

not lesser or comparable or reasonable. These things we have to find out.

The other day, while moving the resolution, I had suggested that there should be something like "economic crimes" as we have in the heaven of my friends opposite, the U.S.S.R. There are what are called economic crimes, and if any head of a public sector enterprise fails to do something or fails to pay sufficient attention to the matter in his charge, he is held responsible and punished. There should be some arrangement like that in this country also.

**Shri Daji:** Why not in the private sector also?

**Shri Balkrishna Wasnik:** There it is the public sector, and those who fail in their duty are punished. In this country there is no such thing. He can evade anything and shirk his responsibility, and if one shirks responsibility nobody is held responsible. Therefore, I say that something like that should be here also, so that the public sector enterprises will run smoothly and in the interests of this country.

With these words, I beg leave to withdraw this Resolution.

**Mr. Chairman:** I take it that the amendments are withdrawn: all of them.

**Some Hon. Members:** Yes.

**Shri Harish Chandra Mathur (Jalore):** The whole House spoke for this withdrawal.

*All the amendments were, by leave, withdrawn.*

*The Resolution was, by leave, withdrawn.*

**Mr. Chairman:** Shri A. S. Saigal. Absent.

16.46 hrs.

[MR. SPEAKER in the Chair]

RESOLUTION RE: CURB ON GROWTH OF MONOPOLIES

**Mr. Speaker:** Shri A. K. Gopalan.

**Shri A. K. Gopalan (Kasergod):** Mr. Speaker, I thought I would not be able to move this Resolution, because it was the third.

**Mr. Speaker:** You will have that liberty now.

**Shri A. K. Gopalan:** I am only saying that I did not prepare well because I thought that this Resolution will not come. I move:

**Mr. Speaker:** That may be the view of others also. We may fix a time limit then. What would be the proper time to be given? I learn that no time has been fixed. One hour?

**An Hon. Member:** Four hours.

**Some Hon. Members:** Two hours.

**Mr. Speaker:** I thought the next hon. Member may have an opportunity of moving his Resolution even if it be for one minute. Yes; Shri A. K. Gopalan.

**Shri A. K. Gopalan:** Sir, I move:

"This House calls upon the Government to initiate economic, political and other measures aimed at curbing the growth of monopolies and distributing the fruits of national economic advance more equitably among all sections of the people."

First of all, I want to point out that in the Directive Principles of State Policy, certain things are laid down. There are three important directions as far as State policy is concerned:

"that the citizens, men and women, equally, have the right

[Shri A. K. Gopalan]

to an adequate means of livelihood;

that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;

The most important thing is:

"that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;"

As far as these directions of policy are concerned, my opinion is that the policy of the Government is such that it has led to the expansion and growth of concentration of wealth and means of production which has operated to the common detriment of the people in this country.

I will only now try to point out from official sources, so that there may be no difficulties as far as facts and figures are concerned, as it happened, the growth of monopolies in this country. These figures themselves will show that as far as monopoly is concerned, it has not only grown, but it has also extended its sphere and if these figures are correct—I think they are correct—certainly there is a fear that, as far as policy is concerned, instead of tightening and controlling this, concentration and monopoly is strengthening. I want also to show that if the Government adopts certain policies and leave away certain policies that they are adopting today, certainly they will be able to control and weaken monopoly in this country. As regards the growing concentration, in the book *Corporate Sector in India* by Shri R. K. Nigam and Shri N. C. Chaudhuri of the Company Law Administration, Government of India, they have given certain figures about the concentration of paid-up capital among joint-stock companies in the private sector in the year 1957-58. In that book, they have given the number of joint-stock companies, the percent, and also the paid-up capital in terms of crores of rupees and also in

terms of percentages. I would not like to read the whole set of figures from that book, but I shall mention only a few of the several descriptions given there.

Below Rs. 5 lakhs, there were 24,823 companies, their percentage being 87.9. But their share of paid-up Capital is only 15.2%. As for companies with a paid-up capital of Rs. 1 crore or above, the number of joint-stock companies was 126, their percentage being 0.4; the percentage in terms of capital was 33.5. From this it is very clear that 0.4 per cent of the total number of companies had a total of 33.5 per cent of the total paid-up capital.

As far as the manufacturing industry is concerned, in the *Census of Indian Manufacture, 1957*, they have given certain figures, and these figures show that this development is very rapid. The position in regard to so many industries has been mentioned there. It has been shown that the production in the respective industries was not at all really independent, because most of these industries like soap, matches, iron and steel etc. were inter-dependent also. For instance, so far as the starch industry is concerned, the total number of factories was 10, while the number of giant factories was only one, and the percentage of share to gross output was 36.4. As regards iron and steel, the total number of factories was 132, while the number of giant factories was 9, and the percentage of share to gross output was 85.6. As regards general and electrical engineering, the total number of factories was 1326, while the number of giant factories was 34, and the percentage of share to gross output was 32.5.

So, it is clear from the above figures that the productive resources of manufacturing industries in India have reached a very high degree of concentration in private hands, in spite of all the lip service paid by Congress rulers to the ideals of economic democracy and socialism.

Coming to the plantation industry, the most important plantation industries are the tea plantations and the rubber plantations. As far as the tea plantation is concerned, it is one of the principal export industries accounting for an annual income of over Rs. 100 crores in terms of foreign exchange. There is not only the production aspect but also the marketing aspect. A total of about Rs. 50 crores is invested in this industry. This is an industry which is of vital importance to the nation. It is controlled by a small monopolistic ring, and foreign at that. Not merely in the field of production, but also in the field of marketing, it is controlled by a few monopolists.

As far as the distribution of acreage under different sizes or classes of estates is concerned, it has been shown that up to 100 acres size, there are 5283 estates, and the percentage is 80.4, while the area in thousands of acres is 32.8. As regards estates above 500 acres, the number of estates is 666, and the percentage is 10.1, and the acreage in thousands of acres is 74.2. This is very important to note, because 80 per cent of the estates at the bottom were responsible for about 4 per cent of the total acreage. But as far as the 10 per cent at the top is concerned, they were responsible for 74.2 thousand acres.

As far as the tea industry is concerned, therefore, it follows that about 10 per cent of the people control about 74.2 thousand acres. The plantation Enquiry Commission has pointed out very rightly in their report that this indicates that eight agency houses of producers in Calcutta alone with their associated firms purchased over 50 per cent of tea at the Calcutta auctions in 1954. There is concentration not only as far as production is concerned, but also in respect of control of marketing.

The next industry is the rubber plantation industry. The Plantation Inquiry Commission says that there were in December 1955, 27,233 units

of rubber plantations in India with a total area of a little over 2 lakh acres. Of these 86 per cent of the land holdings upto 5 acres from 22 per cent of the total and 237 top units holding estates over 100 acres control an aggregate area of 1 lakh acres. So less than 1 per cent of the units hold 48 per cent of the total area. Therefore, in the rubber industry also, there is the same type of concentration of monopolies, of ownership and control as in the tea industry.

The report gives breakdown of the holdings of 12 top concerns. Here sterling companies, non-Indian companies, managing agency companies, director-controlled public limited companies and Indian proprietary companies are all mentioned. I do not want to go into the figures just now.

Then the next two industries are banking and insurance. Here also, figures of concentration of capital and deposits in private banks are given. Under 'Trend of progress of banking in India during 1960', figures have been given of the total number of private banks, total deposits with private banks and so on. The number of big private banks has risen from 6 to 40 and the number of small non-scheduled banks declined in the period from 521 to 228. So big banks have grown by driving innumerable small banks out of business. Here also there is expansion on the part of a few units.

Shri H. V. R. Iengar, who is known as the high-priest of the Indian monetary and banking system, has said certain things. He has specifically stated that as far as banking is concerned, monopolies have strengthened. He says:

"One of the structural features of India banking is the concentration of power which, in some cases, is enormous in relation to the capital actually employed."

He says that a group of families has got the controlling interest in banks and it has become a major task so far

[Shri S. M. Banerjee]

as inspection is concerned to prevent the exercise of this interest in undesirable ways.

Also so far as insurance is concerned, the same is the position. We have seen it.

Who is responsible for all this: It is the taxation and licensing policies of Government that have fostered the monopolies. As regards taxation, I have dealt with it at great length already. The proportion of direct taxes in the total Union revenue has dropped from 60 per cent in 1947-48 to 28 per cent in 1960-61. The Five Year Plan document also admits certain things. It says: on page 103:

"A number of tax incentives and concessions are at present being given for investment. These have contributed in no small measure to high levels of private investment over the last five years."

So it is the taxation policy of giving more and more concessions and also direct financial aid that have fostered these monopolies. As regards direct financial aid, there are many financial corporations. There is the IFC and also the NIDC. Most of the aid given is to these people. It is this direct financial assistance that helps the growth of these monopolies. As far as licensing policy is concerned, the Lok Sabha Estimates Committee has pointed out that the concerned Ministry should find out the existing holdings of the applicants before issuing them new licences; whether they are new licensees or they are old licensees so that it may be done in such a way so that it may not help the growth of these monopolies. These are the two things that helped them. My proposals are that three things should be done by which Government will be able to weaken the monopoly control. One is the revision of the present taxation policy, second is the nationalisation of

banks and the third is the expansion of State trading to tea, jute and cotton textiles and lastly the abolition of the managing agency in all its forms. I need not explain these things because we have so many times put this up before the Government. The Government has certainly agreed with the Directive Principles. If they have to be implemented and thus weaken the monopoly, not strengthen it, then certainly these measures will have to be taken. I hope the Minister will certainly give a reply as to whether these factors are responsible for the growth of monopoly and what the Government is proposing to do.

**Mr. Speaker:** Resolution moved:

"This House calls upon the Government to initiate economic, political and other measures aimed at curbing the growth of monopolies and distributing the fruits of national economic advance more equitably among all sections of the people."

Is Shri Chakraverty moving his amendment?

**Shri P. R. Chakraverty** (Dhanabad) Yes, Sir. I beg to move:

That for the original resolution, the following be substituted, namely:—

"This House calls upon the Government to pursue vigorously economic, fiscal and other measures aimed at curbing the growth of monopolies and facilitating equitable distribution among the people of the gains resulting from the economic advancement of the country."

**Mr. Speaker:** Has he anything to say?

**Shri P. R. Chakraverty:** No, Sir.

**Mr. Speaker:** Well, then. The resolution and the amendment are before the House. Shri S. M. Banerjee. Ten minutes for each Member.

**Shri S. M. Banerjee** (Kanpur): Sir, I rise to support the Resolution moved

by my hon. friend Shri Gopalan who has focussed the attention of the House and the people in general about the concentration of our national income in the hands of a select few. Today, I would like to ask the hon. Minister of Planning one question, which is asked of us by the common man: whether there is concentration of national income in the hands of a select few; if so, how? Are there any fruits of the First, Second and Third Plans? If there is any fruit, how is it going to be of advantage to the common people? That is a question asked of us by the common man. Whenever we talk of planning or of socialism or say that we are moving towards socialism, the common man says whether he is born for the plan or the Plan is for him. We are unable to answer this question. From our own experience we see the economic structure at present does not help the common man to meet the rising cost of living. We have seen a few families in this country, may be, Tatas, or Birlas or Dalmias or others, are minting money and they are having fabulous profits in whatever industry they may be—whether it is sugar, iron and steel, fertilisers or small-scale industries or big industries—these few families, seven or eight families in the country, are controlling all these industries. If you will carefully analyze the policy of licensing in 1960-61, you will yourself come to the conclusion that licences are given only—I do not know whether it is for political reasons or economic reasons or social reasons, whatever the reason may be—to those selected few who are trying to hold this country to ransom. I do not know—but I have a feeling to that effect—whether Prof. Gadgil who has done a survey about this question and also the committee recently appointed with Shri Mahalanobis as chairman to investigate into this matter and see whether there has been equitable distribution of our national income have also come to the conclusion that there is a concentration of wealth, of our national income, in the hands of a selected few.

My hon. friend Shri A. K. Gopalan and many other hon. Members from this side have been pleading in this House day after day, month after month and, if I am not wrong, practically in every discussion here, and have asked: let us know where this national income has gone. I know those persons who have not got anything out of the national income. Their status has gone down. Their living condition has gone down. They have really become poorer. But we are yet to know those persons in the country who have got the maximum share or the lion's share of our national income. Unless the banks are nationalised, unless certain industries are nationalised, it will be difficult for us to know where the money has gone.

Shri Gopalan's Resolution says: "This House calls upon the Government to initiate economic, political and other measures..." I would only say a few words about the political aspect. What is politics? Why Shri Gopalan has used the word 'political' here? It is because there is political consideration of the ruling party. For instance, the other day I was mentioning in this House the retention price of steel. When I said that there is a tremendous pressure from TISCOs and IISCOs and that is the main reason why this whole question has not been finalised my hon. friend the Minister of Steel and Heavy Industries perhaps took an exception to this and said that some people always think that there is pressure, but that there is no pressure and no pressure can influence Government's decisions. I welcome the statement. I only wish that he translates this into action. But there is a pressure for the retention price.

Take, for instance the price-line. Everyone, whether on this side of the House or that side of the House, and every one outside is fighting hard and is trying his best to see that the price-line should be held. Holding of the price line, bring down the prices, are the central slogans today. But what is happening?

[Shri S. M. Banerjee]

I remember when the hon. Prime Minister went to Kanpur in the month of September, at that time, the big cloth merchants or the millowners wanted to increase the price of cloth, during the Dusserah and Divali; and because they wanted to do it, and when there was pressure from certain quarters that the prices should not be increased, they donated a handsome amount of Rs. 51,000 to the Prime Minister. And then the prices increased. For instance, the price of a pair of dhoties was increased from about Rs. 12.50 to Rs. 13 or Rs. 13.50. That is why I wrote a letter to the Prime Minister saying, "Please do not accept this money". The Kanpur Millowners' Association paid a sum of Rs. 1,25,000. but they have not paid income-tax and wealth tax to the tune of Rs. 2,17,00,000. This is how they are minting money. The entire capital of the Kanpur millowners is the non-payment of Government dues. So, I request the Planning Minister that some effective measures should be taken. Otherwise, this tendency to have monopolistic control over all industries in the country and over the economy of our country by a selected few cannot be checked.

Tatas wanted to pay a handsome donation to both the Congress and Swatantra Party. Our Prime Minister became angry and said, let them decide about one party. I think they did not pay the Swatantra Party. At least, openly they did not pay. IISCO wanted to pay Rs. 2 lakhs to the Swatantra Party and Rs. 2½ lakhs to the Congress. The Congress said, "We do not want this. Either you pay us or the Swatantra Party." They did not pay the Congress Party; they paid the Swatantra Party alone. That is why Shri Gopalan has used the word "political". This Government, which pledges towards socialism . . .

**Mr. Speaker:** That should help in the distribution of wealth.

**Shri S. M. Banerjee:** It may help my hon. friends of the Swatantra Party.

**Shri P. K. Deo:** (Kalahandi): Investment for bigger gains. (Interruption). They paid to the Congress also.

**Shri S. M. Banerjee:** I do not know; I am an Independent; they did not pay me.

When the Companies Act was being amended, all Members—I remember the Congress Member also from the Treasury Benches—pointed out the danger in this. Unfortunately, the ruling party did not accept that. They amended the law and made these charities absolutely legal. When I was delivering the speech, my friend, Shri Raghunath Singh, said, "Where is the harm? After all this is charity and there is no harm in accepting charity". Then I said in Hindi, "Change the name from All-India Congress Committee to "Anath Ashram". Don't call it an organisation of Gandhiji, Tilak and others, because that will defeat the very purpose of the organisation."

So, I suggest that apart from this Mahalanobis Committee, a committee consisting of Members of Parliament, belonging to all parties, should be constituted to go into this vast question and submit a report to the Planning Minister for his consideration. Such a committee, if constituted, will surely enjoy the confidence of the masses, because they know that unless there is equitable distribution of national income, their lot cannot be improved. That is my positive suggestion and I hope that the Minister will not hesitate to accept this.

**The Minister of Planning and Labour and Employment (Shri Nanda):** What is the suggestion?

**Mr. Speaker:** His suggestion is that a committee, consisting of Members of all political parties, be appointed to go into this question of how there can be equitable distribution of national income.

**Shri S. M. Banerjee:** That is my suggestion and I hope the Planning Minister will accept it.

**Mr. Speaker:** The hon. Minister.

**Shri Nanda:** I thought that the subject was so important . . .

**Mr. Speaker:** Everybody thought like that.

**Shri Nanda:** Turning to the mover of this resolution, I believe he has done less than justice to myself and grave injustice to us here. He spoke as if we were not aware of our obligation in this respect that there should be greater equality in distribution of income, there should be no growth of monopolies in this country and no increase in the concentration of wealth and income. He himself pointed out that there is that provision, that direction in the Constitution itself, in the Directive Principles, very pointedly calling upon us all to bear in mind these great objectives. Then, let us look at the First Plan, the Second Plan and the Third Plan. Through all these documents runs continuously this strain showing a very keen awareness of the need to reduce disparities and to prevent concentration.

With regard to the action taken, possibly he imagines that after 11 years of planning and 15 years of independence we have now reached a point where we have to start thinking of initiating measures to combat this. It is a fantastic suggestion. But I think the impact of what he said actually in the course of his observations was much lighter than the weight of the words which he has used in the text of the resolution.

After all, what is it that we were told. He quoted from some publication which gives the proportion of capital and investment in the hands of a certain number of companies as compared to the total number. I rapidly took down some of the figures that he gave. But what does all this lead to? What does it signify? May

be, all this is true, and I take it that all this is true. But what is the conclusion? He says 'monopoly'. What does monopoly mean? Monopolistic control means, in its essence, in its primary sense, control of the resources in the hands of a very small number of persons of a character that they are able entirely to prevent any competition which means that they can dictate the price. That is one thing. They can dictate the price of a commodity which they produce or something which they buy, and thereby they are in a position to exploit the community and enrich themselves, aggrandise themselves.

**Shri A. K. Gopalan:** They can destroy the small ones also.

**Shri Nanda:** But the figures which he gave do not show that. In the case of plantations he gave the figure of 660 units. It is not a small number. Even if those 660 units have a very large proportion of the acreage it really amounts to nothing at all in terms of that argument, in terms of the impression that the hon. Member wants to create, that they are in a position to compel the consumers of their products to pay any price that they want. This is not so.

**Shri A. K. Gopalan:** What about the tea industry, I want to know?

**Shri Nanda:** It is the same thing in the tea or rubber industry. It is a very common phenomenon. There is a fairly large number of units which are small in size. It is the same thing in the coal industry. There are a large number of very small collieries. There are also a considerable number of collieries in the middle range. There is also a small number of collieries which are in the upper brackets. It is a technological process which is inevitable and I do not think we would care to combat that trend. So long as the size of the larger units leads to economy of size which benefit the nation in terms of lower prices and lower costs it should not be objected to. As long as those large

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units are not so small in number that they have some collusion, some kind of combination as a result of which they can hold sway over us, they can dictate, to us in the matter of prices of commodities . . .

**Shri A. K. Gopalan:** Does he mean to say that in the tea industry it is not a very small number that controls both production and marketing? Is it not a small group that controls the growth of the tea industry?

**Shri Nanda:** I have taken only those figures which he has given. If the number is 656, it is not a small number. They are not in a position to sit together in a small room, to take counsel and say "we will do this and not that".

Similarly, in the steel industry, naturally, there will be only a small number of units. Happily, for the future they are all going to be in the public sector. What the hon. Member said was that there are a large number of small units which are doing some kind of fabrication. In the case of industries like the steel industry, which are highly capital intensive with investments of Rs. 100 crores and more, when we leave them in the hands of the private sector, there would be the risk of monopoly. Happily, there is the Industrial Policy Resolution, as the hon. Member must be aware, which makes it very clear that this industry is going to be in the hands of the State, in the public sector. It is necessary that we should understand what the significance of that Resolution is, and the direction which it gives to development in the country, even those who are very much in favour of the private sector and claim to be supporting democratic institutions, talk in terms of countering the tendency towards monopolistic development. This is what the State is doing when we say that this industry will develop in the public sector only; we are trying to prevent the

development of monopoly. I think everybody should agree that in the steel industry, because of the very size of the resources needed for that industry, it is possible that two or three units in the private sector could possibly lead to some kind of a monopolistic trend. We have prevented that. Here again it is not a question of a proportionately small number having control over a large proportion of the small units. The question is whether that small number is large enough to create effective competition. That is one of the points that should be borne in mind.

The second point of the hon. Member is that small banks are crushed and squeezed out. But hon. Members should appreciate that we do not want banks which will later on, deprive the depositors of whatever they have put in the bank for their own future, or for the conduct of their business, or whatever their needs may be. Therefore, the safest thing is, if there are a large number of banks which are not able to hold the community to ransom . . .

**Shri A. K. Gopalan:** The safe thing is to nationalise them.

**Shri Nanda:** That may be so. But that is a separate thing.

An example was given by the hon. Member citing "the high priest of the banking industry", Shri Iengar, that there are banks where the persons in charge, the Chairman or some one, are having a kind of family control. It may be so. This is a matter of banking reform and not of nationalisation of banking which might be considered on other grounds. But this is not the occasion for me to go into that. This is not the matter before us here at all.

He thinks that the licensing policy is at fault and the taxation policy is at fault. These two things he has cited are responsible for this develop-

ment. I dare say that the licensing policy may not be in question but the facts of life that are in this country today. When we started developing on a large scale and in a large way there were a few big houses—not a very large number—who had the resources, the competence, the experience, the know-how and a certain position or reputation. When the opportunities came they made use of them on a much larger scale than the others. Therefore, it is quite conceivable—I believe, it is true and it is a fact—that they have gained enormously out of these opportunities. This was inevitable.

What was the alternative? Should we have stopped that development because others were not available at that time? I think that would have been wrong, because anything objectionable which we did not like in the development on those lines we could have rectified later on. But if we had stopped progress, production and development, we would have all suffered. So, the other line for us was to encourage, to give impetus to and to stimulate a large number of small people or entrepreneurs coming into the field by giving them encouragement, assistance and incentives of all kinds. I do not want to go into the details of that. Many times that information has been furnished. In an abundant way we have tried to help the small-scale industries and the small entrepreneurs. Maybe, that much more needs to be done in that direction even now. We should do that. But that direction is there. We have taken a right direction.

We have initiated many things over the years. We have started a number of things in the First Plan period, namely, nationalisation of the State Bank of India and of life insurance and land reforms so far as the rural sector is concerned. Then in the Second Plan we initiated again some more things. The cumulative effect of that is going to be much. I am very sorry to say that the hon

Member has not made out his case. There is a better case not for monopoly so much but for stating that the disparities in this country are large. We may not very much grudge a few rich people but what we grudge very much is that there is a co-existence of a few rich people with a very large number of people, of masses of people who do not have the barest means of living a decent life. Therefore we are very conscious of that. We want to remove the existing disparities. We are moving in the direction of creating a larger productive base for the economy, larger scale of production and of availability of things that the people require so that we may be able to remove this state of abject penury and want among the large number of people. The basic necessities must be provided to all of them.

How do we do it? It is mainly through employment, larger employment and employment of a kind which ensures a larger income, a larger rate of compensation and remuneration. This is the whole programme of the Plan. The First Plan did it somewhat; the Second Plan has done much more and the Third Plan is going to do very much more. This is what it is going to be. A much larger number of people are being drawn into industry. Those who would otherwise have been working as agricultural labourers drawing a very petty wage and a very small, pitiable scale of remuneration are now given training and opportunities for employment of a kind which requires skill and therefore better earnings. This is the direction in which we can help large numbers of people in improving their condition. Therefore the disparities will grow less. From the bottom people rise to higher levels. That is what is being done.

The other thing that the hon. Member pointed out was about licensing; he said that very large houses still

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have the lion's share of them. But we are quite aware of that fact, and we are trying to counteract it in the most appropriate manner that is possible and open to us. But what I would like him to bear in mind and ask others also to bear in mind still more is this. Maybe this is not being carried out hundred per cent, but I believe that in giving licenses there should be an attempt at a much larger diffusion of opportunity to people who otherwise might be barred.

**Shri A. K. Gopalan:** What about the other point I made, that is of more finances going out to them from these Corporations, the Industrial Finance Corporation etc.?

**Shri Nanda:** Certainly, this is one of the things. There is a direction to the new financial institutions, and others also, to think of the smaller man. Maybe, we have not yet achieved it fully.

**Shri A. K. Gopalan:** That is not the point. I said that all these monopolies are getting it, instead of the small industries.

**Shri Nanda:** Maybe, to some extent the resources which had been made available to our institutions are being utilised by the bigger people, and we might possibly save that for the purpose of the smaller man. I believe the hon. Member means this that there are funds available which should be really channelled for the purpose of the smaller man rather than taken away by people who should be able to stand on their own, who have larger resources of their own. We notice some examples of it. It may not be that it is happening on a large scale. But this is something which should be kept very much in view. There is no disagreement between us regarding that.

The hon. Member had made certain proposals which I noted down, some of them. This is about tax structure,

taxation policy. What does the hon. Member want us to do? So far as the rates are concerned, in the matter of direct taxation, I believe in the higher brackets they are as high as 87 to 90 per cent. Now, simply raising that percentage is not going to do much good—not that I want to come in the way of the Finance Minister doing anything when the occasion comes, but I say it is not a very fruitful line. I do not want to join issue with the Finance Minister on the extent of evasion. I believe it is large. I cannot say exactly what percentage it is. And I also believe that so far as the question of disparities is concerned and of large incomes flowing into the hands of a small number of people, it is not the regular incomes or incomes earned in a legitimate manner which are creating the disparities or enlarging them; it is those speculative incomes, unearned incomes.

**An Hon. Member:** Illegal incomes.

**Shri Nanda:** Legal or illegal, they will not regularly figure somewhere. They are to be dealt with, and I think as a part of this campaign, as a part of this movement of getting a proper deal for the people, these things have to be attended to with greater vigilance and with greater vigour. It is perfectly true. But it is not the tax structure so much. You might do something and tinker with it here or there. But the results do not lie there. The question of banks was mentioned. There was the managing agency. I think we have had enough about that. There was a new Companies Act and amendments of that Act. A number of things have been done in order to reform that structure and to ensure that malpractices are prevented. If there is any other suggestion, there are people concerned who can attend to that. The fourth suggestion, I do not remember; there was something also.

Turning to the hon. Member who spoke after Shri A. K. Gopalan, he drifted into other roads and fields.

**Shri S. M. Banerjee:** Political aspects. It is here in the Resolution.

**Mr. Speaker:** Order, order.

**Shri Nanda:** I do not know what election funds had do not with this. If what he wants to convey is the insinuation that these people pay something . . .

**Shri S. M. Banerjee:** They get licences.

**Shri Nanda . . .** they have paid to all kinds of people. They have paid the Swatantra and some have paid heavily. I do not have any access to their accounts. I do not have any precise information. What did they expect from the Swatantra whom they paid? Several other people have paid to the Communists also. They have also been paid by some of these people.

**An Hon. Member:** By the poor people.

**Shri Nanda:** Also by some of these people. Therefore, one cannot revaly probe delve into the state of their mind. I do not think, at the time of election, a large number of companies paying a little amount here or a little amount there, which otherwise also they have been paying, has absolutely anything to do.

**Shri S. M. Banerjee:** Should I say about Birlas? I have mentioned two names. Birlas and Tatas. It is not a fact that Birlas have paid Rs. 27 lakhs?

**Mr. Speaker:** The same thing is being repeated . . .

**Shri S. M. Banerjee:** They want to change the policy.

**Mr. Speaker:** . . . Not on this occasion alone, but every time he gets an opportunity, he refers to it. Therefore, the Minister knows that he has that information.

**Shri Nanda:** So far as I am concerned, I believe that elections should

become much less expensive and nobody need approach anybody else for assistance. That is another part. What I say is, it is not a question of some companies paying small amounts. I am not very much conversant with the subject to be able to throw more light than much have been shed by other people when these things were discussed in this House when this legislation was on the anvil here. It is not that. It is really a question about our integrity, about our devotion to public interest. I think it is not proper. If anything of that is being questioned, then, there must be specific something that this has happened there. We would like to see that in the conduct of affairs of this country, all those objectives, goals and aims which we have placed before ourselves, which really make it imperative for us to see to the interests of the poor people, smaller man, will effectively prevent anything being done at the expense of these people.

Therefore, I can say on behalf of the Government that the question that the hon Member has posed has a validity. It has its importance in a certain way: not in the manner in which he has placed it before us. In this country, disparities do exist. It is not so much regarding a few people having more as regards a very large number not having enough. Therefore, it is our duty and we are trying to do something. But, the major solution is to have so much more production, so much more income, which has increased during the last two Plans, but not sufficiently. Therefore, this duty towards the people devolves on all of us that we help to see that production is not interrupted, there is more efficiency. If we want a small labourer in the rural or in the urban areas to earn more, it can only be by giving him better tools, by making him more efficient, by giving him more skill and by making him work better. Actually, it is not only the Government here or anybody else who can give all that is required. It is all of us in the nation who have

[Shri Nanda]

to share the responsibility, who have to make efforts, who have to make sacrifices and who have to do their part. So far as the objective is concerned, the aim is concerned, I think it is common ground with all of us.

So far as the resolution is concerned, it is wholly unacceptable, because it is incorrect, it is untenable, and it is unsound, the manner in which it has been worded, and in the implications of it.

Therefore, while the resolution is not to be accepted, as I said, there is no harm, but on the contrary, there is always good in reminding ourselves that there is a problem in the country, the problem of the poor, and the problem of the people who have not got enough employment, and all of us have to work towards the solution of that problem.

**Shri A. K. Gopalan:** I suppose the hon. Minister accepts the resolution. I believe that that was what he said.

**Mr. Speaker:** He said that the resolution was not acceptable.

**Shri Dinen Bhattacharya** (Serampore): Is the spirit of the resolution accepted?

**Shri A. K. Gopalan:** Does he accept the spirit of the resolution?

**Mr. Speaker:** I cannot run after the spirit.

**Shri A. K. Gopalan:** The wording of the resolution is:

"This House calls upon the Government to initiate economic, political and other measures aimed at curbing the growth of monopolies and distributing the fruits of national economic advance more equitably among all sections of the people."

May I now from the hon. Minister whether, though he may not agree

with the wording, he agrees with the sense of the resolution?

**Shri Nanda:** My answer is that we do not need a resolution from the other side. I have to make a declaration from this side that we are doing all these things, and we shall do more. Therefore, there is no question of acceptance of the resolution.

**Mr. Speaker:** Does the hon. Mover want the resolution to be put to vote?

**Shri A. K. Gopalan:** Certainly, if Government are doing all these things, there is no meaning in moving a resolution. The meaning of a resolution is that whatever may be the objectives . . .

**Mr. Speaker:** Is the hon. Member withdrawing the resolution?

**Shri Nanda:** We shall do more; we are doing, and we want to do more and more of these things, but we do not need the resolution.

**Shri A. K. Gopalan:** If he says that he will be doing more and more, then it is all right. Then, I would beg leave of the House to withdraw the resolution.

**Shri S. M. Banerjee:** If the hon. Minister accepts the spirit of the resolution, then has he any objection to the appointment of a committee consisting of the Members of this House?

**Shri Nanda:** I am sorry that I failed to deal with this suggestion for the appointment of a committee. There is a committee headed by Shri Mahalanobis already dealing with this matter. When its labours are over, it will have produced certain data and a certain volume of information about the state of affairs. When that will be before the House, then it will be time to see in what form we can take further action.

**Mr. Speaker:** There is an amend-

ment to the resolution. That has first to be disposed of. The hon. Member Shri P. R. Chakraverti who moved the amendment is not present just now. So, I shall have to put the amendment to the vote of the House.

*The amendment was put and negatived.*

**Mr. Speaker.** Now, has Shri A. K. Gopalan the leave of the House to withdraw his resolution?

**Shri Ram Sewak Yadav** (Bara Banki): No.

**Mr. Speaker:** The hon. Member Shri Ram Sewak Yadav wanted three hours to be allotted for this resolution, but when the time came for him to speak, he had gone out of the House.

**Shri Ram Sewak Yadav:** When I came in, I found that the Minister had already been called.

**Mr. Speaker:** I looked at the hon. Member's seat, but he was not present. He wanted three hours for the discussion of this resolution, but was not present here even to speak for ten minutes.

*The Resolution was, by leave, withdrawn.*

17:44 hrs.

RESOLUTION RE: FORMATION OF NUCLEUS CO-OPERATIVE FARMING SOCIETIES

**Shri Inder J. Malhotra** (Jammu and Kashmir): I beg to move:

"In order to create a co-operative tempo and achieve the target of the service cooperatives in all parts of the country, this House calls upon the Government to take immediate steps to organise at least one nucleus co-operative

farming society in every State and Union Territory of the Indian Union and to mobilise more vigorously all resources and public relations channels available in the country."

While moving this resolution, at the very beginning I would like to say that since we have set the goal of socialistic pattern of society before ourselves, to be achieved in this country, the co-operative movement, as a whole, has to play a very important role. More especially, in a country like India which is predominantly an agricultural country, co-operative farming has to play still a more important role.

Co-operative farming was the goal set before Government when the Congress passed a Resolution at its Nagpur session regarding the introduction of co-operative farming in this country. The real spirit of that resolution was to create a high-pitched tempo in the country to bring about the required revolution in agricultural development through co-operative farming. With regret I have to say that as far as Government are concerned, they have probably not realised or recognised the importance of the spirit of that resolution and have not taken adequate steps to create that kind of tempo for implementation of co-operative farming in the country.

As I said in the beginning, much needs to be done as far as agricultural development is concerned in this country. Many of us think that co-operative farming can be the solution and answer to various kinds of difficulties and bottlenecks in the way of agricultural development faced by the Indian farmer. The biggest difficulty and bottleneck facing the Indian farmer is the existence of uneconomic holdings and less consolidated farms. Except through co-operative farming societies, I do not see any solution by which uneconomic holdings can be abolished and consolidated bigger holdings created in the country.