some extent. They are: saving in Central Assistance to the States Rs. 93.98 crores; saving in employment schemes Rs. 34 crores; saving by not attending to the preliminary works for the 5th Five Year Plan Rs. 30 crores. It is regrettable that nothing has been mentioned about the amount of income-tax arrears collected as a result of intensive efforts on the part of the Government or about the steps taken to make the public undertakings work more profitably. Only when steps are taken, they will have some statistics to give! When I think of the steps taken by the Government to contain the menace of inflation, I am reminded of the saying that when Rome was burning, Nero was fiddling. Sir, as early as 1957, our late-lamented leader, Ariznar

Anna had stated that printing of currency notes would not revitalise a nation. But the Government seem to be determined to fight inflation by printing more currency notes.

Sir, price rise is a byproduct of inflation. When the Government increases the money supply, the inflation starts galloping. In 1973 alone, the money supply increased by 15.8 per cent. It cannot be denied that to control inflation and price rise, the production must increase. But in our country there is a paradoxical situation that when even the production has gone up, there has been no fall in prices. In 1969-70 and 1970-71 the food production increased substantially. But the prices also went up each year by 5 per cent. In 1971-72 and 1972-73, the food production came down and the prices rose by 14 per cent to 26 per cent in these years. In 1973 the prices have gone up by 19 per cent. As compared to the price rise in December, 1972, the prices in December, 1973 went up by 26 per cent, in spite of the fact that there was a good khariff crop. If unfortunately the next khariff crop fails, there will definitely be economic chaos in the country on account of hyper-inflation.

Here I would like to refer to the view of the World Bank on the Indian economy, which were published in yesterday's newspapers. The World Bank is of the view that Indira Gandhi's administration is doing wrong by not informing the people about the real economic situation. In the next five years, 20 million tonnes of foodgrains will have to be imported each year. Even at higher prices, the Government will be compelled to import fertilisers to sustain agricultural production because otherwise the food production will go down. Under the public distribution system, the foodgrains are also dwindling. More foreign exchange would be required to maintain even the present level of imports of petroleum products. Though our planners have estimated that the requirement of foreign exchange for the 5th Plan

[Shri E. K. Krishnan]

would be 500 crores of dollars, the World Bank feels that the actual requirement would be 1200 crores of dollars. I wonder whether the Government would be able to find out this much of resources.

Many notable economists and the Wanchoo Commission have said that tax evasion in the country is of the order of Rs. 600 crores. The Finance Minister himself has stated on the floor of this House that the tax arrears amount to Rs. 738 crores. If the Government had made determined efforts to collect even a portion of tax arrears, there would have been no necessity to levy taxes on the poor people in 1974-75 Budget. As if to add insult to injury, the Chief Economic Adviser of the Finance Ministry, Shri Manmohan Singh, has stated in a Press Conference that the cost of living index of the workers would go up only by 0.5 per cent on account of the proposed levies. Last year he had stated that it would go up by 0.4 per cent but actually it went up by 19 per cent to 26 per cent. I would say that it is improper on the part of such high officials of the Finance Ministry to express such wrong opinions in public. Sir, the Finance Ministry has brought out two tables showing the increase in wholesale price index and also the increase in the cost of living index of the industrial workers. The latter table shows that the cost of living index of the industrial workers would go up in the case of cigarette and bidi by 6.7 per cent, hookah tobacco by 12 per cent, dhoti by 3 per cent and shirting by 1.2 per cent. But the Finance Ministry has conveniently forgotten to take into account the kerosene price increase by 15 paise per litre, 12 per cent increase in the III Class passenger fare, the freight increase of 11 per cent which will consequently increase the coal price by 20 per cent, thus increasing the commodities of coal-consuming industries by 30 per cent. Will this not further increase the cost of living of the industrial workers. In the matter of wholesale price index,

the increase in coffee would be 4.4 per cent, paper products 7.1 per cent, confectionary items by 5.4 per cent. Here also, the increase in the prices of essential commodities on account of 11 per cent increase in freight and the increase in postal, telegram and telephone tariffs, have not been taken into account by the Finance Ministry. I regret that the Finance Ministry also should give tables giving such incomplete information.

Here, I would like to give a comparison by giving what the D.M.K. Government in Tamil Nadu has done in its 1974-75 Budget for the poor people, workers and the middleclass people. In the Budget presented to the Assembly recently, 59 more commodities including the consumer items like pulses and oil products have been brought under single point system of taxation. The Sales Tax exemption limit has been raised from Rs. 25,000 to Rs. 50,000. When the D.M.K. came to power in Tamil Nadu, the Sales Tax exemption limit was just Rs. 10,000. By increasing the exemption to Rs. 50,000, 40,000 small traders and consumers of even larger number would be benefited. Fuel, cattle feed and bangles have been completely exempted from taxation. This the D.M.K. Government of Tamil Nadu led by Dr. Kalaignar Karunanidhi has done in spite of the deficit of Rs. 12 crores. This deficit is also not due to mismanagement of the State Government. In 1973-74 the State Government anticipated Rs. 61.54 crores as central assistance. But it is felt now that the Central assistance would be only Rs. 41.15 crores.

But the Central Budget is not only anti-people budget but also pro-rich people Budget. The elementary principle of a socialistic budget is that taxes should be levied on those who can bear the burden and there should be minimum of tax burden on the common people of the country. In 1974-75 Budget, the incometax at the top level has been brought down from 97.5 per cent to 77 per cent. The hon. Minister might say that the income

tax exemption limit has been raised from Rs 5000 to Rs 6000. But, an assessee with Rs 5 lakhs of income will get a saving of Rs 83,447 through the reduction in incometax and an assessee with Rs 12500 income will be saving a paltry sum of Rs 77 only. If you calculate at the 1947 value of rupee, this Rs 12500 is equivalent only Rs 3125. While the value of rupee has gone down by 75 per cent the burden of direct taxes has gone up by 60 per cent and that of the indirect taxes by 75 per cent. Will the Central Government be able to drive out poverty from the country with this trend? While the purchasing power of the people has been going down and down the taxation power of the Government has been going up and up. Can this Budget be called a socialistic budget in view of what I have stated?

I would demand of the Finance Minister that the incometax exemption limit should be raised to 10,000. In the case of assessee with more than a lakh of rupees as tax arrears, their property must be confiscated and if necessary Presidential Proclamation must also be issued in this direction. Only then the Government would be able to reduce the incometax arrears of Rs 738 crores and definitely not by the procedure suggested by the Minister of States Shri Ganesh. Shri Ganesh has suggested that such assessee can pay 50 per cent of the tax arrear and settle the cases finally. I would say that this will only mount up the black money in the hands of rich people. Probably the ruling party may also get substantial donations from these people for elections. This is the public opinion prevalent in the country.

Shri Chavan, Shri Ganesh and also the Prime Minister have been repeatedly stating that concrete steps would be taken by the Government to root out black money from the country. They have also stated that the black money only leads to price spiralling. But no action has yet been taken by the Central Government in this regard. The Tamil Nadu Government three months

ago passed a unanimous resolution in the Assembly seeking more powers for eradicating black money from the country's economic scene, which is still awaiting the approval of the Central Government. The Central Government by themselves will not do anything concrete to eradicate black money and they will also not allow the State Government to do anything in this direction.

Sir, the Report of the Sixth Finance Commission has caused disappointment for many State Governments, especially the recommendations of the Commission in regard to devolution of finances. The States which have been miserly in spending money on Social Services have been treated as backward States and more money is being given to them. But Tamil Nadu has been denied its rightful share on the ground that the State has made social, industrial and economic progress. It must be remembered here that the State of Tamil has made economic progress because of the untiring effort of the State Government coupled with the enthusiastic cooperation of the people of Tamil Nadu. I regret to say that the economic development of the State has proved a bottleneck getting the rightful share of the revenues from the Centre.

Advancing a similar argument the Planning Commission has also not included any developmental schemes for Tamil Nadu in the Fifth Five Year Plan. The State Government was greatly disappointed when the Newell Second Mine Cut its allied 1000 MW Thermal Power Plant Sethusamudram Project new fertiliser projects oil refinery projects did not find a place in the Fourth Five Year Plan. It cannot be denied that a self-sufficient State will strengthen the hands of the Centre. The State of Tamil Nadu alone has got a full-fledged Planning Commission at the State level, which formulate schemes for the economic development of Tamil Nadu has been formulated with an investment of Rs 1532 crore.

[Shri E. K. Krishnan]

would request the Central Government that the Fifth Plan of Tamil Nadu should not be reduced at any cost and the Central Government should in fact liberalise its financial assistance to the State. The schemes which I have mentioned just now must find a place in the 5th Five Year Plan of the country.

Sir, I would refer to the Gold Control Act which has caused great difficulties for small traders and lakhs of goldsmiths throughout the country. I demand that the Gold Control Act, which has not served any useful purpose, must be repealed at once. It is not that I from an Opposition Party demand this. The Karnataka Chief Minister belonging to the ruling Congress Party, Shri Devaraj Urs, on 15th December, 1973 has publicly demanded that the Gold Control Act must be repealed at once. At the same time, I do wish to say that vigorous steps must be taken to confiscate the smuggled gold. But this abominable Gold Control Act must go.

Sir, there is a wrong impression here that State autonomy means demand for separation. We from D.M.K. have pointed out on the floor of this House several times that D.M.K. has unassailable faith in the unity of the nation and that D.M.K. would strain its every nerve to promote and cherish national integration. The D.M.K. rightly feels that weak States will only weaken the Centre and that is why the powers that are required to make the States strong should be given to them. Every State in the country acknowledges that all the revenue raising avenues are concentrated in the hands of the Centre and the States are left with very little options to raise money for their industrial and welfare projects. At the same time only two days back, the Prime Minister has declared that the welfare of the people is the responsibility of the States. The Centre's policy seems to be: you bring flattened rice and we bring chaff; we will eat together after removing the chaff. The State Governments have no powers and have no financial resources adequate enough to

ensure the welfare of the people under their charge. That is why, the Government of Tamil Nadu has been demanding more powers for the State.

The State Government of Tamil Nadu, within their meagre resources, have taken over the management of some industrial units—Coimbatore Textools, Dharmapuri Lasc, Alloy Steels, Shakti Pipes and Structural which were on the verge of closure. Now the State Government has sought the permission of the Centre to nationalise these industrial units. I request that the Central should expedite its approval in this matter.

Similarly, the State Government has taken over 13 sick Textile Mills in the State. In fact, the State Government has given new life to these Mills and 10000 workers have got back their livelihood. It is reported that the Central Government are keen to nationalise these 13 sick Textile Mills. If that is done, I would appeal to the Central Government that the control and ownership of these 13 sick Textile Mills should vest with the State Government.

The State Government has also sought the approval of the Central Government for the Tuticorin Oil Refinery Project, Manali Petro-chemical Complex Fertiliser project in Cuddalore and the Nylon and Seamless Pipe Industry. These are vital for the economic progress of Tamil Nadu. The Central Government should not show any hesitation in sanctioning these projects.

These are also very essential for Tamil Nadu in another sense. According to the recent Agreement arrived at between our Prime Minister and the Prime Minister of Sri Lanka, the repatriation of about 1,60,000 of stateless Tamil-speaking people living in Sri Lanka must be completed by the end of 1979. In such an important issue concerned with the economy of Tamil Nadu, the Central Government and the Prime Minister did not even

consult the Chief Minister of Tamil Nadu before signing the agreement. In the past, the financial assistance given for rehabilitating these people has been treated as loan. Sir, this problem of rehabilitation is not that of Tamil Nadu alone, it is a national problem. Liberal assistance should be given to the Tamil Nadu Government for rehabilitation of these lakhs of people coming from Sri Lanka, otherwise, the economy of Tamil Nadu will be in great peril.

Sir, I remember having read an article written by Mahatma Gandhi in HARIJAN many years ago that the postcard used by common people should not be priced high. Sir, Shri Chavan who swears by the principle of Mahatma Gandhi must withdraw the increase in the price of post-card used by the common people. Similarly, he should also withdraw such levies which will increase the cost of living index of the industrial workers and middleclass people of the country.

I expected that when the country is facing a grave economic crisis, the Finance Minister will bring forward a revolutionary budget restructuring the entire economic set-up in the country, which will ensure the welfare of the teeming millions of our country. I am greatly disappointed that this Budget has not only given any hopes of relief for the common people but also will go a long way in making the rich richer and the poor poorer. Here I am reminded of what our great leader Arignar Anna stated that paper flower will not smell and that Congress socialism will not sweeten the mouth. I am tempted to say that the common people of the country may not expect anything in their favour from the ruling party at the Centre.

With these words, I am totally opposed to the proposals contained in 1974-75 Budget.

SRI Y. S. MAHAJAN (Buldana).
I welcome the budget presented by the hon Minister of Finance because it is framed in such a way as to contribute

materially to the solution of the most pressing problems of the day and at the same time strengthen the foundations of our agricultural and industrial economy.

The year which is just over has been perhaps the worst since Independence, because it witnessed not only a setback in industrial production but also a phenomenal increase in prices, in spite of the fairly good kharif crop, and in the field of foreign trade, a calamitous change in the terms of trade because of 300 per cent rise in the price of crude, and despite a good performance on the export front, the possibility of the emergence of a serious deficit in the balance of payment. Such a critical condition of the economy left very little manoeuvre to the Finance Minister, but still he has come forward with a budget which faces boldly the problems of the day, of production and inflation in the short-run and the problems of poverty and self-reliance in the long run. The solutions offered by him are, without doubt, calculated to lead the country out of the present impasse.

The new financial year is the first year of the Fifth Five Year Plan. It is, therefore, significant and so, the Minister has provided for a larger investment in the key sectors of the industrial field as well as agriculture to enable us to get over the temporary bottlenecks strengthen the infra-structure and improve our industrial and agricultural economy.

In view of the increase in prices during 1973-74, it may be conceded that investment in 1974-75 will not be what it was in real terms in 1973-74. It will not be what the financial allocation indicates. Though this may be conceded, the growth of output every year is not necessarily in proportion to the amount invested. The growth in output may be larger or smaller, may be more or less for a given amount of investment. What is important in this connection is not only the rate of investment but also its composition,

[Shri Y. S. Mahajan]

and its short-term or long-term character. The Finance Minister has taken particularly care to see that agricultural and industrial projects are selected in such a manner that they will yield their results within the first two years of the Plan and contribute materially to the solution of the present difficulties

Power is a basic requirement not only for the smooth running but also for the development of transport, agriculture and industry. Shortage of this critical input had a crippling effect on our production effort, last year. Nothing, therefore, could have been more welcome than the provision of Rs 121 crores for development of power resources. As the Finance Minister says, the 'strategy is to expedite completion of projects which are already under construction and to go in for new thermal schemes which have short gestation periods'. Rural electrification which is necessary not only for agriculture but also for the spread of industries gets the necessary emphasis by the allocation of an extra sum of Rs 40 crores

Development of our coal resources has naturally got the highest priority. Since coal is the most important source of commercial energy and has to be used as a substitute for oil, the phenomenal increase in the price of crude has made a shift from oil to coal an imperative necessity. Last year, we provided Rs 24 crores for development of coal. This year, the amount has been increased to Rs 97 crores. Besides, the advantage of the development rebate has been extended to firms which convert their boilers from oil to coal or instal boilers which can be used with coal. In this connection, I would like to say that this advantage has been extended for only for one year. Replacement or instalment of boilers might take two or three years and it is therefore, necessarily for the Finance Ministry to extend the development rebate for a further period of one or two years

One other significant provision from the point of view of economic development and self-reliance is Rs 162 crores for steel production, Rs. 56 crores for the production of non-ferrous metals, an extraordinarily large provision of Rs 342 crores for the development of railways and Rs. 163 crores for production of fertilisers and, last but not least, Rs 246 crores for agricultural programmes

Within the constraint of resources, the Finance Minister has done the utmost he could for increase of production in the short run, for development of resources calculated to reduce our dependence on foreign supplies and for strengthening the economic in the long run

This brings me to the most crucial problem, a problem which has been a source of anxiety to our Government a problem which has imposed very serious hardship on our people, namely, the serious inflationary pressure which has resulted in increasing the price level by 26 per cent during the last calendar year. The factors responsible for this phenomenon are well-known. Two successive years of drought, the steep rise in prices in the outside world, fall in industrial production and deficit financing have contributed to this phenomenal increase in prices. The figure of 26 per cent for rise in prices is of course, no indication of the inflated prices people had in fact to pay for the basic necessities of life. Price stabilisation is and should therefore be the major objective of Government's economic policy.

Unless prices are held in check, they will knock the bottom out of the fifth five year Plan, accentuate the shift of the purchasing power from the poor to the rich, make economic progress impossible and will result not only in economic disaster but in a political upheaval. The Government has been deeply concerned in this matter, and has already taken certain steps. It has slashed down public expenditure by about Rs 360 crores during the last six

months. Then, it has imposed severe controls on credit expansion by banks, and recently, these controls have assumed a form of quantitative ceiling. Thirdly, it tried to reduce deficit financing by larger market borrowings; but these remedies have been of no avail.

I would, therefore like to suggest certain specific measures for the consideration of the Government, apart from urgent short term measures for increase in production which is the sovereign remedy for inflation. Firstly, unproductive expenditure should be reduced still further. For instance, overtime payment in Government offices and enterprises and even in ordnance factories—this facility—is being abused on a very large scale. The case of the Indian Airlines has been before us during the last four months. Then, efforts should be made to restrict deficit financing to a safe level or, if possible, be eliminated altogether as suggested by the Planning Commission.

Thirdly, the Government should resort to larger market borrowings and, if necessary increase the rate of interest and use the additional borrowings for buying the short term treasury bills which are sold so that the amount of money in the hands of the public will be reduced. Fourthly, along with these measures, the practicability of demonetisation of currency notes of higher denomination may be re-examined; though this will not solve the problem of black money, it will certainly help in checking the price rise.

MR. CHAIRMAN: Your time is up.

SHRI Y. S. MAHAJAN: One minute. Then, as far as the taxation proposals are concerned, a rationalisation of tax rates on personal income and a lowering of the rates all along the line was necessary in view of the acceptance of the recommendations of the Wanchoo Committee. If these measures result in reducing the tax evasion and the

amount of black money and in increasing or improving the revenues, then this experiment will have to be adjudged a success. If this does not succeed, the Government should consider itself free to reverse its policy.

As regards indirect taxes, it is quite clear that the main burden will be on the affluent sections of the community the sections which use motor-cars, TV sets, refrigerators, air-conditioners, cosmetic and super-fine cloth. In the wide-ranging proposals made by the Finance Minister, the poor have not escaped the burden completely. Though servicing a post-card costs the department 17 paise and the rich and the middle classes use it more than the poor. I submit that the post-card is the only means of postal communication by the poor. Therefore, the proposal to increase its tariff by 50 per cent reserves to be reconsidered by the Finance Minister.

With these words, I support the budget.

श्री नाथू राम अहिरार (टाकमगढ़)
सभापति महोदय वित्त मंत्री ने जो बजट पेश किया है उसका समर्थन करते हुए मैं कुछ सुझाव देना चाहता हूँ।

किसी भी देश की अर्थव्यवस्था को सम्भालना बहुत कठिन काम होता है। यह उसी प्रकार का काम है जैसे किसी घर में कुशल गृहिणी घर को सम्भालती है उसकी अर्थ व्यवस्था को सम्भालती है। उसी प्रकार का काम किसी भी राज्य या देश के वित्त मंत्री का होता है। हमारे विरोधी दल भाइयों ने जो इस बजट की आलोचना की है इस दृष्टिकोण से की है कि सरकार ने डिफिसिट बजट पेश किया है, लोगों पर ज्यादा टैक्स लगाए हैं, चीजों की कमी है, हर चीज के दाम बढ़ने जा रहे हैं लेकिन किसी भी विरोधी दल के माननीय सदस्य ने यह सुझाव नहीं दिया कि देश की अर्थ-व्यवस्था को सम्भालने का उनका भी फर्ज है उसको सम्भालने का उत्तरदायित्व केवल

[श्री नानू राम अहिरवार]

सत्कार्य दल का नहीं होता है, सभी दलों का होता है, देश के सभी लोगों का होता है।

पिछले दो तीन वर्ष से यह देखा जा रहा है कि बिरोधी दलों के द्वारा सभी कारखानों में चाहे व पब्लिक सैक्टर में हो या प्राइवेट सैक्टर में, हड़तालें कराई जा रही हैं। जाहिर है कि जब देश का उत्पादन नहीं बढ़ेगा चीज मार्केट में नहीं आएंगी और लोगों को उपलब्ध नहीं होगी, तो उन के दाम आवश्यक बढ़ेंगे। हमारे देश के पूजीपति थोड़ी पूजी लगा कर अधिक से अधिक मुनाफा कमाना चाहते हैं। बल्कि वे कुछ राजनैतिक दलों के साथ ताल-मेल रखे हुए हैं। और वे दोनों मिल कर देश की अर्थ-व्यवस्था को खराब करने की कोशिश कर रहे हैं।

उदाहरण के लिए वनस्पति; सीमेंट, शक्कर और सस्ता कपड़ा आदि जनता के लिए उपयोगी चीजों का मार्केट में मिलना जरूरी है। आज स्थिति यह है कि पूजीपति हर एक चीज का भाव बराबर बढ़ाते चले जा रहे हैं। जैसे वनस्पति का भाव हर तीसरे महीने बढ़ाया जा रहा है। लेकिन वे लोग उत्पादन बिल्कुल नहीं बढ़ा रहे हैं। इस का परिणाम यह है कि आज देहात में कहीं भी वनस्पति नहीं मिल रहा है। वनस्पति तैयार करने वाली कंपनियों की ओर से होलसेल्व को कहा गया है कि हम सोलह के ० जी० के हर एक टिन पर पांच रुपये ज्यादा लेंगे। लेकिन हम रसीद गर्वनमेंट द्वारा निर्धारित मूल्य की ही देंगे। चूकि होलसेल्व को वनस्पति के लिए पैसा ज्यादा देना पड़ता है और उस को कंट्रोल रेट पर बेचना पड़ता है, इस लिए वे कंपनियों से वनस्पति नहीं लाते हैं।

कपड़ा, शक्कर आदि चीजें बनाने वाली सभी मिल-शोनाओं के भंडार भरे पड़े हैं, लेकिन उन्हें ब्लैक का पैसा न मिलने की वजह से जनता को कंट्रोल की चीजें नहीं मिल पा रही हैं, इस कारण वनस्पति के लिए सरकार

वितरण के लिए ऐसी व्यवस्था बनाये बिना से लोगों को चीजें प्राप्तानी से मिल सकें।

जैसाकि मैंने कहा है चीजों की कमी नहीं है अगर कोई चाहे तो उस को कैंरोसीन आयस डेड रुपये प्रति-लिटर के हिसाब से प्राप्तानी से मिल सकता है। लेकिन वह सरकार द्वारा निर्धारित मूल्य पर अर्थात् 1-10 रुपये प्रति लिटर पर, नहीं मिल पाता है। इसी तरह समता कपड़ा 1-45 रुपये या 1-50 रुपये प्रति मीटर के हिसाब से किसानों को नहीं मिल पाता है। क्वीटा-होल्टर उस कपड़े का कपड़े के अन्य दुकानदारों के यहां खरीदते हैं और वही कपड़ा किसान को ढाई रुपये प्रति-मीटर के हिसाब से मिलता है ?

गल्ला आम जनता के लिए सब से अधिक आवश्यक है। जब से सरकार ने गल्ले और गेहू का व्यापार अपने हाथ में लिया है, तब से बिरोधी दलों और व्यापारियों ने परस्पर गठजोड़ (कोलैबोरेशन) कर के एक तरफ तो किसानों को भडकाया कि सरकार द्वारा उन का गल्ला बहुत सस्ते दामों पर खरीदा जा रहा है—“हवास्तव में सस्ते दामों पर खरीदा जाता है—और इस प्रकार सरकार को गल्ला नहीं मिलने दिया और दूसरी तरफ उन्होंने शहरों में इस बात को लेकर हड़तालें कराई कि जनता को सस्ते दामों पर गल्ला मिलना चाहिए। ये लोभ किसानों को कहते हैं कि सस्ते दामों पर उन्हें अपना उत्पादन सस्ते दामों पर नहीं देना चाहिए और शहरों में कहते हैं कि गल्ला सस्ते दामों पर उपलब्ध किया जाना चाहिए। यह बात समझ में नहीं आती है। जैसा कि मैंने कहा है देश की अर्थ-व्यवस्था को बनाने के लिए हम लोगों के सहयोग की आवश्यकता है, इस की जिम्मेदारी केवल सत्कार्य दल पर ही नहीं है।

मिस्टर मंत्री ने कहा है कि देश में क्षेत्रीय असंतुलन को दूर करने के लिए पिछले छह अंशों का विकास किया जाएगा और गरीब तबके का जीवन-स्तर ऊंचा उठाने का प्रयत्न किया जाएगा। हम तीन चार सालों से देख रहे

हैं कि हर एक बजट में पिछड़े क्षेत्रों को विकसित क्षेत्रों के समकक्ष लाने के लिए वहां उद्योग खोलने और धन्य फैसिलिटीज देने की बात कही जाती रही है। लेकिन वास्तव में सरकार की तरफ से पिछड़े हुए क्षेत्रों में उद्योग लगाने के बारे में कोशिश नहीं की गई है। जिन लोगों को पिछड़े हुए क्षेत्रों में उद्योग खोलने के लिए लाइसेंस दिए जाते हैं लाइसेंस मिलने पर वे बड़े बड़े शहरों में चले जाते हैं। जब तक यह प्रतिबंध नहीं लगाया जाएगा कि जो उद्योगपति पिछड़े हुए क्षेत्रों में उद्योग खोलेंगा तभी उस को लाइसेंस दिया जाएगा, तब तक पिछड़े हुए क्षेत्रों में उद्योग नहीं लगाये जा सकेंगे।

हमारे देश में खाद्यान्नों के उत्पादन में कमी आई है। देश के एक बड़े भाग में 1972 में जो सूखा पड़ा था इस साल हम उस का कुप्रभाव देख रहे हैं बैंकों के राष्ट्रीयकरण के बावजूद सरकार ने यह घोषणा की थी कि वह छोटे किसानों की सहायता करना चाहती है। लेकिन मैं विश्वास के साथ कह सकता हूँ कि सहायता छोटे किसानों को आज भी कोई सहायता नहीं मिल पा रही है। हमारे देश में 95 फीसदी किसान ऐसे हैं जिन के पास पांच एकड़ से कम जमीन है और केवल 5 फीसदी बड़े किसान हैं। छोटे किसानों को कुर्घा खोदने के लिए या बैल खरौं देने के लिए बैंकों से ऋण नहीं मिलता है, इसी कारण वे अपनी खेती में कोई सुधार नहीं कर पाते हैं। इस लिए मंत्री महोदय से मेरा अनुरोध है कि बैंकों को यह निर्देश दिया जाए कि वे छोटे किसानों को राहत दें ?

इसी तरह देहाती क्षेत्रों में जो छोटा धंधा करने वाले हैं कपड़ा बुनने वाले या दूध के कारीगर हैं उन्हें भी बैंकों से ऋण नहीं मिल पाता है सरकार कहती है कि वह गरीब तबके की सहायता करना चाहती है, लेकिन वास्तव में ऐसा नहीं हो पा रहा है। सरकार को इस बारे में उचित कदम उठाना चाहिए।

आज हमारे कारखानों में होने वाले उत्पादन को बढ़ा भारी धक्का बिजली के

मिलने की वजह से लग रहा है : कहीं बिजली दो घंटे के लिये मिलती है और कहीं तीन घंटे के लिये। सरकार कहती है कि बरसात न होने की वजह से बांधों में पानी नहीं भरा है इसलिए हाइड्रल प्रोजेक्ट्स द्वारा बिजली का निर्माण नहीं हो पाता है। मैं कहना चाहता हूँ कि जहाँ कोयला भिजलता है जैसे मध्य प्रदेश में वहीं कोल पिट्टिङ्ग पर थर्मल पावर स्टेशन बनाये जाने चाहिये और एक नेशनल ग्रिड बना कर जहाँ उद्योग-धंधे हों और बिजली की कमी हो वहाँ बिजली दी जा सकती है। अभी तक यह होता है कि सरकार दूसरे क्षेत्रों में थर्मल पावर स्टेशन बनाती है जिनके लिये दूर दूर से कोयला लाना पड़ता है। रेलवे कर्मचारी हड़ताल करते हैं और लेबर यूनियन्स के नेता कोयला खदानों में काम करने वालों की भी हड़ताल करा देते हैं और इस कारण कोयला लोड नहीं हो सकता है। अगर कोयले की खदानों के पास ही थर्मल पावर स्टेशन बना दिये जायें, तो बैंगम्स और टूल्सपोट आदि की परेशानी से बचा जा सकता है और पूरे देश का बिजली की जा सकती है। इस प्रकार देश की अर्थ-व्यवस्था को काफी सहायता मिल सकती है।

आज हम देखते हैं कि प्रायः एक बीजे के वितरण में भारी असमानता है। चुनावों के सम्बन्ध में उत्तर प्रदेश गया था। वहाँ यह हालात है कि महरी क्षेत्रों में हर व्यक्ति को एक किलो चीनी दी जाती है, और अगर किसी परिवार में पच्चीस सदस्य हों तो उसको पच्चीस किलो चीनी मिलती है। इसकी तुलना में देहाती क्षेत्रों में प्रत्येक परिवार को केवल पांच सौ ग्राम चीनी दी जाती है, भले ही उस परिवार में बीस सदस्य हों। यह कैसा डिस्ट्रिब्यूशन है ? जो किसान दिन रात मेहनत करके खेती करता है, उसके परिवार को दवा के लिये महीने में केवल पांच सौ ग्राम चीनी मिलती है, जब कि शहरों में प्रत्येक व्यक्ति को महीने में एक किलो चीनी

[श्री नरधू राम अहिरवार]

वी जाती है। इस के अलावा प्रत्येक ग्राम पंचायत को चीनी का कोटा नहीं मिलता है। इस लिए गावों के लोगों को चीनी के लिये पन्द्रह बीस मील दूर किसी कस्बे में जाना पड़ता है। ऐसा भी होता है कि जब वे दुकान पर जाते हैं तो कह दिया जाता है कि कोटा खत्म हो गया है।

इसलिये हमारी वितरण व्यवस्था में सुधार लाना अत्यावश्यक है। चीनी का कोटा किसी इंडिविजुअल को न देकर ग्राम पंचायतों या को-ऑपरेटिव सोसाइटियों के माध्यम से चीनी का वितरण कराया जाये ताकि जिस व्यक्ति को जितनी भी मात्रा में मिलती है उसे वह गांव में ही ले सके उसको शहर में लेने के लिये न जाना पड़े। इस प्रकार वितरण व्यवस्था को सुधारा जाये।

18 hrs.

हर साल सरकार टैक्स तो लगा देती है लेकिन उसकी वसूली हो नहीं पाती है। इस और आप ध्यान दें। टैक्स इवैजन को आप रोके। कागज में तो कह दिया जाता है कि टैक्स लगा दिया गया लेकिन वसूली हो नहीं पाती। आपकी मशीनरी में काफी दोष है। मशीनरी को आप टाइटन अप करें। वसूली करने वाले उन्ही बड़े बड़े-लोगों के घरों पर स्वागत करा कर चले-जाते हैं और छोटे टैक्स पेयर्स को हिरास करते हैं। दो चार केसिस ऐसे बना देते हैं जिससे मालूम पड़े कि वे बहुत काम कर रहे हैं। देखें-जें पहले एक रुपया पैनलटी लगती थी अब दस लगने लगी। वे क्या करते हैं—उनसे कहा गया कि पच्चीस रोज बिना टिकट यात्रियों से वसूल करें। तो वे दो आदमियों को पकड़ कर पच्चीस रुपया जमा करा देते हैं और बाकी सारा पैसा अपनी जेब में रख लेते हैं। और टैक्सों में भी इसी तरह होता है। ऐसे लोगों के खिलाफ कड़ी कार्यवाही होनी चाहिये। जो पैसा एरिजर्ज में है उसको वसूल किया जाना चाहिए।

आर्थिक साधन बढ़ाने के लिये जो स्माल सेविंग्स तथा दूसरी स्कीमें हैं उनको अच्छी तरह आप लागू करें। जो लोग पैसा जमा करें उनको जैसे आपने अभी तक तीन हजार रुपये की इनकम टैक्स में छूट दे रखी है उस लिमिट को बढ़ा कर पांच हजार कर दे ताकि पैसा आये और देश की अर्थ-व्यवस्था को सुधारने में लगे।

18.01 hrs.

HALF-AN-HOUR DISCUSSION

SHORTAGE OF KEROSENE OIL IN STATES

MR. CHAIRMAN: We shall now take up the Half an Hour Discussion on the shortage of kerosene oil in the States.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Mr. Chairman, I really do not know if there is any genuine shortage of kerosene in the country, but no man can buy kerosene at the right price, and the reasons are very clear to all of us now. There need not be any scarcity for scarcity could very well be engineered with the patronage of the ruling class, and the dividends are quite attractive.

The kerosene business is causing serious hardship to people, specially in rural areas and that too to students who cannot study their lessons in the night for want of kerosene. Then, the kerosene-operated small-scale economic activities have come to a standstill. As you know, the growth of our electrification has been next to nothing, and today the position is: no kerosene, no electricity and no coal—this is the wonderful achievement of the ruling class.

Coming to price and cut, Government have stated in reply to a question of mine, Unstarred Question No. 876, on the 26th February:

"The retail price of kerosene oil varies from State to State, depending on the quantum of the local taxes."