

आज चार बजे प्रधान मंत्री जी ने संसद के विभिन्न दलों के प्रतिनिधियों की एक बैठक बुलायी है। ऐसे समय में जब कि एक और सरकार यह कहती है कि उन से मिल कर तब फिर उसके बाद कोई निर्णय करेंगे, एक जिम्मेवार केन्द्रीय मंत्री का इस प्रकार का वक्तव्य दे देना क्या इस बात को सिद्ध नहीं करता कि सरकार अन्दर ही अन्दर कोई निर्णय ले चुकी है, और यह जो बैठक बुलायी जा रही है यह नाटक या ड्रामा मात्र है ? मैं जानना चाहता हूं कि क्या इस प्रकार बाहर वक्तव्य देने की परम्परा संसदीय परम्परा के अनुकूल है ? इस सम्बन्ध में मैं सरकार का विचार जानना चाहता हूं।

**The Minister of Food and Agriculture (Shri C. Subramaniam):** Sir, I think I owe an explanation. I am sorry the report is completely wrong. I never made any mention of the Official Languages Act. As a matter of fact, the language subject was mentioned by me in a public function and there I said, whatever decisions have got to be taken with regard to any of the problems it will have to be done with regard to the unity of the country and keeping that in mind; secondly, we will have to function in a democratic way; and, thirdly, there should be no question of violence being used for any purpose. I told them that even this controversial language question will be solved to the satisfaction of everybody. I also told them that a decision will be taken soon. But I never made any positive reference to the Official Language Act, what should be done and all those things. That is quite a different thing altogether. I was quite aware of the Parliament being in session. The Press wanted to see me later on, but I said that I would not say anything about anything because the Parliament was in session. Therefore, I could not meet them at all. Whatever mention I made it was in a public function and in a general way. I appealed to the students to

go back to their schools and colleges and leave it to Parliament and the leaders to decide this question in the best way possible. I would assure the hon. Member that I would be the last person to break a convention laid down by Parliament.

12.22 hrs.

#### PRESIDENT'S ASSENT TO BILLS

**Secretary:** Sir, I lay on the Table following two Bills passed by the Houses of Parliament during the current Session and assented to by the President since a report was last made to the House on the 17th February, 1965:—

- (1) The Income-tax (Amendment) Bill, 1965.
- (2) The Appropriation Bill, 1965.

12.23 hrs.

#### GENERAL BUDGET—GENERAL DISCUSSION

**Shri M. R. Masani (Rajkot):** Mr. Speaker, Sir, very few things in life are all good or all bad; most of them are a little mixed, and even this Budget partakes of that general proposition. Let me therefore, in fairness to the Finance Minister and the Government, start by mentioning some of the good things in this Budget.

The outstanding one among these is the relief given to income-tax payers. Even with the relief given, the rates of income-tax and direct taxation in this country are higher than those prevailing in the United States, Britain and other advanced countries. All the same, let us be grateful for small mercies. There are people in this country who will, no doubt, breathe a sigh of relief at the slight reduction in income-tax.

It reminds me of the story of the collective farmer in the Soviet Union and the rabbi. The collective farmer, like all members of his class under

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Stalin, was having a very bad time with a little hut, no provision for his animals, his family was already too big and he was suffering from overcrowding. He went to the rabbi one Sunday and said: "What shall I do? I have got a small place and too many people already in it. Please give me some advice." He promised to do whatever the rabbi advised him. The rabbi advised him to bring his goat and put it inside his house at night. The farmer was shocked, but he had made the promise. So, he got the goat inside his house. Things became worse than what they were when the goat was outside. He went to the rabbi and said that things had become terrible and that the position was even worse. He asked him what to do. The rabbi asked him to get his horse also inside and tie it inside his little hut at night. That was also done. Next time it was the cow that was to be brought into his little hut and the collective farmer was feeling worse and worse. Then the fourth week the rabbi asked him to take out the cow, the fifth week to take out the horse and in the sixth week to take out the goat. Then he asked him: "How do you feel now?" The farmer replied: "Everything is all right. I am feeling wonderful and all my problems are solved!" The Indian taxpayer is like that. When a little relief is given after a lot of imposition, he will undoubtedly feel grateful though he is not better off than what he was a few years ago.

One point about direct taxation I would like the hon. Minister to look at, where I think he has unwittingly erred is that in re-formulating the deductions to be made for Provident Fund and Insurance premia, he has unconsciously, I am sure, increased the burden on most of the tax-payers. I have got a table worked out and I propose to send it to him with a letter so that he might get it examined. According to my advice, if a man does not pay the annuity deposit, that is, he pays income tax and

his income is less than Rs. 15,000 a year, he pays more and gets less relief than he did receive last year. If, on the other hand, he has an income of Rs. 50,000 to Rs. 1,00,000 or more, he also pays more and gets less relief. The number of people who get relief as a result of this change are those who have an income of around Rs. 25,000. This is a very narrow range and both the poorest income-tax payer and the more comfortable are being mulcted by this change. I would not like to think that the hon. Minister, while making a technical simplification was consciously trying to put his hands into the pockets of those people, particularly the poorest whose income is less than Rs. 15,000 a year. I would expect him, therefore, to rectify this by an amendment to the Finance Bill, when it comes up. I hope he will do that because I am sure his intention was not to mulct the people but just to make a technical change.

The second relief in the budget is in the excise duty which will benefit some consumers. The third very welcome provision is that employers who spend money on family planning for their families of their employees should be given some measure of relief. The fourth is the simplification of the income-tax and super-tax payments by making one table for both and a simple calculating method. And the last good point out of these proposals is the welcome given to foreign equity capital by the Finance Minister in more than one part of his speech. These are five good elements of the budget which we all welcome. But when that is said in favour of the budget, all is said.

I would like the House to judge this budget by three tests in the broad national interest. What is the effect of the budget on stability of currency and prices? What is its effect on the foreign exchange crisis? And what will be its effect on economic growth? I am sure every Mem-



ber in this House will agree that these three tests are the relevant ones.

Now, let us take the first test. Is the budget inflationary or is it not? There has been a rise in prices, as reflected in the wholesale price index, over the last two years of 23 per cent and that increase is proceeding. The Finance Minister has ventured to hope in his speech that now prices will fall. I wish I could agree with him—we all would—but it is wishful thinking. I venture to make a statement here—I made it during the past two years and I was proved right—that prices will not fall and that this budget is an inflationary budget.

There are five concrete reasons why it is inflationary. First, the quantum of public spending remains unaffected. The Finance Minister claims that he has made a cut of Rs. 6.4 crores. Rs. 6.4 crores on a total revenue of Rs. 2,353 crores last year comes to under .03 per cent. Even that is not true. By the very clear device of raising customs duties 10 or 15 days before the introduction of the budget, the Finance Minister raised, what he calls, the existing level of taxation and he then pretends to make a cut of Rs. 6.4 crores for the edification of the tax-payer. Since he would have got more than Rs. 6 crores in the few weeks of this year during which the new customs duties were levied, let us say that by and large the burden on the Indian tax-payer through direct and indirect taxation remains exactly the same. Or, let us accept his line of argument. All right, you have given relief of .03 per cent. Therefore, the rakes progress is continuing. As the comedian Harold Lloyd once said, "You cannot live on a Rolls Royce rate of expenditure on a Ford rate of income". That is what this Government is asking the Indian people to do. Without adequate resources, it is insisting that the public revenues and the public expenditure be of an order which is out of our if we would live in a thrifty and honest manner.

The increase in civil expenditure during the last year is Rs. 85 crores and the Finance Minister has admitted on page 13 of his speech that if we take into account PL 480 transfers, that is, created money, civil expenditure goes up even higher. Now, why has civil expenditure been allowed to rise? What has happened to the Finance Minister's promise, made in this House that he was going to bring about a cut of Rs. 70 crores in all non-development expenditure? Against that promise we have—a further deterioration in the expenditure on non-development purposes.

Then, again, there is an increase in Plan expenditure of Rs. 241 crores over last year and at this stage, may I say that when the Finance Minister on p. 14 of Part A of his speech lumps together the returns from Railways, Posts and Telegraphs and State enterprises, he is being unfair to this House. I strongly object to the losses of State enterprises being sought to be covered up by lumping them with the Railways and the Posts and Telegraphs operations. If you separate these, the results are tragic. The latest official figures published in *Hindustan Times* on the 2nd of March show that of 70 State commercial undertakings, only 13 made a profit at all, the vast majority were making losses on our behalf. It is estimated officially that the net return by the end of the Third Plan would be 1.05 per cent of the national capital so invested. But if the Railways are excluded, the average return on State undertakings sinks to 0.22 per cent. You will remember that four or five years ago, my hon. friend's predecessor ventured to hope that the returns on State enterprises would rise from 0.3 to 0.5 per cent. They have now fallen further to 0.22 per cent! This is the record of our nationalised undertakings. That is why this expenditure is inflationary, being unremunerative and unproductive.

The second reason why this budget is inflationary is the additional 10 per cent Customs duty. I would re-

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quest the Finance Minister when he replies to the debate, to tell us what is the revenue he expects from the 10 per cent regulatory Customs duty that he has imposed because nowhere in the official papers can we find an answer to that question. We shall appreciate it. But the point I am making is that 10 per cent Customs duty will lead to a further rise in prices. These are intermediate goods which our industries use and naturally the end-product will go up in price as a result thereof.

And there is profiteering. There are many profiteers in this country, but there is one profiteer who beats all the others in the magnitude of its operation and that is the State Trading Corporation. Let me give the House two recent examples of the rapacity of the State Trading Corporation. Towards the end of last year, the Customs duty on caustic soda was raised. It was raised by Rs. 29 per ton. But immediately the S.T.C. announced an increase in the selling price by Rs. 50 a ton with effect from 19th December, 1964. If this is not profiteering, I would like to hear the Finance Minister the description of this operation.

I will give another example. Recently the Ministry of Commerce made arrangements to import 50,000 tons of tallow from the United States for use by the soap industry. The Commerce Ministry stipulated that the industry would have to pay 33 1/3 per cent of the c.i.f. value to the S.T.C., although all arrangements for finance, import, clearance and distribution were to be carried out solely by the Indian Soaps and Toiletries Makers Association—a hundred per cent parasitism of the worst kind. No function was performed by the State Trading Corporation but a cut of Rs. 2 crores on the import was made by the State Trading Corporation, no doubt, to show the country the benefits of socialism. This is sheer parasitism of the worst kind which even the worst business adventurer would be ashamed of.

Then, there is another reason why the budget is inflationary and that is the savage excise duty on intermediate goods such as copper and steel. Take steel first. The larger part of steel, 80 per cent of steel production that is so taxed goes to Government departments and organised industry who can not be accused of black-marketing. Only 20 per cent goes to small shopkeepers or traders where, no doubt, excessive profits might be made. But for the sake of tapping 20 per cent, the Finance Minister claims, "I shall mop up excessive profits." He may do it to the extent of 20 per cent—I concede—but 80 per cent of honest consumers of steel and copper who are Government departments and organised industries are going to pay a higher price and they will add it to the end-product because they are not making excessive profits. Therefore, the general effect of the excise duties will be to push up prices still further.

Fourthly, the budget is inflationary because the Finance Minister admits it. On p. 7 of his speech, he says:

"Part of long term borrowing represents deficit finance."

That is the only place in his speech where he admits that he is going to resort to deficit finance.

Lastly, it may be urged that we shall check the inflationary effects of the budget by price controls. I have mentioned so often in this House the analogy given by Graham Hutton that if the lady tries to go to a plastic surgeon to remove her double chin, the darned thing comes out at the back of her neck. But we have here a greater authority on this proposition. Only on the 5th March 1965, no less a person than the Chairman of the I.C.I.C.I. Mr. G. L. Mehta, expressed the same thought when he stated:

"Price controls have not prevented inflation but only helped

to divert inflationary pressures in other directions."

Sir, for all these reasons, this is an inflationary budget and in the next twelve months prices will rise, not because it will be an accident but because the Finance Minister for demagogic purposes, has resorted to a budget that will raise prices.

Now, the second test is: Will this budget solve our foreign exchange crisis? The Finance Minister thinks that it will. I venture to say that the foreign exchange crisis will continue and aggravate as a result of this budget. Today the scarcity of foreign exchange provides this Government with an alibi for so many defaults on its part. If anything goes wrong, it says, "Sorry, we have not got the foreign exchange." Let me say that this shortage is synthetic. The shortage of foreign exchange is artificially created by the policies of this Government over the last decade. It is a consequence of debauching the value of rupee deliberately through inflationary policies. The exchange value of the rupee in terms of the Pound or Dollar only means the price of the rupee in terms of those currencies.

Now, what happens if the price of a commodity is controlled much below the genuine market price? We know what happens. It disappears from the market and goes into the black market. We find that in the case of foodgrains. If you do not pay the farmer a fair price, he hoards the grain and puts it in the black market. Recently, we had this phenomenon in the State of Maharashtra in the case of jowar. The same thing happens to the Dollar and the Pound, the German Mark, the French Franc and the Swiss Franc in our country. Government insists on undervaluing the Pound or the Dollar and rationing its use. It is exactly what is done in the case of foodgrains—monopoly procurement and rationing. It makes itself a monopolist in the import of Dollars and Pounds, or the availability of Dollars

and Pounds, and it rations it to our people. What happens? It goes into the black market.

Let me give the real price of our rupee from the weekly *News Week* which publishes a column every week on foreign exchange throughout the world in the free market. The price of the rupee in the free markets of the world has this story to tell. It is a very sad story. On the 17th June, 1963, as against the official price of Rs. 4.75 to the Dollar, the rupee was worth, in fact, Rs. 5.70 to the Dollar. On the 6th January, 1964, the rupee depreciated further and fell to Rs. 6.65 to the Dollar. On 9th November, 1964, the rupee had gone further down to Rs. 6.90 to the Dollar and on 1st February, 1965, on the eve of this budget, you could only get a Dollar in the free market for Rs. 7.20. That was bad enough.

Sir, let us see what this budget has done, this so called anti-inflationary budget, which is going to solve the foreign exchange crisis. The day before the budget was introduced, you could get a £ sterling in the free market for Rs. 24. The day after the budget, you had to pay Rs. 27 to Rs. 28 to get a £ sterling. In other words, those who operate in international exchange recognised that this was a bad budget, which was going to depreciate the rupee further. And the price today is Rs. 27 to Rs. 28 for the £ sterling. Our Finance Minister pretends that he does not understand what the free market is. He has given an answer in this House by saying, "There is only one value of the rupee and that is what we say." He is kidding himself. I do not know who else is kidding. Every shopkeeper in Delhi and Bombay, every booking clerk in a hotel, knows that the rupee is not worth what it pretends to be. Today, the rupee is worth exactly half of what you pretend its value is. And because it is half, your foreign exchange crisis is there. There will be no shortage of foreign exchange if you try to do your international trade on honest terms.

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Having used up all the reserves as a result of this policy of bankruptcy we now go cap in hand to the United States Government, to the World Bank, to AID, to IDA, and to the Aid India Club and to all those institutions, and we ask for more and more like *Oliver Twist*.

The sad fact is that today foreign aid also is going in to the blackmarket. Foreign aid, instead of helping our country, is being used to pay for our adverse balance of payments. Foreign aid today is leaking into the blackmarket, and unintentionally providing finance for the smuggling of gold into India, because you are artificially trying, through the silly Gold Control Act, to control the price of a commodity which cannot be controlled.

**Shri A. P. Jain** (Tumkur): Who did it?

**Shri M. R. Masani**, Parliament did it, and Parliament was wrong, under the inspiration of our Finance Minister.

I want to warn the House that even this foreign aid is going to dry up. Let me say this harsh thing here in case we kid ourselves. Foreign aid is going to dry up in the next two or three years. It is going to dry up for two good reasons. I shall mention both reasons. The first is that the Soviet Union is entering the market for credits. Let me read from the *Sunday Herald Tribune* of January 10 this year. It says:

"For what is becoming quite apparent...."

—I wish it was apparent because the *Herald Tribune* gives us a compliment for our intelligence. It says:

"For what is becoming quite apparent to Asian and African economists is that there greatest rivals for Western aid are the Communist countries. If, in the

interests of an East-West detente, the Third World..."

—that is, us—

"...loses its favoured position as a Western-aid-recipient, the hoped-for growth would be even slower than it is today.

That is one reason, because we are getting a new rival entering the world's credit market.

The second reason is the way in which we have wasted a large part of that aid. Let me quote from an editorial in the *Daily Telegraph* of 20th February, this year. It says:

"Yet the greater part of foreign aid is channelled into heavy industries and into luxurious but economic showpieces. These installations, so far from adding to the national wealth, are themselves absorbing for their maintenance more than half the foreign aid India receives."

Then it goes on to say:

"It makes no sense for Western friends to give military aid and watch India founder economically. But neither is it sensible to go on indefinitely filling a leaking bucket."

That is the second reason that those who have been giving us their treasure realise that they cannot go on pouring water into a leaking bucket, as the *Daily Telegraph* has not inaccurately described our economy.

I am very glad that a leading member of the Congress Party, Shrimati Vijayalakshmi Pandit, after visiting these countries came back, and according to press reports, sounded a warning to us not to go on relying so much on foreign aid but to try and put our house in order and depend more on our own efforts. I think she has performed a national service in drawing attention to it, though she

put it very gently and not in the brutal way in which I am putting it before the House, that we had better look to what is coming.

And when that happens, when foreign aid starts drying up, there will be only two alternatives left to this country. It can shamelessly go bankrupt, or it can put its house in order. If it is going to put its house in order, there are two ways of doing it again. One is to stop these inflationary policies and to scrap the Fourth Plan as it is at present devised....

**Shri A. P. Jain:** Scrap the Plan?

**Shri M. R. Masani:**....and create a stable measure of value in this country, an honest rupee. If you do not do it, I shall tell you what you will have to do, and what you won't like, and what my hon. friend Shri A. P. Jain and other friends won't like to see the Finance Minister of their party doing in the next two years....

**Shri Ranga (Chittoor):** He may be in Kerala then.

**Shri M. R. Masani:**....and that is to devalue the rupee. It is very painful expedient to cut down officially the value of our currency. If you do not listen to our warning today and stop this inflationary and reckless way in which you are doing things, you yourself will have to come to the country and to this House and say: 'Let us face facts. Our rupee is worth only half of what it is today; let us now pretend that it is three fourth of what it was before'. That is what is called devaluation. I am not advocating that remedy. It is a very painful remedy. It will hurt the rich and the poor, the honest and the dishonest alike, and I would like to avoid it. But as things are developing today, with this budget and the proposed Plan, I can say that devaluation is round the corner, and even my hon. friend will one day have the courage and the honesty to come forward and admit it.

Now, the third test is: Is this budget a growth-budget or an anti-growth-budget? I say that it is an anti-growth-budget. It is anti-growth for the basic reason that it has failed to give any substantial relief to the corporate sector that produces most of the wealth of this country. Consider the position that throughout 1964, the response to all new capital issues was exceedingly poor, and the bulk of issues was taken up by underwriters and the prices of most new shares are today quoted below par. Anyone who knows anything about Indian finance know this. Let me give details, because I think that most of the Members of this House are not so familiar with Indian finance. During 1960, only 53 per cent of the number of new issues through Prospectus were underwritten by financial institutions. About half of them were carried in the market by the small or the big investor. The proportion of issues underwritten rose in 1961 to 62 per cent, and in 1962 to 71 per cent, and in 1963 to 77 per cent, and for the period January-June, 1964 the last period for which the figures are available, the new issues had to be under-written to the extent of 90.3 per cent and the investor only took up 10 per cent.

The ICICI which is one of the leading institutions which has to do the underwriting, in nine years up to 1963, according to its latest official report, underwrote 48 per cent of new issues, but in 1964, it had to underwrite 92 per cent of the capital underwritten during the last year. No wonder the chairman of the ICICI was driven to say that underwriters have now become undertakers. It is a good joke, but it is a tragic one for this country and for this House. Even with this situation, the Finance Minister now comes forward and deals a body-blow to those who produce wealth in this country, because that is what this budget is.

We find that once in every other day, a pathetic attempt is being made

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by the officials of the Finance Ministry to try to explain this away by saying 'Please do not think that we are hurting you. See the beauty of the budget here, and see the beauty of the budget there'. Let me tell those people that it is cutting no ice at all, because the facts are that this budget is a bad budget in so far as as corporate enterprise is concerned. Every single evil of the last budget which we from these Benches attacked last year is still there in this budget, such as the surtax, the dividend tax, the capital gains tax on bonus shares and so on, and now there has been added a reduction in the development rebate over a large range of commodities while it has been increased on others. Therefore, the total taxation on those who produce remains excessive.

The Finance Minister has very graciously prescribed a ceiling of 70 per cent on corporate taxation. But if you examine it, you find that certain categories of companies are excluded from this ceiling, and when you examine it further you find that only those who are not paying more than 70 per cent have been exempted from paying more than 70 per cent. I would like the Finance Minister to tell the House in his reply how many corporations to his knowledge are going to benefit by this ceiling, whether it is five or six or three or ten or else how many. I do not believe that it can exceed a dozen in the whole country. And if he gives us the number, then we would be entitled to ask him—and that is his dilemma—"Are you trying to favour these companies or are you trying to fool the country by saying 'I am very generously giving a ceiling.'" This provision of a ceiling as it is at present designed is either a joke or a fraud. There is no other way to describe it. A reasonable ceiling would be 50 per cent on corporate profits. That is the ceiling in most advanced countries of the world where corporations can bear taxation better than we can.

Therefore, with high rates of interest on one side—dearer money, and now profit on the other, you are turning entrepreneurs into rentiers. Instead of encouraging risk, you are teaching people to play safe. If I can get 7 or 8 or 9 per cent interest why should I rest my capital in a venture. You are discouraging risk capital. You are encouraging loan capital. You are turning entrepreneurs whom the country needs into coupon clippers and rentiers, who are not as useful.

There is one exception, one possible exception, to this indictment I am making. That is the tax credit scheme about which reference is made in his speech, though not in the Finance Bill. I am prepared to concede to the hon. Finance Minister that here he may have something big up his sleeve. I do not know his mind, but I am prepared to concede that he is taking in his hands an instrument which can do a lot of good. But there are certain things that need to be put right. First of all, why should tax credit be given only to those who need relief to repay loans to financial institutions? Is borrowing a virtue? Is it a crime that a company has not borrowed from a bank or other institution. So long as it increases production, why should borrowing be made a virtue for which relief has to be given? Therefore, if these tax credit schemes are to be of any value at all let the limitation that it can only be used for repaying loans to these institutions be removed.

**Shri A. P. Jain:** It is also there.

**Shri M. R. Masani:** No. I am sorry. I would request Shri Jain to look at the Finance Bill as at present drafted. You can only get relief of that kind provided you want to repay loans borrowed from institutions.

**Shri A. P. Jain:** Look at the speech.

**Shri M. R. Masani:** I would like to go by the Bill. I do not wish to go by what he has said in his speech,



because I find contradictions between the Finance Minister's professions and his practice.

Now, the picture could be changed if, as I said, this limitation on 'repaying loans' was removed and if the tax credits were given in a fair and non-discriminatory manner. There is economic virtue in this, but there is also political danger.

Let me tell the Lok Sabha that this scheme, while it may be a good one economically, is a bad one politically. Mr. Speaker, I invite your attention to the fact that this Lok Sabha alone has the right to levy taxation. In the present Finance Bill, the executive of the day is seeking to take power to levy taxation and to give relief, without consulting this House, by administrative decree; and it seeks to keep within its hands the power to levy taxation on one, two or three industries, parts of industries, parts of one industry or parts of one enterprise. This is a most dangerous innovation my hon. friend is trying to introduce. The hon. Finance Minister is a good democrat and a good parliamentarian. I have always recognised that he is against totalitarian dictatorship and stands for parliamentary democracy. I would appeal to him not to set a precedent that may be misused when he is not there and somebody else may be there. After all, these precedents last beyond the lives of all of us.

Therefore, I would make a plea to him in all sincerity. He has got two months between now and the Finance Bill coming before us in the first week of May. There is ample time to frame your schemes. Please frame your schemes and bring them before this House in the first of May either as new clauses to the Finance Bill or as new schedules to be attached to that Bill. But let this House have an opportunity to consider your schemes. If they are good, we shall praise you for them. In any case, I feel that one of the prerogatives of the Lok Sabha is in danger of being invaded in this

manner. I would request you, Sir, to consider this matter closely and give your ruling later when this may be brought up in the form of a point of order at the time the Finance Bill is taken up for consideration.

**Shri K. D. Malaviya (Basti):** The only wise words you have used.

**Shri M. R. Masani:** I come to the last part of my speech. If the budget has been described in the press as 'misconceived', 'weak' and 'unimaginative at best', the question will be asked, has not this Government got the intelligence to see that this is bad for the country? The Finance Minister certainly has intelligence, understanding and knowledge. Then why has he brought forward this budget? What comes in the way of his bringing forward the kind of budget the country needs?

There are two answers. The first is contained in the first paragraph of the Finance Minister's own speech. He has said on page 1:

"It is now left to us, to my leader, the Prime Minister to his colleagues in the Cabinet, as indeed to hon. Members and to everyone else in the country, to carry forward the legacy of Jawaharlal Nehru according to our lights. And I can only hope that the Budget I am about to present will help to fulfil this obligation in some small measures".

Let me say this quite frankly that this is a legacy left to those gentlemen who sit on the other side; we have no part in it, we do not want to have any part in it. That legacy is a disastrous legacy.

**Some hon. Members:** No, no.

**Shri M. R. Masani:** I have a right to have my say. As my colleague, Shri Dandekar, described it last year, it is a horrible legacy.

**Shri Sham Lal Saraf (Jammu and Kashmir):** In what respect?

**Shri M. R. Masani:** I have already shown in what respect, and I shall prove it further.

This legacy is what has brought the country to the present pass. The Finance Minister has every right to hug that legacy to his bosom. We on this side, the party which I represent, came into existence precisely because in 1959 we saw where this country was being taken to drift, chaos and bankruptcy. Therefore, we want no part of that legacy, and we are sure that the Indian people will discard that legacy as fast as they can.

The answer, therefore, is that the ghost of the past is haunting the Finance Minister. He and his colleagues are not free people; they are prisoners of their past and they are unable, in spite of their intelligence, to free themselves from that legacy.

The second cause or inhibition is the Plan, which is referred to by the Finance Minister in p. 21 of Part B of his speech. The Fourth Plan is the nigger in the woodpile. It seems that the National Planning Commission, on whose advice the Plan has been devised, have learnt nothing and forgotten nothing, like the old Bourbons. This Plan will bring about organised chaos in this country.

Who are these planners? Let me say quite frankly that they are a group of bookish intellectuals, completely divorced from economic realities, none of whom has any experience in even producing a thousand rupees of goods and services in this country. Let me say, again quite frankly, that many of them are incapable of producing anything except words. They say they are socialists. Let me say that they are nowhere near what has quite rightly been described as Twentieth Century Socialism in West Germany or Britain. Several of them are veteran communist fellow travellers with a guilty record of fellow travelling. Among them are Prof. Mahalanobis and Dr. V. K. R. V. Rao. If anyone wants proof

of their communist fellow-travelling, their blind admiration for the Chinese communist regime, I would refer them to the *History of the Communist Party* published in 1954, which I had occasion to write (pp. 186-190).

**Shri Khadilkar (Khed):** Your assessment.

**Shri M. R. Masani:** There you will find a factual catalogue of their pro-communist activities. I regret that my good friend, Shri Asoka Mehta, who till the other day I regarded as a democratic socialist, is also going that way. He is Vice-chairman of the Planning Commission and he is slipping into the same groove as the others.

Last year I had occasion to quote his statement in this House on 17th April. This was a statement he made in Calcutta and I quoted him from the newspaper report. He was reported to have said:

"The present generation, which was a bridge between the stagnant present and a bright future, would get 'trampled upon in the process'. But that could not be helped".

Shri Asoka Mehta had then accepted Marxist determinism to decide that history had given him the privilege to bring into existence Plans which would trample on the present generation.

Now this year, he has excelled himself. On 13th March, a few days back, he went all the way to Ludhiana, to attend a meeting of a notorious communist front the Indo-Soviet Cultural Society, at which the Soviet Charge de' Affaires aptly presented a bust of Lenin to those who were present! At that time, Shri Asoka Mehta made a speech to the communist fellow travellers gathered in Ludhiana. I am quoting from the press report:

"He stressed the need for closer co-operation in economic plan-

ning between India and the Soviet Union... India, he said, had now reached a stage in its economy where it was essential to have collaboration in the planning process with the Soviet Union".

13 hrs.

To make it quite clear he was not advocating economic co-operation between them, that was preaching planning co-operation, he goes on to say:

"It was not enough to continue economic co-operation between the two countries. It must be seen to what extent our plans were drawn with Soviet co-operation."

I want to know whether even the gentlemen sitting opposite are prepared to see this country become a Soviet economic satellite. It is a most outrageous suggestion for anyone who holds office in this country to make.

There is an organisation called the COMECON, an economic combination of communist countries. There, they have endorsed a charter on the "Fundamental Principles of the International Socialist Division of Labour", which suggests that planning should be by co-operation between the communist countries. It may interest the House and Shri Asoka Mehta to know that there were two communist countries which refused to enter into planning co-operation with the Soviet Union. One was, of course, communist China, but the other was little Rumania. Little Rumania said: "We do not want planning co-operation with you. You will swallow us up. You make your plans, we will make ours. We do not want to meet you on that plane." My good friend is evidently now prepared to fall to levels which the Communist Government of Rumania is not prepared to accept in its national interest!

It has been said that there is no from the *Patriot*—the *Patriot* of 14th March. I concede that the *Patriot* is

not the most veracious of newspapers in this Capital. We all know that. Dr. Samuel Johnson said that patriotism was the last refuge of the scoundrel. It is the only paper which has published it. Nobody else thought this gem of wisdom worth relating. For eight days this remark has gone uncontradicted by the Vice-Chairman of the Planning Commission. I shall be very glad if, even now, he will come forward to repudiate this remark put in his mouth.

**Shrimati Yashoda Reddy** (Kurnool): He did not make the remark.

**Shri M. R. Masani**: I am now drawing attention very formally to the fact that these words have been put in his mouth. It is for him to repudiate it, or let every man in this country realise what he has said and its implications.

Anyway, what I am saying is this. These gentlemen of the Planning Commission have been responsible for policies that have been a demonstrable failure. They are out of touch with realities. They do not understand the processes of production. If we are going to function along the path of planning, let us at least throw this intellectual junk out of the Planning Commission, and put there people who know what they are talking about. We cannot solve today's problems with the remedies of day before yesterday.

It has been said that there is no alternative to heavy taxation. I wish I had the time to go into details to show that there is an alternative. I will very briefly indicate it. I say that you could have cut down the rates of direct and indirect taxation by 50 per cent, and got away with it. How? First of all, a cut of 50 per cent does not mean a loss of revenue of 50 per cent. Hon. Members understand that. There is the law of increasing returns. It was seen in America when

[Shri M. R. Masani]

the Kennedy tax cuts were made. The estimate that I have got is that if you had made a 50 per cent cut in direct and indirect taxes, your taxation revenue would have dropped by 30 per cent only. That means that you would have lost revenue to the extent of Rs. 550 crores; your tax revenues would have dropped from Rs. 1,830 to Rs. 1,280 crores. Can this be done? I say it can and should be done. How can it be done? It can be done by cutting down civil expenditure. I am leaving Defence out. It can be done if you reduce your revenue expenditure by 20 per cent and your capital outlay by only 10 per cent. This means pruning, postponing certain wasteful projects in our plans and cutting down unproductive civil expenditure.

Let me give the example of Mr. Khrushchev. In 1958 Mr. Khrushchev found that his Sixth Plan was not achieving its targets. He had the courage to say: "Let us make this a Seven Year Plan. No more investment for two more years. Let us utilise the investment that we have made before we make any more investment." He made the Five Year Plan into a Seven Year Plan. I advise the Government to turn their third five year plan into a seven year plan. If you do that, you can cut your rates of taxation by half rightaway. You would have a saving in expenditure of Rs. 640 crores, against a loss of revenue of Rs. 550 crores. So, instead of a Rs. 10 crores surplus budget, you could have a Rs. 90 crores surplus budget. But that is not being done because, as I said, of the compulsions of the past.

These prisoners of the past, since they will not move, have to be liberated.

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** No one can forget the past.

**Shri M. R. Masani:** We cannot liberate them, you Sir, cannot liberate them, but the people of India can liberate them by liberating them from office. They can do so within two years.

**Shri Sham Lal Saraf** (Jammu and Kashmir): Pious wish.

**Shri M. R. Masani:** We on these benches, therefore, will dedicate ourselves to the task of helping the people of India to achieve that laudable objective.

**Shrimati Benu Chakravartty** (Barackpore): The hon. Member who has just spoken before me has worked himself up into white fury against what I would call any fundamental plan of development in our country. He has actually indicated what would be done if the Forum of Free Enterprise had the full ability to rule the roost and loot the people and amass profits. His speech, and those at the FTCCI, their resolutions etc., which have been adorning our papers for the last few days, have become coterminous, and they have repeated the samething within the precincts of this House.

12.07 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Why is it that the white frenzy of fury that we have just heard from him has come against Shri T. T. Krishnamachari's budget? While it is true that the ordinary people are grateful for the little mercy of not having some additional taxation put, which they are used to at this time of the Budget put on their backs an extra excise duty on cloth, on kerosene or some other items of everyday use—what has actually happened? If we try to analyse the Budget and I make this charge against Shri T. T. Krishnamachari, he has wielded the Budget in a way to make the State a broker, acting as a collector of money,

for making over substantial amounts and giving substantial concessions to the private sector, which, otherwise, the public would not have agreed to. And this white fury of Mr. Masani is because the FICCI and its spokesmen feel that this is a weak Government, they should pressurise it more and get more concessions. That is why all these resolutions, that is why all these deputations have been coming and pressurising the Prime Minister and the Finance Minister, and using all the forums of public opinion to create a climate in the country in order to get further and further concessions.

The real impact of this Budget will obviously unfold itself slowly. To soften the impact of what he has done, the Finance Minister has held out some relief to the middle and poorer sections. But the full impact of the various taxes is clear when we analyse the income-tax rates and the particular section which has drawn the greatest benefit. The structure of personal taxation had been following a stable pattern till 1962-63. In 1963-64, under the impact of the Chinese aggression, there was a surcharge at steeply progressive rates, and if we have to logically compare the present reliefs, we would have to go back to 1962-63. However, even taking 1963-64, we find that the sector which earns an income below Rs. 5,000, i.e., the lowest income group, in 1964-65 had an actual incidence of six per cent taxation on income, while in 1965-66 this has been brought down to only five per cent, that is the relief is only one per cent. But if we take the people who are earning Rs. 70,000 and above, the most affluent in the land, in 1964-65 they were having an incidence of taxation of 70 per cent. That has been brought down in 1965-66 to 60 per cent. That means a relief of ten per cent. That is, those who have the best ability to withstand all the price rises and all the other difficulties of the economic situation, those who have made the maximum profit and earned the biggest income, have

been given a tax relief of ten per cent, while those who are in the lowest category get only a relief of one per cent. I am not going into absolute figures because I do not have the time. The question is this. If the policy of Government is to build an egalitarian society, lightening the crushing burdens of those who can ill afford to face the rising prices and the filling up of the glaring gap between the very poor and extra-ordinarily rich in our country, those who draw salaries even of Rs. 2,000 or Rs. 3,000 or who draw more, why do they need any relief? I do not talk about the higher categories now but of even those who draw Rs. 2,000 or so. When the question of granting dearness allowance to the Central Government servants comes, this very Government refuses to grant dearness allowance to anyone drawing a salary of Rs. 600 and above saying that they have the ability to absorb the shock of rising prices. Yet, the millionaires are being given reliefs. Why? Not only that. The maximum marginal rate of income-tax for the higher brackets of unearned income, had been reduced from 88 per cent to 81 per cent and that on earned incomes from 82 per cent to 74 per cent so that only on earned income above Rs. 3 lakhs will the peak taxation be applied and only above Rs. 70,000 of unearned income will it apply. Yet we find that the millionaires are whimpering and whining for more concessions. The corporate sector has launched the biggest offensive since long to see that they eat as much of the cake of prosperity as possible and keep it too.

The FICCI knows only too well that the guiding lodestar of the fiscal policy of all the Finance Ministers, including the present one, has been to fit the fiscal policy to the ways of the share market. We talk of socialism in a mixed economy and it is here that the talk of socialism is exploded because we always look at the share market as a suicide. The Share market can never be the real indicator of

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prosperity of a State which aspires to be a socialist one. In capitalist economy, what is it but speculative activity which is behind the phenomenon where even shares yielding 7-10 per cent profit, their value, is suppressed. From this, one realises the entire philosophy behind the taxation policies and fiscal policies.

Actually the Finance Minister in his Economic Survey has shown that in his framework of economic policy the stimulation of private investment activity in priority areas has received the highest priority. This is what he has said. Although agricultural production has been given the first place in his Economic Survey, the entire budget philosophy, when we analyse it, shows how ingenious are the ways of our intelligent Finance Minister. He channels the funds that reach the Government from the people through taxation to the private sector. We talk about boosting agricultural production. Yet, excepting pointing to Plan allocations for agriculture, imports of fertilisers and higher procurement prices of foodgrains, there are no promises of incentives of the type envisaged for the corporate sector. As a matter of fact, I was surprised when I noted that in analysing the financial policies, the taxable minimum limit has been reduced in the case of co-operatives which was formerly Rs. 3,000; in 1964 I found that it had been brought down to Rs. 2,000 so that co-operative societies with an income Rs. 2,000 or over are liable to taxation. What will be the total incentives or concessions to the industrialists to plough back the money to equity all along the line? There are so many incentives given for them. But there is no iota or a hint of a concession for the agriculturist. For instance, could not the Finance Minister have made some sort of a suggestion to abolish the land revenue on all agricultural lands upto five acres of land and tell the States: I shall make up this amount to you from my budget? That would not

have been a large amount but it would have helped 75 per cent of our agriculturists to plough back a little more than what they do at present, to their lands, to agricultural production. The important question of parity of prices for agriculturists is left to the magic wand of having created the Agricultural Prices Commission which is asked to make a valuable contribution to the evolution of a rational price structure for agricultural commodities! Last year it was stated that the Agricultural Production Commission will do the trick. This year we have been told that the agricultural price commission is going to do the trick. The prices of all the peasant's needs, his cloth, fertilisers, kerosene, implements everything is expensive. And as Mr. Masani has said, the ten per cent imports duty that has been put is going to be made the excuse for a further rise in all these materials and further price burdens are going to be put on the people. There will be no reliefs. Even the credit which the peasant needs is not made available to him by Government institutions and 80 per cent of his credit needs are met from usurious money lenders. Even if 25 per cent of the credit comes from the co-operatives and governmental institutions, even then 75 per cent is from the usurious money-lenders. Nothing is done in the Budget for the nationalisation of the banks which would permit huge channelisation of resources for the peasant's credit. If you see the way our banks function, you will find it entirely goes to the industrial sector and trade and you will also see how little of it really goes to help the peasantry. Actually these banks are used and controlled by the private monopolists to feather their own nests; very quietly that is done. We know that the managing director of the Bank of Baroda used Rs. 65 lakhs almost without taking any permission; he has used it for his own Bareilly factory. The Dena Bank managing director has used irregular-



ly moneys; it has been stated that he is a man who had been involved in hundi transactions. This is the way the banks utilise the moneys which should actually go for the benefit of 75 or 80 per cent of the people—agriculturists—who are paying usurious rates of interest for getting their needed credit. It is clear that the stimulation of private investment activity is the main philosophy and that stimulation is being given on a platter by the handing over of government resources to the corporate sector.

Now, Sir, we have actually seen that there are very powerful lobbies even within the Cabinet. I was surprised to read the speech of Shri S. K. Patil yesterday given through the Press, banging the Government's taxation policies and talking about the dampening budget and extolling the private sector's initiative and its enthusiasm. He has done it so blatantly that I wonder what the Prime Minister and his Cabinet and the Government and his Party have to say about it. Not only that. Today, I found what an eminent Member of this House, Mr. Kamal Nayan Bajaj said; he went to the extent of suggesting that contributions to political parties which did not subscribe to the views of the business community should be held back. He said that finances must be given to individuals who supported the business view-point in Parliament and legislatures. The cat is now openly out of the bag. We have been saying again and again about political parties taking contributions from these big people and monopolists, that these are the people who rule this country and it is because of that they are pressuring our Government and extracting further advantages and further concessions from them. Actually, if you see the amounts that had been given from the finances of the governmental institutions to the industrial sector, it far exceeds what was envisaged in the Third Plan. I have no time to go into the figures. But if you compared

it with the amount of loans which the agriculturist got, you will be surprised that we have been able to produce the little we do in the agricultural sector. The Unit Trust of India had been brought into existence in order to help and boost up the private share market. I found that the Government was spending 'on publicity alone for the Unit Trust and for the small savings scheme a total of Rs. 68 lakhs—only for these two items. This year's concessions are aimed at stimulating what FICCI calls the sluggish capital market. But on the very day they passed this resolution, there was an interesting item in the newspapers, giving the report of the company meeting of E.I.D.—Parry & Co. I was surprised to see the huge profits that just one company makes—the E. I. D.—Parry Ltd. Their net profit in 1961 was £351,000. In 1963, they made a profit of £360,000, not very much of an increase. But even in the sluggish market of 1964, the net profits amounted to £613,000. That appeared on the very day when FICCI was talking about the sluggish market. So, the state of the capital market has been painted in a completely distorted manner in order to mount up their claims for more and more concessions.

A few days ago, I took a cutting of an item which came in the newspapers. It showed an alarming state of affairs in the capital market which has been drawn by Mr. J. R. D. Tata, and Palkhivala and those Forum of Free Enterprise-wallas. (*Interruption*). The situation, as seen from the *Economic Times*' annual survey, shows that in the capital issues, including debentures and right issues, there has not been a further fall. Actually, Mr. Palkhivala's figures show that there was a very big spurt in 1963, but in the survey of *Economic Times* I find that there is no such increase shown. Rather, this year, in 1963, there is a Rs. 90 crore new, fresh capital issue plus Rs. 19 crores raised by the Unit Trust of India, together

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giving an aggregate amount of Rs. 109 crores, an all-time record in 10 years. Who is right, we would like to know? Moreover, the first 15 quarters for the third Plan have yielded a capital issue of Rs. 250 crores as against Rs. 200 crores envisaged in the entire Plan period.

**An hon. Member:** It is institutional.

**Shrimati Renu Chakravartty:** Not institutional. It is capital issues. Can we not say that this is a stage-set drama to ask for more concessions in the corporate sector, while the majority of the people such as the working classes, the peasantry and even the intelligentsia are today continuing to be fleeced by these measure?

Let us see what is the situation with regard to the prices. That is a point which we have got to see. We have been told by Mr. Masani that inflation is there and why is it mounting? He says that the main reason is because the Governmental expenditure goes up and up. Now, I am not one in favour of wasteful expenditure even in the Government. The non-development expenditure should be cut down. But what is it that we see on the price front? Even in a year of bumper crop, we find that the prices are not coming down. Actually, the budget is coterminous with the wheat harvest, and a very, very good oilseeds harvest. Let us see how far the lowering of prices has been due to these factors and not to the factors of lowering of the excise duty. That has yet to be seen. As a matter of fact, the surprising aspect is that although there has been a lowering in the wholesale price of oilseeds in the market, when they come to the retail trade, very little, by way of relief, is passed on to the consumer. Therefore, we are not at all surprised when we find that while during the earlier years there was an imposition of excise duty and immediately the prices shot up, when the excise duty has been taken away

the lowering of prices has been very, very hesitant and in some cases none at all.

Take the case of controlled cloth. We were very happy to see that there was a reduction in the price of grey cloth. But we now find that it is going to work up very nominally by way of relief to an ordinary man because the excise duty on grey cloth is very small. The sale of the grey cloth directly to the consumers is extremely small, as most of it is sold for processing. Moreover, with the "multiplier" system, this will work against price reduction so that when the cloth is sold in the retail market, there will be hardly any relief passed on to the consumers. The big capitalists have already warned that they are not going to bring down the prices in spite of all the excise concessions.

Shri Masani has quoted from the papers. Without hearing him, I have been working out figures and I have been reading all the literature on the subject. The 10 per cent levy on imports will never be paid by them by cutting their margin of profit. This has never been done, and it will never be done. It is no use quoting from America; it is no use quoting from the *Daily Telegraph* of the United Kingdom. It is no use what has been said by the *Herald Tribune*. Ours is a poor country. We have got to think of all these millions of poor people and bring down the prices. We have to think of curbing the profit motive of those handful in our country who live in conditions of luxury far above the ordinary normal 90 per cent of the people who are on the brink of starvation. We have to think of the latter.

We find an interesting article which was written by the Calcutta financial correspondent of the *Statesman*, of 28th February last, immediately after the budget. He has lashed out at Shri T. T. Krishnamachari's regulatory customs duty and said that this is a

dishonest way of dealing with the country in financial matters. After saying so, he said that "it must now be conceded in Shri Krishnamachari's favour that the reliefs are concentrated as they should be on direct taxation. Counting in the regulatory customs duty, indirect taxes next year—that means taxes on the ordinary people in the form of rise in prices—will in fact be substantially heavier than they have been for most of the year." That is why Shri Masani has also stated in very clear terms that the prices are not going to fall; the prices are going to rise. The hint is clear: the prices of manufactured industrial goods will go up. Neither the Agricultural prices Commission will be able to fulfil the demands for parity of prices for the peasant, nor Shri T. T. Krishnamachari will be able to give relief from the crushing spiral of prices to the common man. And to cap it all, the FICCI, in its 20 page brochure on the preconditions and approach for the fourth Five Year Plan, has demanded the removal of all price controls in the industrial sector.

Faced with all these incontrovertible facts, can anyone say that the concession given by Shri T. T. Krishnamachari, our Finance Minister, to the corporate sector, was really necessary? The only comfort we can find would be, had Shri Patil had his way, and had become the Finance Minister, the entire economy would come within the hands of the big business and there would be an unrestricted loot of the monopolists. This is the only small feeling of comfort that we may derive that it could have been worse.

Then I would like to say a few words about the concessions which have been given to the private sector. Take the case of the bonus shares. We have been emphasising that this method of utilising profits to give bonus shares and thus escape taxation should be put an end to. With great difficulty, in 1964-65, the bonus shares were treated as national capital gains

and treated as such. But now, Shri T. T. Krishnamachari has proposed a ten per cent reduction of the face value of these shares. What does this mean? It is really a farce, when one must remember that the maximum tax leviable on such shares is 25 per cent of the gains in the case of individuals and 12½ per cent of gains in respect of companies. This is the limit, the maximum limit, that has been put. So, if there is a further reduction of 10 per cent of the face value of the shares, what remains of this tax?

Now, our industrial friends—the people in the industries—want that this whole thing about taxes on bonus shares and dividends should be scrapped and there should be no such taxes at all. In the new Fifth Schedule of the Income-tax Act, they can now also claim an increase in development rebate. In some sectors they have reduced it, but in some most important sectors, the development rebate has been increased. Even a company like Parry's, whose enormous profits I mentioned just a few minutes back—they hail this with great satisfaction—and state that they will have further accretions to their earnings by these concessions.

Another big concession is the tax concession given to section 104 companies, which are wholly or mainly engaged in the manufacture or processing of goods, who, irrespective of the total income which they earn now, will only be liable to tax at 50 per cent of the first ten lakhs of their income. Earlier, what was the position? Earlier, the position was that this concession was enjoyed only by smaller entrepreneurs, those whose income was Rs. 5 lakhs or below, and of these companies the first two lakhs were taxed at 50 per cent.

By these concessions the big capitalists gain substantially. Who are the manufacturing concerns and how are they defined as such? By executive action, the definition is given. I know there is one company, The T. V. S. Company of Madras, one of the big-

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gest capitalists in South India. They build bodies of the buses and trucks etc., By executive order, they were defined as manufacturing concern and they enjoyed the concession. Many more will be enjoying such concessions.

Another significant concession is exemption from wealth-tax for five years for equity investment in new industrial companies. Why not make tax-free those farmers who sell at procurement rates their foodgrains to Government? Would it not be an effective measure if really Government believes in State trading and building of buffer stocks to control prices?

Last but not the least of the concessions is that Mr. Krishnamachari has proposed to put a ceiling to income-tax in corporate sector at 70 per cent of the total income of the company. It is quite correct that very few companies pay more than 70 per cent. So, if it is no concession, why is this attempt being made to show that there is a concession? In the case of those who earn huge profits, there must be no ceiling on their profits being taxed.

I now come to the important question of public sector projects. Mr. Masani has railed against the public sector, because he believes that the root of all evil is planned development. We believe that the most strategic sectors should be in the hands of Government to bring about public good. Two ideals should be set before the public sector projects: Firstly, they should be able to bring down the prices of essential goods like chemicals, medicines, etc., within the reach of the common people who cannot by these things at high prices. Secondly, they should run their organisations efficiently and bring a substantial amount of resources to the State. Therefore, I welcome the suggestion of opening public sector projects for manufacturing consumer

goods because we have seen that at present the profits of consumer goods industries are very high. The gestation period is small and the amount of capital needed is also smaller. So, we welcome the public sector projects in consumer goods provided they are really functioning efficiently. The steelframe of the old ICS bureaucracy has to be changed. Technological organisations like HSPL and the petroleum complex sectors should be manned by technical men. The managerial side has to be improved. Labour relations have to be improved. There must be an ideological feeling that here we are doing something in order to build up an egalitarian society.

It is a welcome sign that for the first time, the biggest public sector project, HSPL, has shown a small profit. HAL also has shown a profit of Rs. 1 crore during 1963-64. HMT, Hindustan Cables, National Instruments and Nepa have been yielding profits for some time, which have been ploughed back. Of course, we have to see that this total has been made by adding the depreciation fund. Far more has to be done. The fourth Plan target is that the State and Central public sector concerns should yield Rs. 450 crores. We have hardly reached Rs. 150 crores and that too after adding the depreciation fund. So, we have to consider why huge resources cannot be saved.

Take the oil industry. The Indian Oil Company has reported a profit of Rs. 83.5 lakhs and a net return of 17 per cent on paid-up capital. But far more profits can be made if Government fights the oil monopolies of the west. Today there is a glut in the oil market. Yet, because of unequal agreements which we have had, we have still to permit the three foreign companies of Esso, Stanvac and Caltex to bring crude from their sources at much higher cost and at discounts which are much lower compared to what we can get if we get the crude from the Soviet Union or West Asia. But that is a question of agreement. What about petroleum products like

diesel and kerosene, where we have no such agreement? Why not enter into agreements asking the British and western companies not to distribute these products? We should be able to do it. Having done it, I am sure we will stop the huge drain on our foreign exchange.

Between 1955 and 1961, when these foreign refineries actually had much smaller output, they had sent, I think, double the amount as remittances abroad compared to what they had actually invested. Now with bigger output, our foreign exchange drain will come to Rs. 200 crores. Why do we run to them for expertise regarding everything? From fighting police corruption to hatching of eggs, for everything, we try to get foreign collaboration. Is it necessary? I am a teacher myself and I am surprised at the huge amounts flowing in for educational grants by way of Ford Foundation and other foundations to teach us how to teach, in conditions which are so different from those in America. In many cases they are becoming more and more nests for espionage. In others, there is sheer waste of money.

Actually, Mr. Krishnamachari has given certain incentives for a longer stay of foreign experts. It is time that we woke up and realised the great harm that is being done. Shri Chagla in the Rajya Sabha gave glaring examples of how "outmoded know-how is being slavishly bought by us". Shri G. L. Mehta also had made similar remarks, as I read a short while ago. Take the case of Barium Chemicals and Citric India Private Limited. We are going to buy from West Germany the know-how used by Sarabhai Chemicals. From 1959 till today we have not been able to utilise the fermentation process, which is the know-how in the repository of Indian scientists.

The cost estimates show that often we are badly hit. Take the example of Bechtels, who are supposed to set up the five fertiliser factories. We are deeply interested in this fertiliser pro-

gramme. But Bechtel has produced an estimate by which we are to pay Rs. 10 lakhs and the foreigners are to pay 10 lakhs; and, they have said nothing new. They have just produced everything which we know. We have got that know-how. Even for the chain of five factories, the cost estimates show that each factory will cost us Rs. 40 crores, while the cost of the plant to be set up by the Fertiliser Corporation of India for its latest project at Durgapur will be only Rs. 35 crores. So, when we are building a chain of five, it must be cheaper than the one set up at Durgapur. Instead of reducing the fertiliser prices, they have made it a condition precedent that the present level of prices, which is very high and which we have been trying to pool and bring down, will not be touched and they will have a 20 per cent return, so that they can get the repayment of their investment in five years.

The foreign investors go against every interest of ours. It is surprising to see Mr. Krishnamachari's philosophy, which has been accepted by Government, that it is better to get foreign investment rather than loans.

"Certain industries and sophisticated processes" are being allowed to prolong their initial stay by about five years, with the approval of Government. We have seen that this approval means and how can we guarantee that Government will fight for the recognition of Indian scientists and technologists in foreign collaboration agreements. The case of Dastur and Company regarding steel factory at Bokaro is one example. Politically the interference in the internal and external affairs of the receiver of aid from the west is amply clear when we see West Germany's behaviour over UAR's invitation to East German leaders. We know how American bullets are used when our frontiers with Pakistan are being violated. I am glad, Shri D. C. Sharma asked in answer to a question, "Are we not playing with fire?" We are playing with fire. We should really understand

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that we can go only up to a limit and not more. We cannot open the doors too wide, because we know what the East India Company did. West Germany is one of the biggest examples of this unequal trade. We are indebted to West Germany to the extent of Rs. 800 crores. There is this disproportionate deficit, because West Germany refuse to buy anything from us. When the team of West Germany's private investors came, they had the audacity to tell us that no investment can be expected from them if it was intended to export the goods of those industries to their country or to the west.

The struggle of the United States and other foreign capitalist collaborators for majority participation is well-known, although this is always being denied. But the most important thing is, even if they have a minor participation in such important industries they hold a whip hand.

Sir, remittances of profits is also a thing that we have to consider before opening the door wide to foreign investments. Actually, in 1962-63 remittances of profits was to the tune of Rs. 94 crores, in 1963-64 it went up to Rs. 98 crores and during six months in 1964-65 it was Rs. 54.3 crores. We are now going to have 2,000 collaboration agreements which will be maturing and it will further affect our foreign exchange position. I do not want to raise this issue from an ideological point of view. I want this House to consider it from a national point of view, from the point of view of our own resources, from the point of view of our own money going abroad at a moment of time when we are crying hoarse for foreign exchange. We are really thinking that this will solve our foreign exchange difficulties. I say it will not solve our foreign exchange difficulties. It will only create further difficulties.

As a matter of fact there was a very interesting note which was submitted to our late Prime Minister by a

very famous F.R.S. Scientist, Kurt Mendelssohn who had gone to China and then came to India. He wrote this:

"Again there is this difference between India and China, in that China, except for somewhat limited help from the Soviet Union, had to rely entirely on her own resources in technological development and expansion. It may well be part of India's failure to develop science rapidly that her industry had too much of a helping hand from outside."

Sir, what do they do in China or in the early years in Soviet Union or even in Japan? They take over or buy a plant and they get their scientists and technologists to duplicate and triplicate that plant. Then they use it. Sir, our scientists may make mistakes. We in the Parliament and outside must be prepared to allow our scientists to make mistakes. But then we will have at least the pleasure of knowing that our own scientists had done something with their own brains, with their own hands and with our own resources. When we have foreign collaboration what happens is that they do not even like to use our materials. They try to import all raw materials even. They try to import more and more. I would say, there should be a commission to go into the entire question as to how far this is really in our national interest.

In the period between 1956-57 and 1962-63 remittances under the head of royalties—since the Government started putting a check on royalties being paid—has only increased 4½ times, while under the head of technical services and know-how the remittances have increased 54 times. This is what is happening.

Sir, therefore, I would plead with the Government before it is too late, that the whole policy of Government in the matter of inviting foreign investments must again be thought over and re-defined. The entire question



of foreign exchange crisis cannot be solved by opening the door wide for foreign investments. Huge amounts are lost by over-invoicing and under-invoicing. Actually, we lose about Rs. 45 crores to Rs. 50 crores in this way. What are we doing to stop this. The Customs and the Special Police Establishment have made some investigations. They have held some people. But there are lobbies within the highest echelons of Government who back these black-money people. What are we to do? In Calcutta, after several industrialists were penalised, McLeod and Company was raided and pressures mounted on the past and also the present Finance Minister. It was then found that the goods of McLeod and Company were released from the ship and allowed to go with a promise that it will pay a fine. What has happened now? After all this, they have not yet paid that fine saying that it should be actually settled against their claim for refund of income-tax etc. We would like to know from the Finance Minister what are the Bills of Lading that have been scrutinised and how many penalties have been imposed on different firms. Take the example of Bird and Company. This company was raided and the only knowledge we have now is that adjudication proceedings are continuing in respect of Orissa Minerals. But what is the result? Messrs. Bird and Company took the matter to a court just to delay matters so that one of their foreign managing directors, who was afraid that unless the matter was delayed some personal fines may be imposed on him, could get away. Now he has gone. We would like to know who will now pay the personal fines. There is the National Jute Company of Goenka, a big jute concern in our State. We were actually exporting jute goods to America. An American firm is also there as one of their own subsidiaries. It was found that they were indulging in under-invoicing. The case was taken to a law court and the High Court gave its verdict that the terms were *ultra vires*. What is the Government doing about it? What

action is the Reserve Bank of India taking against this firm. Why are we going to recover penalty instead of proceeding against them, against these people who are putting our Government and our exchequer to a loss in the matter of foreign exchange. A great deal has already been lost to this country by the import entitlement benefits which have been given for export incentives. Export incentives have to be given. But in our country these incentives under import entitlement have been misused. They buy or sell goods, under-value them and actually sell them at a higher price. Then they are using these import entitlements to bring in stainless steel sheets and other items, in which licences are banned, and they sell them in this country at 700 to 1000 per cent profit. It is through these channels that more smuggling of goods goes on and we lose an enormous amount of foreign exchange. What steps are the Government taking to publish their names? When a small man brings a few kilos of rice or atta their names are publicised, they are proceeded against and their names are given wide publicity. What about these big people who for months on end go on indulging in these things. The case of Mundhra is an example. Even after being in jail he carries on business in such a way that nobody else can do. He is now owner of Turner Morrison and Co. He has one of the highest income-tax arrears. Only the other day, after all these years, in one case there was attachment of his property. In such cases the property should be attached. Government should not adopt this weak-kneed policy saying that if anybody whispers into its ears he will be taxed only on 60 per cent and 40 per cent of the undisclosed income he can take away. These are big cheats. Why should we always to try and cover them up? The reason is that we have such big lobbies in their favour within the ruling party itself.

Unless we are able to mobilise all our resources we shall only be dependent on foreign aid. I say, Sir, the

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Full effects of this Budget will only be known later. We can only say that these Babubhai Chinai, the Kirloskars, the Goenkas and the Birlas who have gone to meet Sri Krishna-machari are trying to pressurise him. Shri H. V. R. Iyengar, today I find, talks in a lower tone, in a sweet tone. The *Hindustan Times* Editorial today speaks of conciliatory discussions and understanding. Various kinds of pressures, sometimes at a very high degree and sometimes at a lower degree are put on the Government. These financial millionaires know that they are dealing with a weak government, with a government whose economic philosophy in spite of all its talks of socialism is basically to foster capitalism, to open the door wide for foreign monopolies to grasp us under the plea of stringency of foreign exchange and under the plea of mix economy to allow the man-eaters to devour the poverty-stricken masses of India. Already a high-power committee of industrialists has met the Finance Minister.

Sir, I would like to say that the concessions have been given to the masses. Our people are not getting any relief and the relief which they have got is illusory. But greater concessions have been given to the richer classes. I only want to end up by saying that the masses of India will not tolerate this. Let the Government and the Finance Minister take heed. My friend Shri Masani has attacked Shri Ashoka Mehta. We have many differences with Shri Ashoka Mehta. But I will say with him that the corporate sector in our country is suffering from collective neurosis. They have become so wild that they called this entire budget a fraud. The only reality which they can understand is to have more and more concessions given to them. The peoples' backs are crushed by the profiteering and blackmarketing of these forums of free enterprise. The Government is a partner to this game. As the disastrous policies of this budget unfold themselves the peoples' wrath will also rise to ex-

press their discontent and for a reversal of this policy. The teachers, the Central Government employees, the agriculturists, they are all asking for some relief against rising prices and Government say they have no money. If there is no money, why should they give concessions to big business? The benefits should first go to the teachers in Uttar Pradesh and West Bengal. When they are suffering untold miseries for want of a few rupees, the Government say that they could not give them more because they have no money. When the Central Government employees ask for more dearness allowance, the reply is the same: no money. If there is such a shortage of money why then give all these concessions to FICCI? When the agriculturist wants credit, it could not be supplied because there is no money. Therefore, I say: let the Government see the writing on the wall. There is a limit to the patience of the people. If they are ignored too long, it will be only at the peril of the Government and also the nation.

**Shrimati Renuka Ray (Malda):** Mr. Deputy-Speaker, there is no gainsaying the fact that we are facing a tremendous challenge on the economic front and so the budget proposals and some of the earlier measures must be judged in the context of the impediments that face us today. We have to remember that our two objections are the acceleration of the rate of economic growth and the bringing into existence of a higher standard of living for the masses so that a socialist society becomes possible in a measurable distance of time.

Taking these into consideration, what are the main impediments that we face? The first impediment which is visible to the naked eye is the inflationary spiral or the runaway prices. Its disastrous effect on the vulnerable sections of the community is only too apparent but it has an equally adverse effect on economic growth itself and will have the effect of nullifying our savings and insurance policies unless we are able to check it.

Let us remind ourselves that the wholesale price index has now risen to 159.2. The food prices have risen to 157.2. The consumer prices stand at 162. The *Economic Review* of the Finance Ministry says that the wholesale prices as on January 30th was 12.65 per cent more than the figure for the corresponding period last year, and a month before the rise was even steeper. We have to call a halt to it. We have to see whether the Finance Minister has taken this aspect into consideration. I do think that in the *Economic Review*, in the speech of the Finance Minister and in the Bill itself there is due recognition at long last that we have to find some check some curb, even on a short-term basis and an attempt is being made which is already showing results. Last year, while speaking on the finance Bill, I had called the attention of the Finance Minister to this fact. At that time, though he had suggested some long-term measures, which are of course very necessary, I had said that long-term measures alone will not meet the situation and this time he has concerned himself over this, which is most welcome.

Before I go into the details, let me recount the other points that we have to deal with. There is the balance of payment position or the depletion of our resources. Our present position is that the balance has actually gone below the safety margin of 82 per cent. In spite of the fact that the volume of exports is rising even in respect of non-traditional items, the balance which stood at Rs. 118 crores in December declined in January to Rs. 79.30 crores and the Reserve Bank had to get gold from the emergency resources in order to manage. I am glad that some of the measures that have now been taken by the Finance Minister, to be fair to him, have helped to raise the depleted amount to 81.39 per cent. Because of the measures that he has taken now the trend is definitely upwards.

Then there is the question of underwriting of Government loans. This has naturally affected the finances a

great deal. The underwriting of Government loans by the Reserve Bank, to which the Finance Minister has referred and the Chairman of the Industrial Credit and Investment Corporation have drawn attention, make the position far more difficult and it means, in fact, deficit financing. As the Finance Minister himself says, "to that extent a part of our long-term borrowing represents deficit financing rather than voluntary savings of the people." It is understandable that he feels that measures must be taken to bring forward the savings and for this he has made some concessions in income-tax and other taxes.

Perhaps the greatest factor which is impeding our economic growth, and about which Shrimati Renu Chakravartty also made a mention, is our poor progress in agricultural production. A great deal of ingenuity of experts, of every thinking Indian to-day is being focussed on this particular problem of how to increase the production in the agricultural sector. I do not want to go into the details of it here because I have many other points to cover and the time at my disposal is short. It is interesting to note that the ECAFE Survey of 1964, reported by PTI, says:

"India actually showed a 6 per cent increase in cereal production in spite of a fall in wheat production. The per capita availability of food increased by 3 per cent, almost to the 1962 level. The food crisis in India last year was, therefore, paradoxical and the blame for the shortage and the rise in prices by almost 26 per cent was due to speculative hoarding."

I do not understand why in spite of all that we have said, more stringent measures have not been taken against speculative hoarding. No measures have been taken to bring in statutory rationing in the capital city of Delhi, even though rationing has been quite successful in the city of Calcutta. So, why blame State Governments for not having statutory rationing in their cities and towns when we cannot enforce it in Delhi as a short term mea-

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sure. Once that is enforced, I dare say that speculative hoarding in the surrounding areas will go down because a city acts as a dragnet, bringing food from the surrounding areas into it, because of its higher paying capacity. So, it is really surprising that it has not been introduced in Delhi, the seat of the Central Government.

For many years we have been told about these wonderful and much-wanted buffer stocks. When we faced an emergency last year, these disappeared into thin air and there was no buffer stocks. I am glad that the Prime Minister in his speech to big business yesterday has mentioned that buffer stocks are really being built. I hope what happened last year will never be repeated.

I feel that the most important thing which we always bypass is the building of human resources. We speak a great deal about it, the plans contains a lot about it but our thinking and orientation do not seem to attach so much importance to the necessity of human resources, not only for our second objective of achieving a climate of equality and justice but even from the narrower point of view, the factor of increasing economic growth itself. How can we possibly increase economic growth unless the human factor is taken into consideration properly? Let me quote what Dr. Lokanathan, an eminent economist says:

"One should realise that in a developing country there are situations in which consumption expenditure on increasing the productive capacity of a whole generation of people can within a few years increase the pace of economic development."

14 hrs.

I have no time to go into any details on this subject. But there is no doubt that whatever we say, our actions belie it. We have set up the Social Security Department at the Centre. Apart from setting up such depart-

ments, what actually do we do to see that the social services, through which the human resources are built, are provided in proper measure and the proper quality? We consider ourselves satisfied if the number of schools in the countryside has gone up without any relevance to see whether the teachers actually attend the schools or the children get any education at all, whether the quality is there or the teachers' salaries are adequate. Shrimati Renu Chakravartty has also spoken about teachers' salaries. I held the opinion that we cannot get quality in the basic services rendered to the people if we do not pay proper salaries to those who have to carry them out. I am against teachers going on strike. I think it is injurious to the future generation. But old ideas die hard and it will be difficult for us to get ahead, if we do not give due position and pay to those engaged in the building of the human resources.

Then, the other thing which is very grave is the monopolistic trend in our country which vitiates our social objective. There is no doubt that the concentration of economic power is growing at a fast rate. I would like the Finance Minister, who is not here now, to tell us what is being done about this Monopolies Commission and what are the steps being taken to check this trend. To be fair to him I must say that he has taken a very good step forward in his budget and that is the introduction of an urban property tax on lands and buildings to prevent this excessive concentration that is taking place in the cities and towns. I wish, however, that he had included the business premises also. But I am glad that he has warned that if there is any misuse of this provision, the business premises will also be included. I hope some attention will be given to the Mahalanobis report or else we may face a perilous position.

Now, I would like to dwell for a moment on the tax proposals, the new trends that are found in these tax

proposals. These new trends show a few most welcome features which I will just mention. The first is the provision made for providing treatment and care of the handicapped by concessions in the income-tax. It is indeed a humane and understanding approach, an approach which has not been found in Finance Ministers in the past. I welcome this move and I congratulate the Finance Minister for this.

Another thing about which we are all very much concerned is this unfortunate trek from the rural areas to the overcrowded cities. The first step which the Finance Minister has taken in this respect is that of encouraging industries to go out of cities by making a provision for refunding tax on the sale of lands and buildings in cities provided there is re-investment in less crowded areas. That is another welcome step in the right direction.

Then, I come to indirect taxation. Indirect tax on necessities is always regressive. I think the whole House will agree with me that this reduction, however belated, of indirect tax on at least some commodities is another welcome trend in the right direction. Here, however, I would like to draw the attention of the Finance Minister to this fact. The rise in excise duties has been phenomenal, from Rs. 145 crores in 1955-56 to Rs. 773 crores in 1964-65. It is a very rapid increase of indirect taxation. I am glad the Finance Minister has taken this step and I hope that it will be continued and that even this year he will find it possible to extend this concession, this reduction, to some other necessities of life.

There is no doubt that the tax credit of 15 per cent in respect of exports is extremely good because it is very essential that our exports should go up. It is true that our exports are more than what they were before. But in a competitive market, and particularly in respect of goods, where sometimes it is more paying to sell them in India than to export abroad, it is good to provide this tax

incentive upto 15 per cent. But I would like to know from the Finance Minister what the actual computations are, how the incidence falls and what are the details of it. In any case, I hope the details will be placed before the public soon and that it will not take long. When it takes a long time, it does hold up proceedings and create harassment. I am glad that the Prime Minister also the other day drew the attention to this very urgent necessity of improving the quality and the competitive nature of our exports. This is one of the ways in which we can go ahead and to improve our economic position. This is also a matter, which I have forgotten to mention, to which the Finance Minister has given some attention, and that is the need to see that the under-invoicing and over-invoicing is stopped. I may point out that since we are giving this tax credit, we must be even more careful to see that there is no under-invoicing and over-invoicing. This is one of the means through which the leakage takes place of foreign reserves which are very limited. We must be far from careful in future to check this and I hope the Finance Ministry will pay its particular attention to this point.

Now, I come to what I would consider the way in which this budget has been taken in the country by those of two extreme views. One was the view voiced by my hon. friend, Mr. Minoo Masani, who is one of the ablest speakers in this House, and in his masterful style, he tried to prove that all planning was a wrong thing altogether and that we should curtail our expenditure so that economic growth need not take place unless the private sector so desires.

With regard to the concessions to the private sector, personally I do not know whether they will bring in any results. I am not against them because in a mixed economy we do allow our corporate sector to play its part. But I do have some misgivings. I feel there is an attempt being made to stampede the Government by the Federation of Indian Chambers of Commerce and Industry, to which I



[Shrimati Renuka Ray]

am glad the Prime Minister gave an effective reply the other day, and there are also other devices such as of manipulating the stock exchange so as to show a very gloomy picture. This is something to which, I think, the Government will not fall a prey. I know the Finance Minister understands these things very well and takes a pragmatic view of things on many occasions which the late Prime Minister also supported because in a country which is a developing one, we cannot take extreme positions and expect to get ahead to reaching our objective. We have to take decisions on actualities and on a realistic basis. This, to my mind, the Finance Minister has been doing and has done it in this budget as a whole. I must confess that I do not understand why he has made the concession for a period of 3 months' time to produce their ill-gotten and unaccounted money only upto 60 per cent of it, the rest being executed, to those who deserve punishment for their action. I do not think personally that this concession will bring any substantial amount of money to our coffers. I do not know what has happened from the time the budget was presented up till now, but I doubt very much if this concession is going to bring in real results of any value.

The simplification of the tax structure is a very important thing. I am glad that the Finance Minister is going in for it. I think a great deal could be done to get into our coffers that money which is taken today by expert income-tax lawyers from people who do not understand this complicated tax structure, if the whole thing could be simplified properly. In this connection, I would like to say also that Government should not take such a long time in framing the rules. For instance, in the case of the scheme annuity deposits which was announced at the time of the last budget, the rules were framed only so late as October or November. This causes a good deal of harassment to people, and, therefore, I would submit that

the rules should be framed without delay.

Now, I turn to something which I think is of the utmost concern to us today. I am talking about the problem of implementation of the Plan. We are thinking today of the strategy of the Fourth Plan. We are now in the last year of the Third Plan, and yet, in spite of all the tankering that has been going on with the administrative machinery and the reports on administrative reform that have come out, nothing substantial has been done in this direction. A revolutionary change in outlook and approach is needed when we have to gear the machinery to the needs and requirements of a State whose end-product or objective is welfare. That cannot be done by keeping intact the old machinery or by sticking to the rules that were framed hundred years ago even in our financial administration either at the Centre or in the States. The mentality that persists and which it is difficult to override must be overridden if we are to go ahead.

I feel that all this talk about co-ordination and synchronisation of effort, whether it be on the agricultural front or on any other front of administration, will not materialise unless we apply our minds immediately and in a far more radical way to these changes so that they will encourage initiative and resourcefulness even at the village level, at the district level, at the level of implementation in the field and at all levels. Today what is being done even at the highest levels is this. Instead of the Minister being advised properly the wishes of the Minister are anticipated, and very often advice is trotted out or served out to them which is palatable to them. I have heard that our Congress president when he was the Chief Minister in Madras had called the top officials and told them that some of them were very highly paid in this poor country, and he did believe in paying them highly provided they gave their advice freely and with independence irrespective of the fact



whether it was taken or not. He did not believe that they should just put before him and his other colleagues the thoughts that he himself had in a better and more precise language. That was not what he wanted. He wanted them to use their initiative and say boldly what they thought, and then, of course, once Government decided to carry out a certain policy, they should carry it out faithfully. This kind of thing has not yet been done in this country on any extensive scale; but I wish that it is done.

Whatever I have said about the administrative structure of Government applies with much greater force to the public sector. Accountability to Parliament is one of the things which is said to hold up the initiative of the public sector. I think that there can be a proper adjustment. We can draw lessons from the experience that we have in the public sector, from the good things that have been done in the past in our country, and also from the experience of the technologically advanced countries to help us to produce an administration for the public sector, which is good. I do not believe even for one minute in the carping criticism of those who say that public sector is not going to produce results. I would point out that it is already producing results. One of the earliest one to produce good results was the Chittaranjan Locomotive Works under the Railway Ministry which was finished within the targeted date and within the costs originally estimated, and that factory has started producing locomotives of a cheaper and better quality than Tatas who had started this work much before. I have no desire to dwell in detail on each of these things, but I would say that we must apply all our energies and concerted thought to building a machinery suitable for administration and for the public sector which will produce results because that is the only way in which we can hope to be able to continue with our development plans without curtailing them or abandoning them as Shri M. R. Masani would like us to do.

In conclusion, I would once again bring to the notice of the hon. Minister the two or three suggestions that I have made. Though he is not here, I hope that they will be conveyed to him. With these words, I support the budget.

**Shri A. P. Jain:** As I rise to speak, I feel like an orphan not because my parents are no more alive, but because there is neither the Finance Minister whom I want to hear me, nor Shri M. R. Masani whom I wanted to reply to, present in the House.

**Shri Yashpal Singh (Kairana):** But there is a more powerful Minister Shri Tyagi.

**Shrimati Renuka Ray:** May I say that at least the Minister of State in the Ministry of Finance should have been here if the Finance Minister could not be here?

**Shri A. P. Jain:** May I propose that the House may be adjourned till the Finance Minister comes and then I may be called upon to speak?

**The Minister of Cultural Affairs in the Ministry of Education (Shri Hajarnavis):** May I inform the House that the Finance Minister had asked me to be present here in his absence? Since Shri B. R. Bhagat is replying in the other House, he has not been able to be present here.

**Mr. Deputy-Speaker:** Shri Tyagi is present here, and he is a Cabinet Minister.

**Shri A. P. Jain:** With all respect, I say that it is extremely unfair on the part of the Treasury Benches not to listen to us.

**Shri Hajarnavis:** I undertake to convey every word of Shri Jain to the proper quarters.

**Shri A. C. Guha (Barasat):** Why should he convey? The reporters' record is there.

**Shri A. P. Jain:** Direct communication means much more than an indirect conveying or relaying of what we say. Anyway, since you seem to be of the opinion that I must continue with my speech, I shall do so.

श्री यशपाल सिंह : उपाध्यक्ष महोदय, मैं एक व्यवस्था का सवाल उठाना चाहता हूँ। जब बजट पर डिस्कशन हो रहा है तो हाउस में वित्त मंत्री के मौजूद न रहने के साथ ही साथ मेम्बरों भी पर्याप्त संख्या में मौजूद नहीं हैं। हाउस में इस समय कोरम तक नहीं है। रूलिंग पार्टी इस बात का खयाल नहीं करती है.....

श्री राजेशलाल ग्यास (उज्जैन) : क्या कोरम बनाये रखने के लिये प्रपोजीशन पार्टी का कोई कर्तव्य नहीं है ?

**Mr. Deputy-Speaker:** The quorum bell is being rung—

Now, there is quorum. Shri A. P. Jain may now continue with his speech.

**Shri A. P. Jain:** As I listened, and listened rather patiently, to the speech of Shri Masani, I was reminded of an invitation I received two and a half years ago in the US from the great industrial concern DU Pont. When I talked to some of the high executives of Du Pont, they complained against the economic policies of India. They talked of corruption, of delayed procedures, of excessive licensing and a number of other things. I went on hearing them patiently. When they had finished, I put a simple question: What had been the rate of their economic development during the last 12 years? They said it was 3 or 3-1/2 per cent—altogether about 40 per cent. I asked what was the rate of industrial economic development in India, and they agreed it was more than 90 per cent. My answer was a simple one. If with all the corruption, all the procedural delays and all the excessive licensing, we have been able to achieve an annual increase in our industrial production of the order of 7 or 8 per cent, then we were not perhaps the worst persons in the world. That is my answer to Shri Masani.

I have heard many prophets of doom who have constantly been saying that India is doomed, its economy is doomed and we shall shortly be sinking. They have proved to be

false prophets. When Shri Masani draws a deplorable picture of the economic future of India, I believe he would be counted among one of those false prophets who have been prophesying doom to the economic future of India.

One of the points he made—unfortunately he is not present here—was that the present budget was inflationary.

**Shri Sham Lal Saraf:** Nor is he represented by anyone.

**Shri A. P. Jain:** Does not matter anyway; they are in different position from the Treasury Benches. He said it was an inflationary budget. Shri Masani is a very knowledgeable person. He knows a good deal about economics, commerce and industry and trade. But I have not been able to understand how the budget is inflationary.

How does inflation take place? Firstly, because Government may in a particular year draw money from its own past accumulations, as we had done over a number of years from the accumulated reserves with the Reserve Bank, accumulated during the second world war. Surely, the Finance Minister is not going to do it—in fact, there is not much to the credit of Government there. Secondly, inflation takes place by selling short-term treasury bills to the Reserve Bank. That, again, is a temporary measure in order to meet the short-term requirements. So far as I understand, the Finance Minister is very clear in his mind that he is not going to float excessive treasury bills.

The third point Shri Masani referred to—and I was sorry the hon. Member should have done it, if I may say so with all respect, mislead the House—an observation of the Finance Minister in his speech. On page 7 of the speech, he said:

“To this extent, a part of our long-term borrowing represents deficit financing rather than mobilisation of the voluntary savings of the people. This form of deficit financing must also be neces-

sarily reduced, and indeed eliminated, if we are to make a decisive impact on the forces of inflation in the economy”—

This is very important—

“For this reason, our borrowing programmes in future, both at the Centre and the States, will have to be based on a strictly realistic assessment of the flow of genuine savings”.

What else does he expect? In the past, it has so happened that when loans had been floated, they were not subscribed to by the people, and the Reserve Bank had to buy a part of it. Therefore, taking account of the past, what I may call, improprieties, this year the Finance Minister has reduced borrowing to Rs. 270 crores, about Rs. 70 crores less than that of last year. Is that inflationary? He has cut it down to the bone, to the limit which could be subscribed by people in general. It is not an inflationary measure.

Lastly, inflation occurs because of excessive expansion of bank credit. There again, though I have my own differences—and I will refer to them in another context in the later part of my speech—there have been two successive rises in the rate of interest, from 4 to 5 per cent and from 5 to 6 per cent. Money has become dearer and expansion of bank credit has been restricted.

I am not much of an economist, but just an ordinary man of common sense, but I study events. I know the practical side of life, and I am unable to understand, whatever may be the other defects in the budget, how it can be called inflationary. It is a travesty of truth to call it an inflationary budget.

Shri Masani referred to another phenomenon of the money market of today. He complained that as much as 92 per cent of the new issues had been subscribed by the underwriters, and underwriters had become undertakers. There is some truth in this criticism. But he forgets who are responsible for it. How many crooks are there among

the capitalists today? May I remind Shri Masani through his friend, Shri Dandekar, what happened to the great concern floated by one of the top capitalists, the owner of a bank and of a large number of industrial concerns, who floated the synthetic rubber factory situated at Bareilly. The public was cheated. The price of the share was inflated to Rs. 300 before it came to market—from Rs. 100 to Rs. 300, and that too partly paid. What is the price of the share? Rs. 50 or Rs. 60?

Why is the public losing faith? The small investor, the middle-class man, who saves from his income earned by the sweat of his brow and who wants to make a little investment in equity, finds how he is being cheated. That is one of the main reasons why capital has become shy. I will come to it in a little more detail later.

Lastly, he said that the tax refund certificate scheme would apply only for repayment of loans to institutions. This, again, was a purposeful inaccuracy mentioned by him. I would refer you to the Finance Minister's speech Part (A). It is clearly mentioned there that these cash certificates could be used for expansion of industry.

Having said so much about Mr. Masani—his other points will be answered by the Finance Minister himself—I confess that I am one of those Members who for a number of years been a critic, a somewhat severe critic, of the budget proposals. Why did I do that? Firstly, during the past several years, every time a budget was presented there was a heavy dose of taxation in it. I know that we are living in a period of a developing economy, and a developing economy requires more and more of investment. Part of these investments has to come through raising more and more of taxes, from the revenue. Then there was the Chinese aggression, and there was good justification. But it is human nature, human mind is a very sensitive instrument. Of all the plays of Shakespeare which I have seen staged, I have never been able to sit through-out during the performance of King

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Lear. Why? Because the misery, the intensity of the misery goes on mounting until it reaches a magnitude which I cannot bear. You can stand an alternating current but not a continuous, mounting current. And the doses of taxation coming year after year have made the life of the common man miserable. Against that background, this year's budget is like a cool shade beneath a copious tree which allows a little rest to the pilgrims of progress who are proceeding towards the shrine of Socialism. (An Hon. Member: Very poetic!) And therefore I welcome this budget.

Sir, I have been a critic of the budgets from another point of view also. There was an under-estimation of revenue and an over-estimation of expenditure. It is a sad commentary on the propriety of the procedure which the previous Finance Minister and the present Finance Minister had been following that they purposefully depressed the estimates of revenue and over-estimated the expenditure.

During the last four years, that is from 1961-62 to 1964-65, the additional income from the existing taxes and the new taxes was estimated at Rs. 600 crores. But what was the actual realisation? According to the actual figures of the first three years and the revised figure for the current year, the increase was by 100 per cent.

**Shri Sinhasan Singh** (Gorahkpur): And before 1960?

**Shri A. P. Jain:** Well, I didn't go into the historical past.

Sir, that is bad budgeting. After all, what is the object of financial estimates? To tell the people what is the economic condition, the economic climate in the country, and what effect taxes will have. The object of suppressing, of depressing the estimates of income is nothing except to cheat the Parliament and the people at large, so that heavy taxation must be accepted.

I am glad to find this year that the budget is free from this defect.

**Shri Sham Lal Saraf:** Do not forget the 10 per cent *ad valorem* on the imports.

**Shri A. P. Jain:** No one can forget it. It is an imposition, and I have my own objections to it. The Finance Minister, exactly ten days before the presentation of the budget, brought it in the form of a regulatory duty. I am clear in my mind that the object of this imposition does not come within the definition of regulatory duty. To all intents and purposes it is a financial duty. The Finance Minister should have honestly come forward and imposed it as an ordinary, additional import duty.

**Shri Sham Lal Saraf:** That is correct.

**Shri A. P. Jain:** Then I would have supported him. If he wants money, well, he must have it. But there is no use saying that the budget is a surplus while in fact it is a deficit budget. If this duty had been imposed honestly as one of the proposals of the budget, then the budget, on the basis of the existing taxation, would have been deficit by about Rs. 60 or 70 crores.

Even then, by and large, I think the budget proposals of this year, at least so far as the common man is concerned, are good. In the personal taxes the common man has received some relief. In excise duties he has been given some relief. Other friends have referred to these reliefs in detail, and I need not repeat what they have said. But I subscribe to what they have said, namely that the common man has been given some relief, though it is a marginal relief. No Finance Minister can be expected to do a miracle in a year. But he has made a beginning, and I trust that wherever the shoe pinches a little too hard he will give more of relief to the common man in the coming budgets.

I also like certain other aspects of the budget, and some of them are the tax rebate on higher production. We want this budget to be a production-orientated; and the tax rebate on

higher production in the form of a refund of excise duty and refund of corporation tax are correct steps towards a productivity budget.

I also welcome the fifteen per cent subsidy in the form of tax rebate on higher imports. The Finance Minister has given relief from the Capital Gains Tax to industrial concerns who want to remove their premises from congested areas to open areas, to which my hon. friend Shrimati Renuka Ray referred, and I share her feelings, that it is a good measure. It is a good measure because it will relieve the congested areas of the nuisance caused by the existence of the factories there.

Then there is the problem of unaccounted money. Finance Minister's two-fold programme of bringing out unaccounted money. He has done police action, searches. But that has not given him the desired results. Then he gave a concession; that is, any person who voluntarily discloses unaccounted money would not be subjected to penalty. It had had a limited effect and only small sums were disclosed. He has now come forward with a much more liberal scheme. That is, anybody who has unaccounted money can bring 40 per cent of it into his books provided he deposits 60 per cent of it in the Reserve Bank. I am not a critic of the scheme, because we have to take a practical view. Ethically I think it is wrong that anti-social elements, profiteers, black-marketeers, tax-evaders should be allowed to escape with payment of a smaller amount of tax than an honest tax-payer. But we have to face the realities. So by and large I support the scheme. Even so I find a great defect in it. This scheme will be applicable only for three months. What after three months? The Finance Minister does not even make it clear that after the expiry of three months, the concession, namely non-imposition of the penalty, would or would not be applicable. If I were in his place I would prescribe severe penalties against persons who refuse to take advantage of this generous offer made by the Finance Minister. And I would request the Finance

Minister to make a provision in the Finance Bill that any tax-evader, any person who has got unaccounted money, if he does not avail of this offer within the next three months, after the expiry of the period of grace, the whole of that money will be forfeited if by some method or the other Government are able to discover it. I think that would be only fair and just.

The Finance Minister appears to be very optimistic that he would be able to control the prices. In 1963-64 there was a 9.1 per cent rise in prices. In 1964-65 the rise has been of the order of 14 per cent. Altogether, roughly speaking, it is about 23 or 24 per cent. But then, the wholesale prices do not reflect the retail prices. The retail prices have risen much more compared to the wholesale prices, and, therefore, the suffering of the common man has been much greater. There is a temporary fall in the prices, particularly of foodgrains, and I think this fall will persist during the next two or three months, but if we have the vision to look into the future, into the lean period that is coming, I still feel that we are not out of the wood, and that prices will again begin to rise. In fact, during my life-long experience I have not come across another case when at this time of the year prices have prevailed at such a high level. And when the prices begin to rise from this high base, I am afraid that they will become unbearable to the common man. Therefore, there is a great necessity to be extremely vigilant for disciplining prices.

What are the measures which the Finance Minister has proposed to discipline the prices? He says that there will be no deficit financing. Well and good. He says that the disclosure of unaccounted money will also be helpful in suppressing speculation in the market. That is also perfectly correct. Then there is expansion of bank credit. It is a double-edged weapon, but so far as prices are concerned, I think it has the desired effect of disciplining them. But there are counter forces, powerful counter forces. What are those counter forces? The House will

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remember that last year when the Finance Minister made his budget proposals he said that no less than Rs. 3,000 crores were outstanding as loans against the States. On page 34 of the Explanatory Memorandum this year he says that the outstandings payable to the Centre from the States is of the order of Rs. 3,476 crores. It means that there has been an addition of Rs. 476 crores. Every rupee of loan which remains unrecovered means so much expansion of the currency. This is a powerful counter force which will disturb his scheme for enforcing discipline in prices.

**Mr. Deputy-Speaker:** His time is up.

**Shri A. P. Jain:** I can stop, but I have not made even half the points that I wanted to.

**Mr. Deputy-Speaker:** He has taken 27 minutes.

**Shri A. P. Jain:** You might allow me to speak because there are few occasions when, we can contribute something. I have not spoken throughout this session, and I do not propose to speak after this.

**Mr. Deputy-Speaker:** He can take another five minutes.

**Shri A. P. Jain:** The Finance Minister says that the installed capacity in some of the important sectors—steel, aluminium, cement and textiles—has been exhausted, and that further increases in production can take place only if new capacities are installed. The private sector today is on a sit-down strike. They are completely non-co-operating with the Government. We have seen what Shri Masani said. We have also known what the Federation of Indian Chambers of Commerce and Industry has to say. May be the new capacities will be delayed or may not come up. Therefore, I want to utter a word of caution to the Finance Minister. Unfortunately, he is not here to hear.

**The Minister of Planning (Shri B. R. Bhagat):** He has to reply in the other House.

**Shri Morarka (Jhunjhunu):** He has two able deputies.

**Shri A. P. Jain:** He must be extremely cautious and vigilant that the prices are controlled lest they go out of hand.

Shri Masani pointed out a discrepancy between the Finance Minister's Budget speech and the Finance Bill. I agree with him. The Finance Minister's Budget Speech says, in para 53 of Part B, that tax credit certificates on Central excise could be used for expansion of industry, for repayment of loans to financial institutions, and for redemption of debentures. On the other hand, section 280Z.D. of the Finance Bill refers only to the repayment of loans to financial institutions and to redemption of debentures. The Finance Minister is an honest man. It is an error committed by the draftsman, and I trust that he will see that the provisions of the Finance Bill are brought in line with the promise held out in his speech, namely that the tax credit certificates on Central excises could be used also for the expansion of industry.

In para 67 of Part B of his speech, he says that exemption will be given to Chartered Accountants, architects, solicitors and lawyers on the amount paid for buying annuities for old age. It is a very helpful provision. For the first time, it has come in. While for Government servants there is a provision for pension or provident fund, for a professional man there was no such concession available till now. So, this is a welcome measure. He has also taken the power to notify other self-employed professional men. I want him to give a clear and categorical assurance to this House that



he will cover all the professional self-employed men in the notification. Especially, take the case of a doctor. A doctor practising privately stands on the same level as a lower, and he is entitled to this concession.

Now I come to a very important part of the budgetary proposals. The Finance Minister on page 1 of Part A of his speech says that the Budget and economic policy "are instruments for advance towards a shining vision of economic independence, of prosperity with social justice" I cannot do more than subscribe wholeheartedly to this enunciation of a healthy principle by the Finance Minister. As I said before, by and large, this Budget provides incentive for production, particularly the 25 per cent tax credit on higher production and 20 per cent rebate on additional corporation tax and certain other minor concessions which the Finance Minister has given are helpful steps towards increasing production. What does the private sector want? They want that the dividend tax, capital gains tax on bonus shares and the surtax must be abolished. It is impossible in the present state of conditions. I believe that even if all these taxes were abolished, the economic climate will not pick up because the cause of the economic malaise is somewhat else. In my opinion, it is the dear money policy which the Government has been following persistently during last year. The bank rate was raised from 4 to 5 per cent, and then from 5 to 6 per cent. Banks are allowed to advance money to private parties at rates of interest from 9 to 10 per cent. The high rates of interest are a disincentive to investment in equity shares. What is the return on a blue chit today? It is about 5 per cent. If I deposit money in a scheduled bank, I get 6 per cent; if I lend money to a sound private party, not an insolvent, I will get 10-12 per cent. The dear money policy is a two-edged weapon which if applied indiscriminately would retard industrial progress. I would honestly and earnestly request

the Finance Minister to give second thought as to whether he should continue the dear money policy. All over the world, the dear money policy has proved as a limiting factor to production. I will now come to what the Finance Minister himself admits. On the 11th of March, he said "The class of people who were investing in a small measure were not doing so now because they had no money. At the same time those who had more money are not investing because they have not been approached." What class of people has he in his mind? He had the rural people in mind. I doubt it. But those few in the rural areas who have money are not used to invest in shares. Secondly, in new enterprises, if you invest money, you do not get any dividend for five years. Villagers are not foolish to invest money on these terms and conditions. This is a matter which calls for greater thought. The Finance Minister is probing in the dark. He should give greater thought to the factors which are retarding production and I am sure he will find a remedy.

One of my friends here said that I must express my views on this very important question of foreign investment. Doubts had arisen even in the highly industrialised countries about foreign capital. Big industrialised countries in Europe, Britain, West Germany and France, are today afraid of what they call the 'satellisation' of their economy by the American capital and they are having second thoughts on this. Our approach to foreign capital must be selective. We can have foreign capital for highly sophisticated industries which require the expertised know-how such as petro-chemicals. I also welcome the foreign capital in industries which require large capital, particularly in agro-industries such as fertilisers, insecticides, etc. I feel pained when day after day I read in the papers that foreign capital is invited for the hotelier trade. We have enough of experience....

**Shri B. B. Bhagat:** They earn foreign exchange.

**Shri A. P. Jain:** They can earn foreign exchange with Indian rupees; simply because you import foreign capital, they do not earn foreign exchange. The difficulty is that you do not realise it.

**Mr. Deputy-Speaker:** The hon' Member has taken 45 minutes; he must conclude now.

**Shri A. P. Jain:** I am not talking foolishly; if I do so, you can ask me to sit down. I was saying that we have got enough experience of running hotels and if we have to learn advanced techniques, my friend Mr. Bhagat could send persons who have experience of hotel industry here to go and study Hiltons or Sheratons and learn their latest techniques rather than bringing them here. It is not such an important trade. I repeat hundred times that you should not import any foreign capital for hoteliering.

The Finance Minister says:

"I could not say how much of foreign capital could be expected during the Fourth Plan because India was not the only country seeking it. There was intense competition to attract foreign capital and Canada, Brazil, Australia and African countries were among the competitors. The climate is not encouraging but it may change."

What is it that is discouraging foreign capital from coming into India? It is not the economic policy. It is bad administration. I have talked to a number of industrialists in America and here too. They are tired of the procedural delays. They are tired of the red-tapism. If we have to import foreign capital, I do say that it is in our interest to import foreign capital

in selective industries. We must remove all these administrative lacunae. Again we want foreign experts for everything, for police investigation, for unloading of food ships, for price fixation. The sophisticated Indians today are taking to the western method of eating food, using fork and knife; but they use them rather clumsily. Should we then import American wet nurses to teach table manners to our old men and sucking to babies? Surely, we are not going to do it. I would here like to support what the Prime Minister said to the Federation people the other day: "I beg of you to use local talent and local expertise. It is only when they are not available, you should go to the foreign countries". It is a very healthy advice and I trust it will be acted upon coming as it does from the Prime Minister.

15 hrs.

I now come to the last point. It is my pet agricultural production. Agricultural is said to have been given top priority in theory. In actual practice, it has the last priority. There has been an increase in agricultural production, but not so much on account of planning as on account of the hard work put in by the farmer. Agriculture requires an integrated approach. It requires better seed; better tools, more of water and more of fertilisers and more of scientific and technical knowledge. Well and good. I know that the private Member's time is limited, and I have exceeded the limit and I will, therefore, cut down my speech. I will now confine myself only to one thing, and that is chemical fertilisers, in order to demonstrate to this House as to how agriculture has been criminally neglected. When the third Plan was in the stage of formulation, I was the Minister of Food and Agriculture, and I set up a team to work out the chemical fertiliser requirements for the third Plan. Our recommendation was that we would require 15 lakh tons of nitrogen, 7½ million tons of potas-

sium and two lakh tons of potash. What did the Ford Foundation Team say about it? The Ford Foundation Team said that these are the very minimum requirements. They further stated that with improved methods, twice the quantity of nitrogen, that is, three million tons, and four times the quantity of phosphorus, that is, 30 million tons, and eight times the quantity of potassium that is, 16 lakh tons, could be usefully utilised in India. But what did the Planning Commission do? They arbitrarily slashed our target and reduced it to one million tons of nitrogen, four lakh tons of phosphorus and only two lakh tons of potassium. What are the actual achievements? We are producing a little more than three lakh tons. The Budget has made a provision of Rs. 75 crores for next year—both for the indigenous fertiliser and import from abroad. It will give us 5.75 lakh tons of nitrogen.

I am only quoting from his figures. What were the expectations even according to the Plan? We would have at least 10 lakh tons of nitrogen. That is one part of it. What about tractors? That is a sorry story. I have made a study of it for so many years. Statements are given by Ministers about the performance and availability of tractors. We are told that valuable machinery is lying idle. 20,000 tractors were lying idle. Coal machinery is lying idle. Aircraft are lying idle because of the lack of replaceable parts which cost a small amount. Two years ago, when the late Prime Minister was alive, I wrote to him that 200 odd planes were lying idle in a factory at Kanpur. They could be renovated by incurring an expenditure of Rs. 15 crores to Rs. 20 crores. They are still lying idle there. This is a lamentable story. Import of repair and replacement parts must be given top priority. If agriculture is to be developed, it must be given its proper place and priority in the real sense. When you were in the Chair, I think it was last year, I made out a point that co-operative

credit could be made cheaper. It is available at eight per cent. I plead that it could be made cheaper by about 25 per cent of a procedural change, namely, by cutting one link in the distribution system.

I make an earnest enquiry from the Finance Ministry as to whether they have taken any action on my suggestion of the last year. It was a proposal made by me. It was not a proposal made by a Member from the Opposition. It was a proposal from a member of the party, to help the farmer and help the nation. Why was that suggestion not acted upon? (*Interruption*).

**Mr. Deputy-Speaker:** The Hon. Member's time is up.

**Shri A. P. Jain:** I have indulged upon your generosity, and I would finish soon. Since you have been generous, I would request you to be a little more generous!

This is the first budget session in which we are meeting without Jawaharlal Nehru. Of him, it has been said that he has left more problems than he had solved. This is the least criticism of a great man. Did not Alexander leave great problems of a vast empire after his death than what he had inherited in the small principality of Macedonia? After over-running the whole of the northern Asia and Western Europe .....

**An hon. Member:** Where has he got it from?

**Shri A. P. Jain:** I know English. I need not learn it from him. .... did not Chengiz Khan leave vaster problems than he had inherited as the head of a Mongol clan? Did Napoleon exhaust all the complicated issues meant for the reconstruction of Europe? The great revolutionary leader, Lenin, left a larger number of unsolved problems when he died. Our great leader, Bapu could not lead the Congress to its zenith before he died.

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He recommended that the Congress should be dissolved. Big men move forward like the tempest tearing down forests and woods, pulling down trees, toppling down hillocks and changing the course of rivers, and yet, they do not arrest their onward march to look backward. Jawaharlal Nehru broke down India's traditionalism, orthodoxy, communalism, poverty, backwardness and ignorance. He did not live long enough to find final solutions. No mortal has ever lived long enough to complete the process. All of us put together are pygmies compared to the gigantic stature of our departed leader. But he has left sound traditions for us; we dare not arrest the speed of progress. Our economy has received a certain momentum which must be sustained. As men down to the earth, it is also our duty to consolidate the gains already made. It is not possible for my Finance Minister to achieve miracles in a budget. But I trust that the cumulative strength and the wisdom of all of us will pave a way for a prosperous and happy future.

**Shri A. C. Guha:** Mr. Deputy-Speaker Sir this is the first time in many years that we have got a balanced or rather a surplus budget without any new taxation; that is, we expect the beginning of a new phase of Indian economic development. In the third Plan report, it has been stated that there should be a period of decade or more of economic development leading to a self-reliant or self-generating economy. It is to the credit of our national economy that in spite of taking the burden of the fourth Plan, the budget of the last year of the third Plan could have balanced all its commitments without imposing any new taxation. I hope from the point of view of internal economy we have almost reached the stage of self-generating economy, but for external economy, we have not yet very much advanced.

The Finance Minister, on the 17th February, made a statement in this House about the foreign exchange

position. Our foreign exchange position has been continuing to be critical or somewhat difficult for many years, but now it has reached almost the stage of a crisis. But for some advances or loans given by the International Fund and also some loans from the Consortium, I think the position would have been very difficult, particularly when we had to entertain large repayment commitments on the loans we had taken.

In this connection, I would like to draw the attention of the House to one matter about our earnings through invisibles. Why has that also been going down? There should have been some earnest effort to see that our earnings through invisibles may increase rather than go down. In this connection, I should also like to refer to the foreign investment. Large amount of money is going out of India by way of Projects earned here and remitted abroad. We have no objection to foreign investment, but as has been stated by my two predecessors, there should be some discrimination between investment and investment. It should be only in very difficult technological matters and not for ordinary consumer goods.

Another point I want to make is about the fashion of having foreign know-how for anything. In the Economic Survey, it has been stated that there is some increase in the payment for technical know-how. Why should so much foreign know-how be imported? I had some occasion to discuss this with some Indian scientists and technologists and they expressed deep resentment at being ignored and being humiliated by their own Government because for anything, Government is thinking of importing foreign know-how to advise it. I was told even to tackle the problem of Delhi buses emitting smoke, there was a proposal to invite a foreign expert to advise the DTU. It is an ordinary thing and any mechanical man can advise the Government on it. We should be careful in these matters.

particularly when our foreign exchange position is so difficult.

In our economic development, we have made much progress. Whatever the representatives of the communist or swatantra party may say, it is no use denying the fact that India has made great strides in industrial development. Our three plans have more or less been successful. But in the course of their implementation, some imbalances have been created the most important of which is the price factor. Year after year in almost every budget speech every Finance Minister expressed concern about the price spiral and also some sort of determination to check it, but all their attempts have failed so far. This year also the Finance Minister has expressed concern and also some determination to check the prices. But I am doubtful—other members also have said so—about the competence of government to do it with the present machinery. Only a few months ago, we reached almost a critical stage in the procurement and price of foodstuffs and food-grains. The prices went up by even 50 or 60 per cent. This was not due to any non-availability of foodstuffs.

The supply last year was rather better than the year before. Yet, this crisis was created by a combination of the private sector i.e. the private traders. Government have not been able to break that combination or control those forces. This year, in spite of the bumper crop prices have not come down as they ought to have. We are afraid that as soon as the monsoon starts, those forces will again combine and make a determined effort to push up the prices. In prices as in production it is the combination of the private interest, the, businessmen and the manufacturers which has put pressure on the government to yield to their demands.

In his budget speech, the Finance Minister has put forward some carrot before the private sector regarding production, declaration of unaccounted money, export and many other things.

I am not sure if that carrot will enthruse the private sector and they will yield to his persuasion. Government should take some other stricter measures. It was suggested that in the case of certain economic offences, the properties should be confiscated. The undeclared and unaccounted money after a certain period should be confiscated. If baby food or any other things are found to be concerned or deliberately withheld from the market for creating an artificial scarcity and pushing up the prices, those things should be confiscated. The Act was amended, though not adequately, but even this has not been used by any State or even by the Centre in Delhi. So, there is a big gap between Government's declaration of policies and their implementation. The administrative machinery has not acted up to the policies declared by the Government.

Another imbalance is that production has lagged behind. Though we have made sufficient progress in industrial production, our agricultural production has been lagging behind. Regarding the third plan targets it has been said that the financial investment will be fulfilled or even exceeded, but the production target will not be fulfilled. This is a dangerous state of affairs as it is sure to lead to inflation. If the money is to be spent, but the production target is not to be reached, Government has to think over the whole process. This is partly due to excessive rise in prices. The estimate of every project has gone up by more than 25 or 30 per cent. The abnormal rise in prices has to be checked not only for the common man's benefit, but also for the benefit of Government's own projects.

Practically from the beginning of the second world war, we have been going through almost a mad race after money circulation, without any consideration of its effect on the common man or on the price factor. Even after independence, almost every year we have had a deficit budget. This year we have not had a deficit budget, so

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long there has not been any deliberate attempt for the contraction of the monies circulated so long, except in one year. Unless there is a deliberate policy like that, there can be hardly any expectation for the prices to come down.

I now refer to another imbalance.

In his budget speech, the Finance Minister has said:

"Some of the State budgets for the coming year which have been presented so far reveal a deficit. I propose to have discussions with the State Governments to ensure that their operations are generally in line with our policy of curbing inflationary pressure on the economy."

I am told that all the State Governments were asked to avoid deficit budgeting and also to make preparatory arrangements for the fourth plan. But practically none of them has done anything of that kind. Not only the policy, but definite instructions of the Central Government were not heeded to by the State Government. It is said that about Rs. 3500 crores would be due from the State Governments to the Central Government. I do not know how they expect to realise that money except by giving them fresh loans, by a paper transfer accounting system of repayment and fresh loans.

There may be something deliberate on the part of the State Governments, particularly this year, to present deficit budgets, some deliberate purpose behind it, in view of the Fourth Finance Commission coming up. It may be that every State Government wanted to present a miserable state of their finances to the Fourth Finance Commission. That is not a good practice. The Finance Minister has stated, and we have also seen in the papers, that he would call a conference and discuss this matter with the State Governments. I can understand that there is something deliberate in their working, something negligent in their administration as otherwise so much

money could not have been kept pending for repayment to the Central Government.

At the same time, Sir, it is necessary to understand the difficulties of the State Government. The responsibility of all development works like education, health, agriculture and other things is dependent on the resources of the State Governments. These are expanding commitments. Therefore, the financial responsibility on all these items is also gradually expanding. The immediate issue before the country is the salaries of teachers. It would require several crores for each State Government to pay adequate salaries to the teachers. The whole population including the agriculturists and the middle-class is in some sort of a ferment. They have become conscious of their rights, their rights to have a better living. It is no use pleading the inability of the State Governments to pay the teachers or their own staff. Their own staff are much less paid than similar staff of the Central Government. They may be working in the same city like Bangalore, Calcutta, Allahabad, Lucknow or some other city, but the Central Government employees of the same calibre and same status would be getting a much higher salary than what the State Government employees would be getting. This thing should not be allowed to continue.

There is, again, the city compensatory allowance. I do not find any logic for that. This city compensatory allowance is at present admissible only to Central Government employees in Bombay, Calcutta, Delhi or other big cities. Now the cost of living in small towns and big cities is more or less the same. Sometimes in small towns the cost of living is more compared to big cities. Therefore, if there was some justification for the city compensatory allowance in earlier years, I do not think there is any justification for it at present. If there is any justification for this city compensatory



allowance, it should be given to all employees whether working with the State Government or the Central Government, whether serving in big cities or in small towns, because there is hardly any difference between the cost of living in big cities and small towns.

I would like this House to realise the difficulties of the State Governments. Every Finance Commission has referred to the difficulties of the State Governments. In its report the First Finance Commission has said:

"We have felt some handicap by the lack or inadequacy of factual and statistical data."

It recommended that a small organisation be set up preferably as part of the Secretariat of the President, to make a continuous study of the finances of the State Governments so that the next Finance Commission may have the benefit of getting a complete picture before it. I do not know whether anything has been done in this regard. The Second Finance Commission said:

"We have already indicated our objection to the grant of indirect subsidy by way of concessional interest. At the same time, we think the Union should not deal with the States as if they were commercial bankers."

Then they said:

"For all these reasons it is for consideration whether the time is not ripe for a review of the Constitutional provisions dealing with the financial relations between the Union and the States."

The Third Finance Commission also, on page 17, said:

"The question of distribution of the share to be assigned to the States is not only complicated but a controversial one."

So, having regard to all these remarks made by the three successive Finance Commissions, I think it is time for the Government now to make a review of the constitutional position which has been recommended by the Second Finance Commission. Whether the State should be left with only inelastic sources of revenue and all the elastic sources of revenue will be with the Centre and all developmental heads will mostly be the charge of the States whose financial commitments will be expanding year after year, is a very vital matter for the Central Government and the Finance Ministry to consider. They should consider whether the States also should have some elastic sources of revenue and something more should be given to them as a matter of right and not by way of grants-in-aid or subsidy or devolution. It has been admitted by all the three Finance Commissions that devolution is not an easy thing.

In this connection, I would like also to refer to the difficult position in my State W. Bengal. Since the days of the Meston Award great injustice has been done to my State. The two subsequent awards—the Ncineyer Award or the Deshmukh Award—or the awards of the three Finance Commissions, I do not think, have improved the position. It should be realised that West Bengal is a problem State. There have been legacies of the Second World War and its scorched-earth policy or the denial policy that existed then. There have been legacies of the 1943 famine. There have also been legacies of the partition consequent upon which 50 lakh refugees came into West Bengal. Moreover, there is the big problem of Calcutta. For a small truncated State like West Bengal, Calcutta is too big a problem. Its importance is not only for Bengal, it is important for the whole of India, not only for the States in the Eastern Zone but also for parts of Madhya Pradesh, Uttar Pradesh and Nepal, Sikkim and Bhutan. This is the nerve-centre of all trade, commercial and financial transactions. Considering all these the Central Government

[Shri A. C. Guha]

should take a more sympathetic attitude towards the problems of Calcutta and of West Bengal.

During the Third Plan it was suggested that the target should be Rs. 250 crores—Rs. 160 crores of Central Government aid and Rs. 90 crores from the State. The quota of the State has gone up to Rs. 150 crores, but the quota of the Central Government has come down to Rs. 145 crores due to the emergency. One thing I would like to point out here. The Bengal Government has spent about Rs. 32 crores for power generation according to the recommendation of the Sachdev Committee. The power generation in West Bengal is not only for the benefit of West Bengal but for the benefit of the whole of India because it will increase the industrial production. I hope the Central Government will consider the question whether the entire Rs. 32 crores should be borne by the Bengal Government alone or it should be shared by the Central Government also.

Now that Shri Tyagi is here I would like to mention one thing. With the new exodus starting from January 1964 there have been 4 lakhs to 5 lakhs refugees in West Bengal, I refer to those who have not gone to camps, and out of those who have gone to camps about 50,000 have come back to West Bengal. What will happen to them? The Central Government have said: we have no responsibility for them. The Bengal Government might also say that since refugee rehabilitation is the duty of the Central Government, they will have nothing to do with it. At the same time, these 4 lakhs or 5 lakhs of refugees will be a charge on the economy of West Bengal, if not on the revenue of that State. For that reason and also for human considerations, I would request Shri Tyagi and the Central Government to consider this question afresh.

Lastly, I come to the question of border security. There are about 1,300 miles of border areas in West Bengal, 650 miles in Assam and 150

miles in Tripura. Now the border regions are protected by the State Governments and the task is gradually becoming more and more difficult and costly. Why could the Central Government not bear a portion of that expenditure or, better still, completely take over that function as that money is spent not on the protection of three States but on the protection of the whole of India?

This budget is an indication of the soundness of India's economy. It is also an indication of the soundness of the Fourth Plan, which envisages an investment of Rs. 21,500 crores. Any person, whether it is Shri Masani or others, who is expressing a discordant note and pessimism is not looking at the problem realistically. The country is determined to go ahead with the Plan. The people have borne the tax burden year after year. In spite of that tax burden, they have returned the same party to power in three successive general elections. That shows that even though the taxation is very heavy the people have endorsed the policy behind it. Now the time has come when the common man and the tax-payer should have some relief. I hope they will be given some relief and the Fourth Plan will be implemented in good time.

15.32 hrs.

[DR. SAROJINI MAHISHI in the Chair]

श्री लहरी सिंह (रोहतक): सभापति महोदय, इस बजट के बारे में कृषि पार्टी की तरफ से कहा जाता है कि बहुत अच्छा है, बहुत अच्छा है। लेकिन यह बजट अच्छा है बड़े भ्रादृभी के लिए, बड़े इंडस्ट्रियलिस्ट के लिए। सारा प्रोग्राम उन्हीं के लिये है। मैं जानना चाहता हूँ कि जो किसान है, एक ग्राम खेती करने वाले के लिये, जिन की तादाद इस देश में सब से ज्यादा है। क्या रिलीफ है। उन के लिये वही मंहमी चार्ज है। स्टील भी मंहवा है, इम्प्लिमेंट्स भी मंहगे है, टिन भी उस का मंहवा है। कितना टैक्स उस पर बढ़ा दिया गया है। और उस के लिए

इन्तजाम क्या किया गया कि कमबख्त वेरा भनाज हमें लेना पड़ेगा। जो बेचारे 70 परसेन्ट लोग हैं, जो गरीब हैं उनका और डिवीजन हो गया है। जो पांच पांच दीघा या एक एक एकड़ की खेती करने वाले किसान हैं उन को तंग किया जा रहा है बजाय इससे कि होर्डिंग करने वाले को सजा दी जाय, बड़े बड़े ब्लैकमार्केटियर्स को सजा दी जाये। उन को गवर्नमेंट सजा नहीं दे सकती है। यह गवर्नमेंट सिर्फ गरीब को सजा दे सकती है, यह सिर्फ किसानों को तंग कर सकती है और वह भी किस शक्ल में कि हम तुम्हारे भाव को मुकर्रर कर देंगे, तुम खामोश रहो। मैं पुछना चाहता हूं कि क्या उस के लड़के नहीं है, क्या उस के खर्चे नहीं हैं, क्या उस को जरूरियत नहीं है। अगर उस को फायदा पहुंचाने की बात करनी है तो गवर्नमेंट को ख्याल करना चाहिए कि चाहे इम्प्लेमेंट्स हों चाहे उस की दूसरी चीजें हों, वह उन को सस्ती मुहैया की जायें। कहते हैं कि हमने स्टील पर टैक्स लगा दिया। टिन शीट्स पर लगा दिया। आप ने लिखा बहुत ठीक है, लेकिन गरीब किसान पर क्या आप ने कोई रहम किया। क्या बजह है कि उसका आप ने इतना भी ख्याल नहीं किया कि स्टेट गवर्नमेंट से वह कर उस की मालगुजारी ही पांच रुपये कम करवा देते जिन के लड़के मुल्क की आजादी के लिए फ्रंट्स पर लड़ रहे हैं, जो आप के यहां सिपाहियों की शक्ल में पड़े हैं, जो आप की नहरें खोदते हैं। उन के लिये गवर्नमेंट के पास क्या रहम है। मैं रूलिंग पार्टी से कहना चाहता हूं, मीनू मसानी के लिये तो मुझे कहना ही नहीं है, वह खुद बड़े भारी इंडस्ट्री-यलिस्ट हैं, उन्होंने गरीब के लिये एक लफ्ज भी नहीं कहा, लेकिन मैं गवर्नमेंट से कहना चाहता हूं कि वह इन गरीब लोगों का ख्याल करें और उन पर रहम करें, वरना बड़ी मुशकिल हो जायेगी। या तो वह उन्हें कंसीसन सर्टिफिकेट दिलाये, नहीं तो उन को

कन्सुट करे। यह न हो कि ~~कमिशन~~ कमिशन बिठला दिया जाये और वह बिना गरीब लोगों की बात को जाने हुए उनकी कामतों को मुकर्रर कर दे। याद रखो कि गरीब तबका बेबबान है, उस के पास अखबार नहीं है, उस के लिये चेम्बर्स आफ कामर्स एंड इंडस्ट्री की तरफ से आवाज नहीं उठाई जाती, लेकिन अगर आप ने उसका ख्याल नहीं किया तो वह एक रिवोल्यूशन पैदा कर देगा जो दुनिया में सब से बड़ा रिवोल्यूशन होगा।

दूसरी बात मैं यह वाजह करना चाहता हूं कि आप देखिये कि इस बजट ने किसके लिये रहम है। जिस के पास अनप्रकाउंटेड मनी है उस से कहा गया है कि ६० परसेंट तुम गवर्नमेंट को दे दो और ४० परसेंट तुम ले लो। तुम्हारा ४० परसेंट टैक्स भाफ कर दिया जायेगा। गवर्नमेंट की तरफ से इस तरह की बात नहीं आनी चाहिये। जो कानून को वायोलेट करता है उस के लिये रहम नहीं होना चाहिये चाहे बकाया टैक्स बसूल हो या न हो। गवर्नमेंट सख्त कानून बनाये, सख्ती करे, पुलिस को भेजे, लेकिन यह कहां का कानून है कि एक आम आदमी यह ख्याल करे कि यार, रईसों के लिये सारा सलाह मशवरा होता है। यह एक ऐसा बजट है कि चोर से कहा जाये कि तुम आ जाओ और चोरी करो। आधा सामान तुम ले लो और आधा हमें दे दो। मेरे दोस्त गवर्नमेंट की तरफ से कहते हैं कि यह अच्छा बजट है, बड़ा भारी बजट है। मुझे सुन कर शर्म आती है।

तीसरी बात जो इस बजट में देखने में आई वह क्या है। ईस्ट इंडिया कम्पनी के दो सौ सालों की हुकुमत के बाद बड़ी मुश्किल से महात्मा गांधी पैदा हुए और उन्होंने आजादी दिलाई। लेकिन हमारी हुकुमत फिर उन से कहती है कि हमारे यहां फारेन इन्वेस्टमेंट हो। भनाज के लिये देखो तो हुकुमत वेगर्स की तरह खड़ी है, न्यूक्लियर

[श्री लहरी सिंह]

वेपन्स के लिये, आर्म्स के लिये, हम उन लोगों के सामने हाथ जोड़ते हैं, प्लैन्स को देखिये तो इस मुल्क के ऊपर न जाने कितना कर्जा चढ़ा हुआ है। अगर रहा सहा इन्वेस्टमेंट भी उनका हो गया तो यहां पर आप का क्या राज होगा। मैं सोचता हूं कि हाथ दवाते दवाते कहीं यह दूसरी ईस्ट इंडिया कम्पनी न बन जाये। आज तक किसी गरीब मुल्क की हिम्मत नहीं कि वह ब कि उस के यहां फारेन इन्वेस्टमेंट किया जाये। लेकिन आज जो रईस आदमी हैं वह चाहते हैं ऐसा। आज फाइनेन्स मिनिस्टर के पास कौन से आदमी ज्यादा बैठते हैं। वही जो रईस हैं, गरीब नहीं। आज फाइनेन्स मिनिस्टर के दिमाग में है कि जो होशियार इंडस्ट्रियलिस्ट हैं उनका हमारे देश में कोलवोरेशन हो जाये। लेकिन वह कोलवोरेशन नहीं होगा। इस तरह से वह हमेशा के लिये हमें आंखें दिखाये। वह आपकी प्लानिंग को फेल कर देंगे, आप उनको कंट्रोल नहीं कर सकेंगे, अगर आप फारेन इन्वेस्टमेंट पर राजी हो गये। आज फाइनेन्स मिनिस्टर की जय बोली जा रही है, लेकिन यह मेरी आपको वार्निंग है।

तीसरी चीज यह है कि हमारे फाइनेन्स मिनिस्टर साहब ने यह फरमाया कि हमारी जितनी प्राब्लेम्स हैं, इस बजट को तयार करने में हमने उन के ऊपर बड़ा ध्यान दिया। लो जी सुन लो, क्या ध्यान दिया। आज मुल्क के अन्दर क्या हाल है कि यह जराती मुल्क है तब भी दूध और मक्खन खत्म होता जा रहा है। ज्यों ज्यों आप आगे चलते हैं आपका दूध और मक्खन बिल्कुल खत्म होता जा रहा है। इस बजट के अन्दर इसके लिये कोई इन्तजाम नहीं हो सका है। कहते हैं कि एक बेवकूफ किसान अगर एक गाय या भैंस रख लेगा तो उससे कोई फायदा नहीं है। दूसरी कंट्रीज ने अपने बच्चों के लिये, अपनी पापुलेशन के लिये मिल्क ऐनिमल्स की तरक्की की। अमरीका है, नजदीक में न्यूजीलैंड है, आस्ट्रेलिया है, आपकी

दूसरी वेस्टर्न कंट्रीज हैं, उन्होंने अपने बच्चों इतना इम्प्रूवमेंट किया कि एक गाय बच्चों पर एक मन दूध देने लगी। लेकिन एक पंजाब को छोड़ कर सारे हिन्दुस्तान में एक गाय ज्यादा से ज्यादा दो सेर दूध देती है। हमारे फाइनेन्स मिनिस्टर के लिये या कैबिनेट के लिये तो दूध, मक्खन आ जाता होगा डेरी से, लेकिन जो दिल्ली में आम लोगों का तबका है, जो जच्चा है, वह रो रही है, जो स्कूल के बच्चे हैं वह रो रहे हैं। हिन्दुस्तान जैसे मुल्क में जरात करने वाले आदमी को दूध और मक्खन नहीं मिल रहा है और उधर यहां कहा जाता है बड़े फब्क के साथ कि यह बजट बड़ा अच्छा है, यह बजट बड़ा अच्छा है। इस बजट को चाट लो तुम। मैं कहना चाहता हूं कि ऐनिमल हस्बैंड्री आखिर एक आदमी का तो काम नहीं है कि वह मिल्क ऐनिमल को तरक्की दे। यह आपका काम है कि आप फार्म्स बनाइये, उनमें हजार हजार गायें रखिये। उन गायों की नस्ल बढ़ाइये और उनको आम आदमियों को बेचिये। खेती का काम करने वाले आदमियों को उन्हें सब्सिडाइज्ड रेट्स पर दीजिये। आज इस बजट में ऐनिमल हस्बैंड्री के लिये 1 करोड़ 28 लाख, 93 हजार रुपया दिया गया है। यह क्या बजट है। फिर पर्चेज ऐंड अपकीप आफ ऐनिमल्स के लिये दिया गया है 3 लाख 73 हजार रु०। यह 3 लाख 73 हजार रु० सारे इंडिया के लिये हैं। श्री त्यागी यहां बैठे हुए हैं, मैं उनसे कहना चाहता हूं कि 3 लाख 73 हजार रु० सारे इंडिया के लिये दिये गये हैं। आज फार्म्स की हालत बहुत खराब है। हिसार में एक फार्म है जो कि खुशक पड़ा हुआ है। आज किसी सूबे में फार्म नहीं है। मेरा सजेशन है . . . . .

पनर्वास मंत्रो (श्री त्यागी) : यह काम सूबों की हुकूमतें करती हैं।

श्री लहरी सिंह : वह भी बतलाऊंगा कि वहां क्या होता है। आपकी तमाम

स्टेट्स के अन्दर जब तक जगह जगह पर फार्म्स नहीं होंगे, वहां ब्रीडिंग ऐनिमल्स नहीं रखे जायेंगे उनकी तादाद ज्यादा नहीं बढ़ाई जायेगी और ग्राम आदमियों को डिस्ट्रीब्यूट नहीं किये जायेंगे आपको दूध और मक्खन नहीं मिल सकता ।

यह कह देना ठीक नहीं है कि स्टेट गवर्नमेंट्स कर गी । स्टेट गवर्नमेंट्स के पास क्या है ? मैं तो कहता हूं कि कांस्टीट्यूशन ने स्टेट गवर्नमेंट्स को बना कर बड़ा ज़ुल्म किया है । ये न डेवेलपमेंट का काम करते हैं, न एज्युकेशन का काम करती हैं, न और कुछ करती हैं । केवल करप्ट अफसरों की सलाह पर काम करती हैं और फिर कहा जाता है कि पटनायक को हटाओ और फलों को हटाओ । उनके पास इतने फंड नहीं हैं कि वे ऐनिमल हस्बैंडरी को डेवेलप कर सकें । आज हालत यह है कि एक रुपया सेर तक अच्छा दूध नहीं मिलता । अगर आपका दूध का पाउंडर बाहर से आवे तो आपको मिल्क स्कीम का काम खत्म हो जाएगा । मैंने आरे बस्ती देखी है । वहां रोहतक से कुछ भैंसें ले जा कर रख दंगी हैं, लेकिन वहां का काम भी आस्ट्रेलिया के मिल्क पाउंडर से चलता है । पहले आप लोग जनता को कहते थे कि हम देश में दूध को नदियां बहा देंगे, लेकिन उसका उल्टा हो रहा है । इस काम को स्टेट गवर्नमेंट्स नहीं कर सकतीं । और हमारे फाइनेंस मिनिस्टर साहब ने दूध दही की तरफ कतई खयाल नहीं किया । बजट में इसके लिये तीन लाख रुपया दे दिया कि इसकी चटनी चाटो ।

इस के अलावा पोल्ट्री की भी मांग है, अंडे की भी मांग है । अब आप देखें कि हरिजन लोग कुछ अंडा और मुर्गी पाल पूल कर दे जाते हैं । इस के लिए सरकार की तरफ से कुछ नहीं हो रहा । दूसरे मुल्कों ने फाउल्स की अच्छी नस्ल बनायी है, उन को लोगों में डिस्ट्रीब्यूट किया है, इस काम पर रुपया

खर्च किया है । हमारी सरकार ने इस के लिये क्या किया है ? हमारी सरकार ने इस काम के लिए ८ लाख ४७ हजार रुपया दे दिया है ।

मैं बताना चाहता हूं कि आज दूध दही की कमी हो रही है, एग्स भी कछुवे के मिलते हैं, मुर्गी भी कम मिलती है । यह इतना बड़ा मुल्क है कि यहां से अंडे और मुर्गी बाहर जा सकते हैं, लेकिन इस के लिये गवर्नमेंट की तरफ से पैसा इतना कम दिया जाता है । इस की वजह यह है कि जो फूड के मिनिस्टर रखे जाते हैं उन को इन चीजों की जानकारी नहीं । वह तो सिर्फ बाहर से अनाज मंगाना जानते हैं और कहते हैं कि देखो हम ने यह चीज की है । और यहां मेंबर लोग कह देते हैं कि बजट बहुत अच्छा है ।

कहा जाता है कि देश में अनाज ज्यादा पैदा नहीं होता । इस की वजह क्या है ? आप सैंकड़ों करोड़ का अनाज बाहर से मंगाते हैं लेकिन जमींदार को ज्यादा अनाज पैदा करने के लिये एक रुपया भी नहीं देना चाहते । मैं आप को बतलाना चाहता हूं कि अमरीका के अन्दर भी हमारे यहां जैसी हालत थी । लेकिन उन्होंने ने इसका इलाज किया । हमारे मुल्क में हालत यह है कि सारी जमीन नहर के पानी से नहीं सींची जा सकती । साउथ में हालत यह है कि ज्यादातर नदियों स्नो-फैंड नहीं हैं और उन में पानी बहुत थोड़े दिन रहता है और पंजाब के जो दरिया हैं उन में भी पानी काफी नहीं है । तो हमारे यहां जमीन को पानी देने के लिये ट्यूब वेल के अलावा और कोई जरिया नहीं है । और ट्यूब वेल भी मामूली काम नहीं दे सकते क्योंकि, जैसा कि अमरीका में था हमारे देश में राजस्थान में, बंगाल में और दूसरे प्रदेशों में उन ट्यूब वेल्स में जो ज्यादा गहरे नहीं हैं खारा पानी आता है । यहां के लिए, जैसा कि अमरीका में किया गया, डीप सिंकिंग ट्यूब वेल चाहिये

[श्री लहरी सिंह]

और उन पर रुपया लगाना चाहिए। अमरीका में भीठे पानी के लिए साठ साठ हजार फीट तक गहरे ट्यूब वेल सिक किए गए हैं और उन से वहां सिंचाई होती है, नहर से नहीं। यहां पर भी एक मुहकमा खोल दिया है जिस का नाम है “प्रोजेक्ट फार ग्राउन्ड वाटर एक्सप्लोरेशन”। हमारी सेन्ट्रल गवर्नमेंट एक्सप्लोरेशन कर के स्टेट गवर्नमेंट से कहेगी कि तुम रुपया लगाओ। आप देखें कि इतना बड़ा मुल्क खुशक पड़ा है। राजस्थान में मैं ने जमींदारों से कहा कि तुम ट्यूब वेल खोदो, तो उन्होंने ने कहा कि खारा पानी निकलता है। अमरीका में भी यही दिक्कत थी, लेकिन वहां सरकार ने इस पर रुपया खर्च किया। चाहिये तो यह था कि इस काम को फर्स्ट प्रायोरिटी दी जाती लेकिन यह नहीं किया जाता। कई सौ करोड़ फारिन एक्सचेंज बाहर से अनाज मंगाने पर खर्च कर दिया जाता है, लेकिन इस के लिये खर्च करने को कहो तो कोई सुनने वाला नहीं है। इस के लिए सरकार ने ३१ लाख ३० हजार रुपया रखा है। इतने रुपये में क्या डीप बोरिंग हो सकेगा? किसान में जो कि गरीब हैं, इतनी ताकत नहीं है कि वह एक्सप्लोर करे। डीप ट्यूब वेल के काम को सिवाय सेन्ट्रल गवर्नमेंट के और कोई नहीं कर सकता, और सेन्ट्रल गवर्नमेंट इस काम पर रुपया खर्च करती है ३१ लाख। मैं अर्ज करना चाहता हूं कि हम को दो फाइनेन्स मिनिस्टर बनाने चाहियें, एक ऐसा हो जिस को रूरल वायस हो। आज जो फाइनेन्स मिनिस्टर हैं उन को यह नहीं मालूम कि दूध थी की पैदावार कैसे बढ़ायी जा सकती है, एग्स ज्यादा कैसे पैदा किए जा सकते हैं? खेती के लिए पानी का इन्तिजाम कैसे किया जा सकता है। वह तो बाहर से अनाज मंगा कर दे देते हैं और कह देते हैं कि हम न दे दिया। मैं कहता हूं कि यह जो ग्राउन्ड वाटर एक्सप्लोरेशन प्रोजेक्ट है इस पर अब भी अगर ५०० करोड़ रुपया लगाया जाए तो सारा मुल्क सरसज हो सकता है और जितना

चाहे उतना अनाज यहां पैदा हो सकता है। जो आप ने रुपया रखा है उस से कुछ नहीं हो सकता। मैं तजवीज करता हूं कि त्यागी जी इस तरफ खास तौर से तबज्जह दें।

मैं आप को प्लानिंग कमीशन के बारे में कुछ बताना चाहता हूं। मैं ने प्लानिंग कमीशन के एक मੈम्बर से कहा कि गोबर जलाया जाता है इस से खेती को नुकसान होता है, तो उस ने कहा कि अगर गोबर न जलाया जाएगा तो रोटी कैसे बनेगी। मैं उस का नाम नहीं बताना चाहता। वह बेचारा प्रोफेसर था। उस ने खेती नहीं की थी। मैं आज भी रो रहा हूं और कल भी रो रहा था क्योंकि मैं खेती का काम करता हूं। मैं जब पंजाब में मिनिस्टर था तो मैं ने चारों तरफ से पानी का इन्तिजाम करने की कोशिश की थी। मैं कहना चाहता हूं कि मेहरबानी कर के इन बातों पर ध्यान दो। मैं कहता हूं कि एक्सप्लोरैटरी ट्यूब वेल तुम को मालामाल कर देंगे।

आप देखें कि इजराइल एक छोटा सा मुल्क है। वह आज रेगिस्तान में बगीचे लगा रहा है और हम भिखारी की तरह गल्ले के लिये दूसरे मुल्कों से भीख मांगते फिरते हैं कि अल्लाह के नाम पर दे दो। अल्लाह तुम को कब तक बचाएगा?

आगे मैं कहना चाहता हूं फलों के बारे में। सुनते हैं कि अमरीका में बहुत फल होते हैं, फ्रांस में बहुत अंगूर होते हैं, इटली में अंगूर होते हैं। मैं कहता हूं कि हिमाचल प्रदेश में ऐसा इलाका है कि जहां आप चाहे जितने सेव और अंगूर पैदा कर सकते हैं, लेकिन करे कौन? हिमाचल स्टेट गवर्नमेंट के पास या यू० पी० गवर्नमेंट के पास फंड नहीं हैं। कौन करे इस काम को। यह काम तो सेन्ट्रल गवर्नमेंट ही कर सकती है कि बड़े बड़े फलों के फार्म बनावें और फलों की पैदावार को बढ़ावें। लेकिन इसके लिए रखा है ४ लाख ६६ हजार रुपया। मैं कहूंगा कि यह



बहुत कम है। क्या आप उम्मीद करते हैं कि स्टेट गवर्नमेंट यह काम करेगी? मैं तो कहता हूँ कि कांस्टीट्यूशन ने स्टेट गवर्नमेंटस तो सेंट्रल गवर्नमेंट को नुकसान देने के लिए और उसको फेल करने के लिए बनायी है। ये कोई काम नहीं कर सकती। कांस्ट्रक्शन वह नहीं करती, सड़कें ये नहीं बनाती। ये तो सेंट्रल गवर्नमेंट से रुपया मांग लेती हैं और उसका क्या होता है यह आपको मालूम है। ये स्टेट गवर्नमेंटस तो शाहजादे हैं। ये सेंटर से कनसेशन ले रहे हैं। मैं कहता हूँ कि इतने बड़े मुल्क में फलों के उत्पादन के लिए बहुत कम काम किया जा रहा है। आज हालत यह है कि फलों के नाम पर बच्चों के बेर और छट्टे आम तक नहीं मिलते। कोई चीज नहीं पैदा की जा रही है। यहाँ और कुछ नहीं मिलता बच्चों को सिवाय गरम पानी की चाय के और उसमें थोड़ी सी कंट्रोल की चीनी मिलती है।

मैं आपको बताना चाहता हूँ कि किस तरह से ज्यादा अनाज पैदा हो सकता है। इस काम के लिए आपने कम्युनिटी प्रोजेक्ट का मिनिस्टर बनाया। अब कहा जा रहा है कि उसको खत्म करने की बात हो रही है। इन मिनिस्टर ने अनाज ज्यादा पैदा करने की गरज से नेशनल कोऑपरेटिव कारपोरेशन की रक्रीम बनायी। लेकिन ये अंग्रेजी पढ़े हैं और किताब लिखना जानते हैं। आप देखें कि इस कारपोरेशन के लिए सेंटर ने सिर्फ पाँच करोड़ दिया है और इसके साथ रिपोर्ट में कहा गया है :

The Minister of Community Development and Co-operation should resign.

मैं कहता हूँ कि इतना थोड़ा रुपया क्यों इसके लिए दिया। इसके बारे में रिपोर्ट में कहा गया है :

“Slow tempo of work relating to planning and promotion of

agricultural co-operative development and consumer co-operatives in the State mainly accounts for lesser requirements of funds by the National Co-operative Development Corporation.”

बंडित नेहरू ने एग्रीकल्चर के डेवलपमेंट के लिए इस कारपोरेशन की बहुत सिफारिश की थी लेकिन उसको कायम करने के लिए हिन्दुस्तान की सारी स्टेटों के लिए सरकार ने पाँच करोड़ रुपया दिया है। इससे क्या होगा? अगर काम ठीक से नहीं हो रहा है तो डे साहब को पकड़ो कि उन्होंने ठीक काम नहीं किया, इसमें हमारा कुसूर क्या है कि आपने इतना कम रुपया दिया है। पाँच करोड़ सारे हिन्दुस्तान में एग्रीकल्चर के लिए देना तो एक मजाक है। हम देखते हैं कि मामूली मामूली फाइनेंस कारपोरेशन बनते हैं उनके लिए भरबों तक रुपया दिया जाता है। मैं फिर कहना चाहता हूँ कि सारी स्टेटों के लिए इस काम के लिए सिर्फ पाँच करोड़ रुपया देना एक मजाक है।

मैंने यह चीज आपके सामने रखी है कि जब तक आप ऐक्सप्लोरेटरी ट्यूबवैल नहीं खोदोगे, जब तक कंटिल की नस्ल को नहीं बढ़ाओगे और पोल्ट्री के लिए फार्म नहीं खोलोगे तब तक देश जराअत के मामले में आगे नहीं बढ़ सकेगा। स्टेट गवर्नमेंट्स यह काम नहीं कर सकतीं, उनके पास न फंड हैं और न उनकी कंपेसिटी है। जब तक आप ऐक्सप्लोरेटरी ट्यूबवैल्स के डेवलपमेंट के काम को नहीं करियेगा तब आप का काम नहीं चल सकता है। मैं ऐसा क्यों कहता हूँ। कारण यह है कि यहाँ पर तकरीबन ६० बीसवीं व्यति शहरों के रहने वाले हैं जिनको कि गांवों की समस्याओं की जानकारी नहीं है, थोड़े बहुत देहातों से जो यहाँ पर आते भी हैं वे चुपचाप बैठे रहते हैं कि कहीं उन्होंने अगर कच्चा चिट्ठा रखा तो मिनिस्टर साहब नाराज न हो जायें। गांवों की जो समस्याएं अभी तक बनी हुई हैं वे इस तरह से नेगलेक्ट हो रही हैं। इसलिए मैं

### [श्री लहरी सिंह]

आज खासतौर पर नंगा हो कर गवर्नमेंट से अर्ज करना चाहता हूं कि वह ज़रा इस बात पर गम्भीरतापूर्वक विचार करे। आखिर गरीब गांव वालों की क्यों लगातार उपेक्षा की जा रही है और उनके साथ यह क्रूर मज़ाक किस लिए किया जा रहा है? वक्त आ गया है जब यह बन्द होना चाहिये और उनकी हालत को बेहतर बनाने के लिए फ़ौरी क़दम उठाये जाय।

टैक्सेज के बारे में मुझे निवेदन करना है कि गरीबों पर मंहगाई के कारण बुरा असर पड़ा है और दूसरी तरफ़ टैक्सों की भरमार से तो उनकी कमर ही टूट चली हैं। अब मिसाल के लिए मैं कहना चाहता हूं कि मिट्टी का तेल एक ऐसी आवश्यक चीज़ है जोकि करोड़ों गरीबों द्वारा प्रयोग में लायी जाती है। वह उनके खाना पकाने में काम आता है और उससे वह अपनी झोपड़ी में दिया या लालटेन आदि जला कर उजाला करते हैं। मिट्टी के तेल पर जोकि गरीबों द्वारा इस्तेमाल में आता है सरकार को इसके टैक्स में ड्यूटी में कमी करनी चाहिए। सरकार भले ही पेट्रोल पर टैक्स या ड्यूटी बढ़ा दे क्योंकि इसका इस्तेमाल अमीर लोग मोटरों आदि में करते हैं, मोटे पेट वाले ही इसका इस्तेमाल करते हैं। अब मोटे आदमियों पर तो सरकार टैक्स लगा सकती है और उससे पूछ भी सकती है कि वह इतने मोटे कैसे हो गये? लेकिन मिट्टी के तेल पर ड्यूटी लगाने और बढ़ाने का असर तो गरीब जनता पर पड़ेगा जोकि पहलू ही खस्ता हालत में हैं। देहाती लोगों को गांवों में बिजली आदि कहां सुलभ है? वे तो अपनी झोपड़ी में उजाला करने और रोटी पकाने में इसी मिट्टी के तेल को काम में लाते हैं इसलिए इस मद में ड्यूटी कम करके सरकार को गरीबों को थोड़ी राहत देनी चाहिए। वित्त मंत्री जी का एक पैरा इसके बारे में अपनी स्पीच में दे देना कि चूंकि यह बाहर से आता है इसलिए इस पर ड्यूटी माफ़ नहीं

हो सकती है, ऐसा कहना कुछ उचित नहीं है। देखना तो यह है कि क्या इस मिट्टी के तेल के बग़ैर हमारे करोड़ों गरीब लोगों का काम चल सकता है? सरकार को तमाम एम० पी० और पब्लिक की डिमांड को ब्याल में रखते हुए मिट्टी के तेल पर ड्यूटी माफ़ करने या कम करने के बारे में फिर गौर करना चाहिए। यह तो ठीक है कि वह बाहर से आता है लेकिन उसके बग़ैर काम चल नहीं सकता है। सरकार ने आखिर उसके लिए क्या सस्तीडीच्यूट जनता को दिया है? सुना गया था कि गोबर से गैस बनाई जायेगी और हमें यह सुन कर संतोष हुआ था कि चलो इससे देहातों में बड़ा सुभीता हो जायगा लेकिन वह स्कीम कामयाब साबित नहीं हुई। उसका हथ्र भी अम्बर चखें का सा हुआ अम्बर चखें के लिए सुना गया था कि वह मैनचेस्टर को ढीला कर देगा लेकिन वह बस सुनकर ही खत्म हो गया, वही चीज़ इस गोबर से गैस बनाने वाली बात की भी हुई।

सरकार को इन छोटी छोटी चीज़ों को देखना चाहिए और देहात वालों को ज़रूरी सहूलियत पहुंचानी चाहिए। मिट्टी का तेल एक ऐसी वस्तु है जिसका कि इस्तेमाल करोड़ों लोग रोज़ाना करते हैं, यह उनके जीवन की एक उपयोगी वस्तु है इस नाते सरकार को इसकी ड्यूटी कम करके गरीबों को थोड़ी राहत पहुंचानी चाहिए। केवल कुछ घुट्टी भर लोगों के लिए ही सरकार अगर ध्यान देगी तो देश का हित होने वाला नहीं है। जब तक सब के लिए काम नहीं होगा तब तक ठीक से काम चल नहीं सकता है और देश खुशहाल नहीं बन सकता है। मेजारिटी आप की है, हम तो माइनारिटी में हैं इसलिए हमारी बात प्रिवेल नहीं कर सकती है। लेकिन मैं मेजारिटी वालों से कहूंगा कि उन माननीय सदस्यों का यह कर्ज है कि वह गरीब आदमियों की और

गांवों में बसने वाले लोगों की कठिनाइयों को गवर्नमेंट के सामने और मिनिस्टर्स के सामने रखें, पार्टी में रखें और यहां हाउस में भी रखें। यह कोई ऐसी बात नहीं है जिसके लिए उनको डरना चाहिए। अगर वह गांव वालों की कठिनाइयां और समस्याएं मिनिस्टर साहबान के सामने रखते हैं तो वह डिस्क्वालिफ़ाई नहीं हो जाने वाले हैं। इसलिए यहां और पार्टी दोनों जगह उन्हें गांवों के लोगों की तकलीफों को जोरदार तरीके से पेश करना चाहिए।

भारत को आज़ाद हुए 17 साल हो गये हैं। रूलिंग पार्टी की तरफ़ से हमेशा कहने को यह कहा जाता है कि रूरल लाइफ़ को डेवलप किया जायगा, गांवों में कोटेज इण्डस्ट्रीज फैलायी जायेंगी लेकिन अमल में वह चीज़ आते अभी तक हम नहीं देखते हैं। आज भी गांवों में कोटेज इण्डस्ट्रीज नहीं के बराबर हैं। मिलें खुल जाने से गांव वालों को शहरों में नौकरियां भले ही मिल गयी हों लेकिन जहां तक गांवों में कोटेज इण्डस्ट्रीज के खोलने का सवाल है वह पहले की तरह पड़ा हुआ है। आज भी रूरल लाइफ़ बेहतर नहीं हो पायी है और वही उनकी दयनीय हालत बनी हुई है। गांवों में आप चले जाइये तो पाइयेगा कि आज भी न उनके पास साबुन है, तेल है और न कपड़ा आदि आवश्यक चीज़ें हैं। उनका रहन-सहन अभी तक उसी पिछड़ी हालत में है और उस में कोई सुधार नहीं हो पाया है। यह गवर्नमेंट जो कि जनता की सरकार होने का दम भरती है उसको समय रहते उन लाखों और करोड़ों गरीब लोगों पर रहम खा कर उनकी हालत बेहतर बनानी चाहिए। गवर्नमेंट को यह भूल नहीं जाना चाहिए कि फ्रेंच रेवोलूशन जब आया था तो वह बड़े आदमियों द्वारा नहीं लाया गया था वह छोटे और बेकस आदमियों द्वारा ही लाया गया था। आज इन्हीं गरीब लोगों के वच्चे, आपकी फौज में भरती होकर देश की रक्षा कर रहे हैं। उनके ही सपूत नेफ़ा

में मोर्चा लगाये पड़े हुए हैं। देश में चाहे वह मकान बनाने का प्रोग्राम हो, चाहे नहरें खोदने का काम हो, देश का सारा निर्माण कार्य ये छोटे लोग ही अपना खून पसीना एक कर के कर रहे हैं इसलिए सरकार को इन छोटे आदमियों को देहात के गरीब निवासियों को रिलीफ़ देनी चाहिए। मिट्टी के तेल की ड्यूटी में उन्हें रिआयत देनी चाहिए।

जब मैं सरकार से कोटेज इंडस्ट्रीज को गांवों में डेवलप करने की मांग कर रहा हूं तब मेरे सामने केवल एक ही मुल्क अर्थात् जापान आता है जिसने कि अपने देश में कोटेज इंडस्ट्रीज को डेवलप किया है। इस बारे में स्टडी करने के लिए हमारे अफसरान वहां और अन्य देशों को जाते हैं लेकिन उसका कोई कारगर नतीजा कोटेज इंडस्ट्रीज के प्रसार के रूप में देश में होता दिखाई नहीं देता है अलबत्ता विदेशों में इसका अध्ययन करने जाने वालों की वापिसी पर तरक्की होती जरूर दिखाई देती है। कोटेज इंडस्ट्रीज के बारे में सिर्फ जापान ही एक ऐसा मुल्क है जिसने कि एक मिसाल कायम की है। हमारे देश में इस दिशा में अभी तक कुछ विशेष नहीं हो पाया जो कि एक खेद का विषय है। सरकार को कोटेज इंडस्ट्रीज के लिए और ज्यादा रकम रखनी चाहिए, एक करोड़ या दो करोड़ से कुछ भी बनने वाला नहीं है।

कम्युनिटी प्रोजेक्ट का देश में काम बहुत ही असंतोषजनक रहा है। रिपोर्ट में हम देखते हैं कि उसके ऐडमिनिस्ट्रेशन पर स्टाफ़ आदि पर और एक अफसरों की फौज पर ग्रांट का बेशतर हिस्सा सर्फ़ हो रहा है, ऐक्चुअल काम पर बहुत ही कम पैसा खर्च हो रहा है।

श्री श्यामी : इन तमाम आइटम्स के लिए सबों की हुकूमतों ने भी अपने बजट में गुंजाइश रखी है। यह सारे हिन्दुस्तान भर के लिए नहीं है।

श्री लहरी सिंह : मैं चूँकि मुखालफत में बैठा हुआ हूँ इसलिए केवल राजनैतिक कारण से यह सब नहीं कह रहा हूँ। आप भले ही गवर्नमेंट की तरफ से कौटेज इंडस्ट्रीज केबारे में तसल्ली दिला दें लेकिन क्या आप वाकई दिल पर हाथ रख कर कह सकते हैं कि आपने कौटेज इण्डस्ट्रीज रूल लाइफ में दी है ? यह कहाँ मिली है ? अगर दी भी है तो वह पैसा लेकर शहरों को दी है।

कम्युनिटी प्रोजेक्ट का डे साहब का मुहकमा कुछ भी गांव वालों को रिलीफ देने का काम नहीं कर रहा है। घडल्ले से सरपंच गांवों में रिश्तत खा रहे हैं और गांव वालों को आज भी हेरस किया जा रहा है। किसानों पर जुल्म हो रहा है। यह कैसी अंधेरगदी डे साहब की नाक के नीचे गांवों में चल रही है। आखिर यह पापुलर गवर्नमेंट है, डेमोक्रेटिक गवर्नमेंट है, महात्मा गांधी के चेलों की गवर्नमेंट है और ऐसी हालत गांवों में लोगों की होना अफसोस की बात है और डे साहब को तो अपने पद से इस्तीफा दे देना चाहिए। अगर यह गवर्नमेंट फेल होती है तो सबसे बड़ा इलजाम इस कम्युनिटी डेवलपमेंट डिपार्टमेंट पर आयेगा कि उसका प्रोग्राम सही मानों में अमल में नहीं आता है। इस मुहकमे द्वारा केवल एक बड़ी फौज मेनटेन करके और समय-समय पर बड़े-बड़े इश्तिहार आदि निकाल कर संतोष कर लिया जाता है।

चूँकि मेरा समय ख़त्म हो चुका है इसलिए बस मैं यही पर ख़त्म करता हूँ। मैं आशा करता हूँ कि मैंने जो कुछ सुझाव यहां पर दिये हैं और निवेदन किया है उसको सही रूप में गवर्नमेंट लेगी और उन पर गौर करके गांवों की हालत बेहतर बनाने की कोशिश करेगी। जो कुछ मैंने अर्ज किया है वह नुक्ताचीनी की गरज से नहीं किया है। आप उन पर गौर करें तो अच्छा है, न गौर करें तो भी अच्छा है।

**Shrimati Sharda Mukerjee (Ratnagiri):** Our country faces today one of the most critical periods we have experienced since independence. It is a period of scarcity and a growing feeling of insecurity. It is also a period of uncertainty on our borders, and each one of us must contribute his legitimate share and more, for on our personal and collective effort depends the very existence of the whole nation and the future of our children and our children's children.

16 hrs.

This morning, Shri Masani, a very able exponent of his party, opposed the Budget. I would say that any one who votes against the Government's Budget, votes against the provision of food and basic necessities for our people; he votes against the strengthening of our defence against foreign aggression. If these things could be provided without raising additional revenue, without a heavy burden of taxation, then indeed the Finance Minister's task would be an easy one. It would then be perfectly justifiable to draw a parallel between the taxation policies of other countries and ours. But this we must accept, this basic promise, that revenues have to be raised, and the question before us therefore is whether the proposed taxes are equitable, whether they are reasonable under the circumstances, and secondly, whether the Government fulfils its obligations and responsibility to the people by a proper utilisation of revenue. The Government's budget is a good budget. There is no leeway for further concessions in the present circumstances. Personal taxation is lower; some of the consumer articles should come down in price due to the removal of reduction of excise duties and the corporate sector, which has shown rising profits through the last decade or so should not grumble at the taxes. They are a powerful group and their voice is the loudest though their gains have been the highest. For those with salaries and no perquisites, for those who eke out a meagre living in the countryside or the crowded

tenements of the city, there is little relief but their voices are muted. They are not the organised sector. Madam, if people were to render unto Caesar all that was Caesar's Government's coffers would swell and to that extent some of the present ills which burden our economy would be reduced. I say, reduced, not eradicated. For, that is a different thing altogether into which I do not propose to go now. If people paid their legitimate taxes—the tax arrears in 1963-64 were Rs. 97.14 crores; from 1953-54 to 1963-64 the tax arrears amounted to Rs. 277.76 crores—if there was a sudden impulse to offload unaccounted money to the Reserve Bank and give up 60 per cent of the ill-gotten gains and pay an overall tax of 57 per cent, if an unexpected national zeal made people want to convert their gold into gold bonds which promises a return of 7 per cent, in other words, if this chain of 'ifs' went all the way through, there would be no problems. As it happens, well intentioned as these proposals are, one really does not expect them to yield the legitimate amount to the revenues. In effect what happens is that people say that Government does not play fair and the Government says that people do not play fair. It is a never-ending cycle, like that old song about the chicken and the egg. Which comes first, the chicken or the egg—the egg or the chicken or the chicken or the egg? It goes on. The fact is that there is a lack of confidence. What is it that really makes people withhold co-operation, which makes them mistrust and doubt those in their authority? What is it that has shaken the confidence of the people? Very often it is the faulty implementation of policies, the waste and negligence in the use of public funds especially in the public sector, the overbearing and could not careless attitude of some Government officials and I would say,—even Ministers, the utter disregard of economy in relation to their own expenditure on State account—all these and others are glaring examples of their lack of responsibility towards the country and the people.

Unless the Government mends its own ways and caste the mote out of its own eye, can you expect the people to respond or fulfil their responsibility to the country? In no country which calls itself a democratic country, Madam, have I seen such a cavalcade of cars preceding and following the Ministers' cars as I have seen in our cities. In no democratic country, Madam, do Ministers and officials occupy such extravagant houses which is quite out of keeping with the conditions in our country, nor have I seen so much of additional staff being used for personal work as they do here.

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** I hope you also include 'officers'.

**Shrimati Sharda Mukerjee:** I said "officials and Ministers." I said "Ministers" reluctantly, but unfortunately I have seen them have sometimes have I seen public servants assume the mantle of this inordinate and dictatorial authority over the people, as I have seen them here sometimes. They do not behave like public servants, but like public masters.

**An hon. Member:** Shri Masani is happy.

**Shrimati Sharda Mukerjee:** The people know only too well that for a price anything can be arranged; that subversion of laws and regulations is an easy matter if you know the ropes and that is what undermines the confidence of the people.

Take the question of our exports. We are short of our Plan target of Rs. 900 crores by about Rs. 90 crores. And to remedy that, the Finance Minister has given a rebate of 15 per cent on the value of goods exported. It is all very good; it is a very good plan. But that apart, the export trade has become, or is about the biggest racket in the country, not only in relation to the leakage of foreign exchange but in other ways as well. Last year, I was in some of the western countries, and I heard complaints, constant complaints about the goods

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being below par in comparison to the approved samples sent, about the dishonest methods of Indian businessmen and such other things. Who gives these export licences? Who decides as to who should be allowed to export a certain commodity? And how is this done? So many of our officers go abroad to promote trade relations. We maintain a large staff of people, trade attaches and others, and what is the net result of it all? We sent shoes to Russia, shoes which had cardboard soles. How does this sort of thing happen? If such things are allowed to go on, can we really expect to expand our exports and gain a better reputation abroad? I would like to know, when the Government has assumed so much power unto itself, why it does not prevent such things from happening.

As regards the corporate sector, I do not understand what they have to grumble about it. If anyone has done well out of this budget, it is the corporate sector. But who shouts the loudest about it? Shri Masani—I would not say he does it loudly, but he speaks very affirmatively. The protagonists and the proteges of the corporate sector. With the new production incentives—a reduction of tax liability for certain companies which are engaged in manufacturing or processing things or in basic industries, from 60 to 50 per cent on the first 10 lakhs of income and other such concessions—I should think that they would express some satisfaction. But no; not only do they express their protest in a loud voice, but from newspapers we find there is a fall in the stock market. It is rather surprising to know that the stock markets also are not always controlled by investors. Why is it that they are more controlled by the financiers, and how long can they sustain this fall in the prices? As far as investors are concerned, it is true that they are shy of investing in industries. Of course, the return from the industrial investments is not comparable to the return from things like housing or loaned-out

money. The corporate sector has certainly contributed a tremendous amount to the national development and its admirable progress and the rate of growth have been certainly undeniable.

But one must remember that they have had a protected market and they have had a booming market and they have not been exactly stranded as far as assistance from the Government was concerned. As I said, the only rather noticeable feature of this budget is that it has done nothing to change the balance from the monopolistic control of the top industrial groups to a more diversified, a more evenly distributed pattern of industrial structure. Is it not time that the Government broadened the industrial base and made it possible for small and medium entrepreneurs to come into the field? The Government cannot say it is working towards a more equitable distribution of wealth and a higher standard of living and then absolve itself of any further responsibility beyond framing legislation and collecting taxes. Is it not a fact that the LIC, the Industrial Finance Corporation, the State Bank and other Government-controlled financial institutions give loans mainly to top industrialists? Is it not a fact that Government has equity holdings either directly or through the L.I.C. mainly in large industrial groups? I do not, for a moment, say that loans or financial assistance should be given without adequate investigation or enquiry into the balance sheets, managerial ability and such other things. But I cannot understand why it should be restricted to large industrialists and why it should not also be given to the smaller men. We are told that the large industrial groups give better return. How far is it true? Have they also utilised the assistance properly? Have they not fallen back on their interests and such things? I think this is a matter which Government needs to look into.

Two months ago, I was in Bombay and I found there was credit stringency there. If there is money any-



where, it is in Bombay—plenty of it—but you can have it at a price. When a man goes to a bank, the bank says 'no money' because Government has tightened credit and increased the bank rate from 5 to 6 per cent. He needs money to carry on his day-to-day business because his payments are held up. He then goes to the commercial houses, the very houses to which Government has given money. In other words, Government lends money to certain industrial groups and those people are loaning out the money to smaller men at an interest of something like 12 per cent. This is a thing that Government needs to look into.

One appreciates that to curb inflationary pressures in the country and to curb prices, the Finance Minister has to tighten the credit and increase the bank rate. But who have suffered? Not the people who did not need the money, but the people who need the money. Those who do not need money have control over scheduled banks. They can get as much as they like and often one hears that they can get it on personal security, not on security which you and I are required to furnish. However, both the Mahalanobis Committee report and Dr. Hazari's report have shown that the expansion in industries over the last 10 or 12 years has been mainly on borrowing. It is strange that the Government pattern and corporate sector pattern seem to follow the same trend. The same bug seems to have bitten both. The corporate sector borrow from Government, from institutions like the World Bank, Industrial Finance Corporation, etc. They borrow from each other and from private foreign investors. It is all the way there.

Dr. Hazari gives the following breakdown of investment in the corporate sector: 56 per cent from borrowing, 16 per cent from share capital 9 per cent from reserves and 19 per cent from depreciation. In the old days it was considered a good thing to build up your reserve and if an investor wanted money, he looked at

the reserve of the company. But now you do not do that; you look into the borrowing capacity of the company. This is a situation that we have created. It appears from these two reports that the top four industrial complexes control almost one fourth of the total share capital of non-governmental companies and the top 20 industrial complexes control one-third of the entire share capital of the non-governmental companies.

Even in a capitalist country like the USA, there are anti-trust laws and here we have this utterly imbalanced and unrealistic edifice going up before our eyes. All that we do is to appoint a committee. And, the Committee gives a report. Dr. Hazari gave his report two years ago. Dr. Mahalanobis gave his report one year back. Have we done anything about it? They have not even been published. They are not even available to Members of Parliament. The report of Dr. Mahalanobis Committee is available, but I do not know how many people have received it. Dr. Hazari's report has got lost in the Planning Commission's cupboards.

Has the Government then fulfilled its obligations and responsibilities in providing for equality of status and opportunity, and social and economic justice guaranteed in the very preamble of our Constitution?

Governmental policies which look so good on paper are supposed to be for stopping concentration of economic power. What are these policies? They are: policies of industrial and import licences, policies of loans and governmental investment, policies of permitting private foreign investment coming into the country. What is the result? The result is a pyramid with a top-heavy top. The base for which we are working—the people at the bottom—is not very broad. What has happened in the last few years? The policies of the Government have helped the 'haves' and left out the 'have-nots'. To them that have more shall be given, and from them that have not,

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even that which they have shall be taken away from them. That is the result of the policies followed by the Government aimed towards socialisation.

**Shri Mehr Chand Khanna:** You are talking like a good Christian.

**Shrimati Sharda Mukerjee:** Better than that.

Madam, the other comment I would like to make is that there should be an incentive to start industries not only to remove the social imbalance but also to remove the regional imbalance. All the industries are at present around Bombay, Calcutta, Madras, Ahmedabad and Kanpur. Beyond these places nothing exists.

The other thing is about sur-tax and the dividend tax. The Finance Minister can probably work out how much he would lose if the sur-tax and dividend tax were at least excused for new companies. They must build up reserves. They cannot get loans like the big people. At least give them tax relief for five years. If you cannot do that, I am afraid you are not going to have a broad industrial base. In respect of the dividend tax—this I do not say for the sake of the corporate sector, I am saying it for the sake of investors—if you want to attract more investors a limit of 10 per cent of the dividend at least should be exempted. If an investor can get today only 5 per cent or 6 per cent by industrial investment why should he invest his money in industries when he can loan his money and get a 9 per cent return, particularly when he does not know what chances of capital appreciation there are, when he does not know how much he will get at the end of three or four years during which time his capital will have to remain idle?

Then, I would like to speak a little about government accounts. One finds that the Government is very keen to raise revenues. We are all for it. I

think the country requires revenues. However, one finds from the Central Government's Audit Report for 1964 that out of Rs. 743.28 crores capital invested in public sector enterprises we got a return of only 0.2 per cent. This was mentioned by Shri Masani also. Hindustan Steel Ltd. was granted a loan of Rs. 357 crores on which up to 1962 March no interest was charged. Does this indicate a proper utilisation of public funds?

We were told that the Government has not proposed a deficit budget, that in fact it is a balanced budget with a small overall surplus. But what in fact does a deficit or a surplus budget mean in terms of conditions in our country? I find the Finance Minister is not here. But his Deputy is here and perhaps he would explain this. What does a balanced budget in our country mean? Is it related to the treasury bills and cash balances of the Government? Then there is the Rs. 270 crore loan. How much does the Finance Minister expect the people to take out of this? I gather the rest will have to be subscribed by the Reserve Bank of India.

The Annual Report for 1964 of the Reserve Bank of India states that investment in Government securities by the Reserve Bank and other banks in 1963-64 was Rs. 281 crores. And what is its comment? It says:

"Governmental indebtedness to the banking system, comprising of investments in Government securities by the Reserve Bank and other banks (excluding the investments of PL 480 and PL 665) funds and ways and means advances adjusted for Government's cash balances with the Bank, continued as in preceding two years, to be the dominant expansionist factor."

Then the Report also mentions that the Government's currency liabilities to the public have been increasing. Last year it was Rs. 17 crores as

against Rs. 11 crores the previous year. One does not know how much it will be in the current year.

Then, we have a deposit of Rs. 191 crores from PL 480 funds as compared to Rs. 11 crores last year. All this extra money is going to be put in circulation. Is this any different from a deficit budget when related to the available commodities? Is this not going to cause inflation? Or, are we having a balanced budget, as I said, in terms of Government scripts and Government cash balances? This is a point which I would like the Finance Minister to explain. What does a balanced budget mean in our country?

16.22 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Lastly, I would like to end up by saying that despite what I have said, I support the budget.

An hon. Member: Don't say so. What an end to a beautiful speech!

**Shrimati Sharda Mukerjee:** The Government will have to come in in a big way not only in respect of broadening the industrial sector but also in respect of the agricultural sector. Unless the industrial sector is diversified and unless the Government also expends some energy and money on the agricultural sector, we can never hope to meet the people's growing need for the basic things of life—employment, food, clothing and housing.

**Shri R. Ramanathan Chettiar** (Karur): Sir, let me first of all congratulate my hon. friend, the Finance Minister, for having introduced a surplus budget. Let us hope the era of deficit budgets is over and the era of surplus budgets has set in. The budget that he has presented no doubt has resulted only in a very small surplus. Let us hope that the pattern of budgets to follow in the Fourth Plan will be based on the budget that he presented to this hon. House on the 28th February.

2503 (A) LSD—7.

We have had rather a strenuous period of economic stress and strain during the last few months, especially on the food front. Thanks to Providence, we have had a good crop, both of wheat and rice, and with the help of friendly countries we hope to import sufficient quantities of rice and wheat to tide over our difficulties for the rest of the year. But all the same prices are shooting up and I would urge upon the Finance Minister and the Planning Commission to keep a watch on the price situation and see that prices do not unduly rise.

Then, I come to the question of deficit financing which has been the cause of inflation all these years and I am glad that a leaf has been taken out in this year's budget and the Finance Minister will not resort any more to deficit financing. But that alone will not do. The more the money is pumped the more are the chances of inflation. So, the Finance Ministry and the Planning Commission should have a strict control over the inflationary tendency and curb it at whatever level it should be curbed.

Now, let me come to the question of indirect taxation. The Finance Minister has given some relief in respect of cloth, footwear and a few other items. No doubt, this will bring down the prices of articles. All the same the masses expected him to give some relief in respect of kerosene. The high excise duty on kerosene is really working very great hardship particularly in the rural areas and I would earnestly appeal to the Finance Minister to consider whether he can give some relief in this respect also.

Sir, we had a great disaster in the south last December, a tidal wave, in the island of Rameshwaram and Dhanashkodi and number of lives were lost and properties also. We are grateful to the Finance Minister for almost immediately rushing to Rameshwaram and seeing the spot himself and I hope he would render all possible assistance to those people affected in this great disaster.

**[Shri R. Ramanathan Chettiar]**

I am one of those who have been urging about taking up the Sethusamudram project. Now I know Government have realised the urgent need for this project and I am sure that the Finance Minister and the Planning Commission, will see that this project is implemented at least in the Fourth Plan.

**Shri Raghunath Singh (Varanasi):** It will be implemented. It is the most essential thing.

**Shri R. Ramanathan Chettiar:** I would like to have the assurance from the Finance Minister, not from you.

**Shri Raghunath Singh:** The Shipping Board has passed it.

**Shri R. Ramanathan Chettiar:** Now, coming to the direct taxation, we are grateful to the Finance Minister for the reliefs he has given even though they are only in a small measure. One silver lining is that he has given relief at all levels, I mean, to all levels of taxation. I have, however, one or two observations to make in respect of particular aspects of this taxation. In regard to earned income, the hon Finance Minister has brought down the level of taxation from 82.5 per cent to 74.75 per cent for incomes above the level of Rs. 3 lakhs. In respect of unearned income, he has brought it down from 88.25 per cent to 81.5 per cent for incomes above the level of Rs. 70,000. I do not know why this inequity should continue between earned and unearned incomes. I think that it is about time that the Finance Minister thinks over this matter seriously and gives up this inequitous position and reckons the income only on one basis and see that the people who are classified as having unearned incomes do not suffer.

**Shri D. N. Tiwary (Gopalganj):** Does my hon. friend mean to say that the same tax should be levied on black money and white money?

**Shri R. Ramanathan Chettiar:** I am not talking of black money and white money at all, but I am talking of earned income and unearned income. There is a subtle difference in between the two types of income. I may point out that any income from dividends is termed as unearned income simply because it is not earned from salaries. But if a person is a salary-carer, and gets additional income by dividends from the company or companies in which he is employed, his income is termed as earned income. Thus, there is an inequitous position here. The former category of people are those who contribute really towards capital formation. I have stressed this particular point in order to enthruse or induce such people to invest more and more in the corporate sector in our developing economy. Otherwise, I may tell the hon. House that unearned income assesses, after paying income-tax, annuity deposits, wealth-tax and in some cases expenditure tax, are left with hardly anything to save much less to invest. That is the real position today. That is why I am stressing that this inequity between earned and unearned incomes should be done away with.

Now, I come to the question of civil expenditure. Thanks to our present Finance Minister, he has made some economy in civil expenditure during the last year. All the same, I think that there is sufficient room to explore further and see whether more economies could not be effected in whichever Ministries or Department it is possible to do so. After all, in a budget of about Rs. 2000 crores, it will not be very difficult to effect an economy of 5 per cent, which would come to only about Rs. 100 crores. I do not think that it is beyond the realm of possibility to attempt at that.

The hon. Minister has also stated that there would be a ceiling limit of 70 per cent for the corporate sector. I doubt whether this will apply to section-104 companies also.

**Shri Morarka:** No, it would not.

**Shri R. Ramanathan Chettiar:** The hon. Minister is not quite clear on this point. I would like him to sympathetically consider the case of section-104 companies also for this benefit so that those companies also might be enabled to build up reserves. After all, these section-104 companies are playing an important part in the economy of our country and that aspect should not be lost sight of.

Now I come to the new taxation on urban properties. Already urban properties are subject to wealth tax. Now the Finance Minister has introduced this new tax ranging from one to four per cent in cities with over 1 lakh population, that is 5 lakhs over the limit one per cent, next 5 lakhs two per cent; like that it goes on up to four per cent. It almost tantamounts to double taxation. Already the local taxes are so heavy that houseowners are unable to meet those taxes. This comes on top of it and this is based on market value. I would only request the Finance Minister to go into this and see whether the basis of valuation cannot be changed. It should not be on market value, it should be based as it is on wealth tax as at present.

You know Government and the people are crying for more house building programmes. I am glad the Minister of Housing is also here. I am sure he would also agree that there is a real crying need for more housing, but this will be a damper on many more house building programmes. I am sure he will also appeal to the good offices of our Finance Minister and see that this tax does not dampen the house building programme in the country.

The people of Madras have been disillusioned over the inordinate delay in the Central Government taking a decision in regard to the Salem steel plant. This project was almost finalised in the middle of May 1964. I do not know for what reason this is tagged on to other projects like Bailadilla and Hospet by our present

Steel Minister. Actually Dastoor and Company reported on the economic feasibility of this plant. They have confirmed its viability also. Even foreign experts have come to this conclusion. It is a plant of 0.5 million tonne capacity. The Government of Madras, on the basis of the Central Government almost reaching a final decision, have acquired more than 24,000 acres round about Salem. I do not know why a decision on this matter is now hanging fire. I would appeal not only to the Finance Minister but also to the Steel Minister and the Planning Commission, that the aspirations of the people should not be dampened by such undue delays in regard to project which had almost come into final stages only a few months ago.

I have got one or two things to say about banking in this country. We hear from day to day that the banking world is not running smoothly, in other words all is not well in the state of Denmark. I understand some leading scheduled banks are undergoing troubles due to improper management, and the Reserve Bank, which is supposed to control the scheduled banks, has not effectively controlled some of the malpractices and abuses in this sector. There are two views. One is the extreme view that the banks should be nationalised, and the second view is of our present Finance Minister who thinks that stricter control by the Reserve Bank will do. I am one of those who do not agree with either of these views. I am one of those who think that since it is 34 years since we had a Central Banking Inquiry Committee, the Finance Minister should consider seriously the question of appointing a Central Banking Inquiry Commission to go into the whole structure of our banking and see what is really wrong with our banking and put that sector in order.

There is a lot of talk about our rupee. Shri Agarwala, a noted economist, has said that our rupee is not worth more than 17 paise. We must

[Shri R. Ramanathan Chettiar]

face facts. I know that in Hong Kong, Singapore and other places, Pound Sterling is being sold at Rs. 20 or even more. As my hon. friend Shri Masani said today, the dollar rate is about Rs. 7.60 whereas the official rate is Rs. 4.76. I think it is high time that the Finance Minister seriously considered the question of appointing an expert committee to go into the question of the rupee and take whatever steps to see that our rupee does not depreciate in value.

Another important point is this. As the hon. House and the rest of the country know, South India, particularly Madras State has gone through a very difficult period—I mean during this language agitation. This language problem is a vital one as far as my State is concerned. I would like to tell this hon. House and my hon. friends from the rest of the country, especially Hindi-speaking friends, with all the responsibility that I can command that they should view this matter not from the point of view of South vs. North; it should be viewed as a national problem. After all, the unity of the country is of paramount importance. Here I falter because that charming personality of our late revered leader, Pandit Jawaharlal Nehru, is not here. This is the first Budget session after his sad demise, Sir, I falter, you will excuse my feelings in this matter. His presence would have given me more strength to speak on this language question, because it was he who gave us an assurance on the floor of this House in 1959, and based on that assurance the Official Languages Act was passed, but, unfortunately, the word used was "may" and not "shall" as far as English is concerned. "May" is a permissive word. There are judgments to this effect by different courts. "May" means may not, and so, "shall" alone should have been used in that context. The Prime Minister and the Home Minister have no doubt given an assurance, but I would like to urge upon them that while realising the value of the assurances given by

them, the people of Madras State would like that the Official Languages Act should be amended in this session itself. After all, their expectations have to be fulfilled; because, otherwise, they will be disillusioned. With these few words, I support this year's Budget proposals.

**Shri Dasaratha Deb (Tripura East):** Mr. Deputy-Speaker, I must say that the seventeen years of Congress rule shows that this Government is neither capable of nor willing to solve basic problems of the country that affect our people very seriously, that the whole policy of the Government is mainly directed to make the rich richer and leave the ordinary common people go to grave. This Government could not solve our food problem. If a country must survive then this problem must be tackled effectively and solved. Our Government could not solve this problem. Do not the Government claim many times that they have developed certain areas, here and there; that they have given reliefs to certain people or certain areas? But it is not a question whether some areas had been given some relief or not. The question is whether in the totality of things, the sufferings of the people had decreased? Have they solved the food problem, the education problem, the land problem? That should be the criteria in answering the question whether the Government is leading our country towards prosperity or leading it downward. It is by these questions that this Government had to be judged.

Recently this Government which claims itself to be the preserver of parliamentary democracy, raided parliamentary democracy in Kerala; they have denied the communist members of the newly elected Kerala legislative assembly, their fundamental right. They have not allowed them to function because they are not letting out the elected people to come out and function as the majority party which had won the election. They are being detained in the jails. It is a very



shameful Act on the part of the Government. We have heard Mr. Nanda taking so much pains and making charge sheets against the left communists. This charge sheet had been totally disproved by the people of Kerala. If they had taken these charges to a court of law, they would have known what it was. Why should not this Government take them before a court. They should go to the court and prove their charges because the words of the executive cannot be regarded as the final word.

Secondly, I must remind this House of one thing. They say that the so-called left communists are engaged in some acts of treason. They have not proved what the charges are against my colleague Biren Dutta, a member of Parliament from Tripura and six other persons. These people have not joined the left Communists; they have neither joined the right nor the left Communists, they are still maintaining their own stand. What are the charges against them? I want to ask this Government about it. Why have they been arrested? These people had been charged for treason and we went to the Supreme Court and 23 people were released by the Supreme Court on the 23rd July. After two months, again my hon. friend Shri Biren Dutta has been arrested, and put into the jail. I want to have an answer for this, and I urge the Government to release these people or take them to the court for trial. They must not keep these people under detention for an unlimited period without any trial. This is my demand.

Then I come to the question of the tribals. This tribal problem throughout India is a very vital one, but it has not been solved or has not been effectively dealt with by this Government. They are bungling with this tribal problem everywhere, whether in Assam or in my State of Tripura. I am very sorry to refer to these things, because our people have been suffering very much. For your information, I may state some facts that

are facing us in my State. I have already sent so many memoranda to the President, the Prime Minister and to the Home Minister, to consider all these demands, but so far nothing has been done.

What actually happened after the integration? Before integration, in Tripura State, the population was 5,13,010 of whom the tribals alone accounted for an overwhelming majority of about 70 to 75 per cent. Then, after integration, due to partition, a lot of refugees entered our State. According to the 1961 census, the total population of Tripura is 11,41,764 of whom the tribal population alone comes to 3,61,751. It is about 31 per cent or so.

After this Khulna incident a lot of people have come in there, and many more are still coming. I was told by our Chief Minister that if the figure is calculated correctly, it would be not less than 14 lakhs, and these people are not getting any rehabilitation aid there. This is one of the urgent problems, refugee problems, that the tribal population is facing. They are not getting land and that is a very serious problem. What actually takes place in our State is that competition for land is increasing day by day, and in places like our State, because the people are very weak and are in a minority, they do not know the legal intricacies and other things. Hundreds of tribal people have been evicted from their lands. In the years, 1963 and 1964, eviction took place on a mass scale throughout Tripura State.

In this connection, I may read out certain figures which I had collected very recently, last February. In one village, Raj Nagar, 25 families have been evicted from 102 acres of land. Shantinagar is a small village; from there, 24 families have been evicted and the land involved is 57 acres. Durgapur: 35 families and the land involved is 92 acres. Brahmeshara, 23 families and 84 acres. Gokulnagar 32 families and 83 acres of land.

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Kalyanpur, 88 families and 456 acres of land. Thus, from a total of 12 village—including six which I have not time to mention—in two months, 495 families have been evicted from their land forcibly by the non-tribal people, and the land area involved comes to a total of 1,889 acres. Throughout Tripura State, I could not collect the total figure, but I have visited and gone from one village to another. The figures that I have generally collected so far involve 4,000 tribal families who have been evicted from 15,000 acres of land during one year, 1963-64. This is not exhaustive. I have gone from village to village collecting the names of persons, plot numbers, etc. If the House desires I can submit them to the House.

I must clarify that these tribal people are not against the settlement of refugees. In fact, when our State integrated into the Indian Union, in the beginning the tribal people accepted the refugees and gave them land. They never raised their voice against the refugees. But now the problem is that the population has increased more than four times. The host has been placed on the mercy of the guest; the owners have been de-throned and have become street beggars. So, naturally in this condition, the local people hesitate because they have been evicted. In 1962, 50,000 tribal families went to Assam in search of their land, but they could not find it. They came back to our State in search of land, but they could not find it. Ultimately it is very shameful and disgraceful for the Government and for the entire country that these tribal people could not stay in their traditional home of Tripura and last year 2,500 families have migrated to Pakistan because they did not get any shelter in India. I draw the attention of the Home Minister and the Prime Minister but they did not do anything. These people had migrated at a time when the non-Muslim residents, the Hindus, in Pakistan could not stay there and

they had to migrate India. In such a critical period, you can imagine under what difficulties which they were facing in our State these tribals had to leave their homeland. So, Government must realise that there was something seriously wrong with the Government in dealing with the tribals.

According to the fifth schedule of our Constitution, wherever tribals are in a majority, they should be declared as scheduled areas and there certain areas should be demarcated where the non-tribal people should not be settled. That is our demand. This is not a new thing. In fact, we had that provision during the Maharaja's period. There was a declaration in 1941 whereby the Tripura Maharaja reserved certain areas exclusively for the tribal people and non-tribals were not allowed to settle there. But the present government has practically negated it. They have not abrogated the Maharaja's orders in writing, but in fact they have allowed everybody to enter those areas. So, the tribal people have suffered very much in our State. What will they do? All the plain lands have been given to the non-tribals. In order to get more forest revenue, the entire jungle areas have been declared as forest reserve and the tribal people have never been allowed to cultivate those areas. They are neither getting any cultivable land in the plains nor getting any land in the jungles for cultivation. How do you expect them to live? The Government must answer this question. It is a very serious problem. This must be tackled in the right way. Even the Dhebar Commission suggested at one place:

"At present there are no scheduled areas in this Territory. The Chief Commissioner has suggested that the areas of Kanchanpur, Chhamanu, Amarapur, Teliamura Block and some area under Sadar, Belonia and Sub-room sub-divisions which are contiguous to Amarapur and Teliamura Blocks, and have a prepon-

derence of tribal population may be declared scheduled areas. Alternatively, the tribal area stated above, should be grouped under tribal development blocks, should be grouped under tribal development blocks, so that the bulk of tribal population is brought under intensive development programme."

17 hrs.

I opposed this alternative in the beginning itself. I said that this alternative suggestion cannot at all solve the problem of the tribal people; they cannot get their rights on land. But the Government has introduced this alternative proposition of having tribal development blocks. There are four tribal development blocks started in Chhamanu, Teliamura, Sadar and Amarapur. Before the formation of these tribal development blocks, under the Amarapur sub-division the tribal population was 75 per cent and 25 per cent consisted of non-tribal people. After the formation of this tribal development block, lands were given to non-tribal people, the majority of the benefit went to the non-tribal people and the tribals did not get any benefit. Majority of this 25 per cent non-tribals consisted of Muslims. These Muslims migrated to Pakistan. The land so deserted by these Muslims, instead of being given to the landless tribal people, was given to the other people, the non-tribals. These non-tribals are encouraged to enter the tribal compact areas and thereby disrupt their unity and other things. What has actually happened is this. With the starting of the tribal development blocks, the tribal people are now in a minority there. There will not be more than 35 per cent to 40 per cent tribal people in that area in a few years.

That is why I say that is is not merely a question of starting a tribal development block here or a tribal development block there. It is a question as to how these people should be protected of their own land. If the Government does not

set aside an area exclusively for the tribal people, they will not be protected of their own land. Their land will be transferred to non-tribals if the area is not declared exclusively for the tribals and you cannot remedy this problem of the tribals. Therefore, this problem should be dealt very carefully. The Government spokesmen sometimes say that they have dug a tube-well here, they have opened a school there, they have provided a house there and so on. It is not a question of digging a well here or opening a school there. The tribal people must be protected of their own land, they must be given the right of owning their land and they should be saved from the mahajans. They should be protected from other people encroaching on their land. This problem has to be dealt with properly.

That is why when recently we held our Tribal Conference we adopted a resolution asking this Government immediately to declare a certain area as scheduled area where the tribal population is in a majority. This area should be developed as a scheduled area and it should be done immediately. If you delay this thing, then you cannot pacify the tribal people once they become agitated.

**Mr. Deputy-Speaker:** He should conclude now.

**Shri Dasaratha Deb:** As my time is short, I now come to the refugee problem. What is the position of refugees in our State? Lakhs of refugees are waiting in our State for rehabilitation and many more are coming. I am told that the Central Government has taken over the responsibility of rehabilitating these refugees outside Tripura State. I do not know how many people have been taken out so far. I find so many of them still living in camps without any suitable doles or other facilities. If you want to save the economy of our State, which is a small State, you must shift those refugees to other States and rehabilitate them immediately. It is im-

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possible for a tiny State like Tripura to absorb any more of refugees.

Then, Tripura is a border State. Yet, it is not very well connected with motorable roads. Our means of communication also require improvement. Firing in the border areas is a daily feature in Tripura. Last year, near Karangi Chhera there was continuous exchange of fire from the Pakistan side and our people were injured. Also, more than hundred families on our side could not harvest even a single grain of crop from their fields because of this firing. Our people could not even enter their fields, not to speak of harvesting because there was continuous exchange of fire. Yet, surprisingly, our Government did not think it necessary to give these people any relief, either in cash or in grains. Whenever the Chief Minister, or some other Minister or officer went to that area the peasants met them and explained their difficulties. The only reply they could get was that they should better do some work and earn their livelihood. Where will they go and what work will they do? They are peasants and they know only cultivation. What other work could they do? Because of Pakistani firing and because of the failure of our Government to give our cultivators sufficient protection, they could not harvest their crops. So, is it not the moral and legal responsibility of the Government to give them some relief, either in cash or in kind? Yet, nothing has been done for them. Unless some timely help is given to them they will die because of starvation.

Then, I repeat that the constitutional provision about tribal areas should be extended to our State of Tripura, as recommended by the Dhebar Commission. All those areas which have a preponderance of tribal population should immediately be declared tribal areas. For purposes of demarcation of tribal areas the village should be taken as the unit. That declaration

should be done immediately. If it is not done now, after some years it will be found that there are no tribal areas because non-tribal people are infiltrating into the tribal areas. Now the refugees are settled in the tribal areas. These steps of Government have the effect of converting a predominant tribal majority into a microscopic tribal minority in selected areas. This will not be tolerated by the tribal people. If they do not accede to the demand of the tribal people now, there is a limit to the patience of the tribal people and they cannot wait indefinitely. They will not remain silent for long, even though they are innocent tribal people; they will be forced to launch big struggle to get their demand conceded. I hope Government will try to solve this problem by conceding the demand of the tribal people at an early date.

Shri Ansar Harvani (Bisauli): Mr Deputy-Speaker, Sir, a few years ago, destiny ordained, Mr. T. T. Krishnamachari retired temporarily from the stewardship of the public exchequer. He in very ringing words warned this House and this country that the man-eater was on prowl. In his absence, the man-eater became fatter and fatter, healthier and healthier, on the blood, bones and sweat of the Indian people. When he came back, the country had great hopes that the first task of Mr. T. T. Krishnamachari, as the Finance Minister, in his second tenure, will be that he will take effective steps to control the man-eater. But what do we find after a few months of his Finance Ministership? We still find that the man-eater is as healthy as it was ever before and that it has become fatter.

Sir, sometime back, Mr. T. T. Krishnamachari took some action against the people who have black money. One fine morning, we read in the newspapers that some of the houses of some glamour girls and cowboys in Bombay had been raided and that some money had been found. We

were sure that this action would be followed by raids on the houses, on the lockers, on the properties, of the business tycoons. Sometimes, in the capitalists' own press, we read a few lines that some houses had been raided. But the raids on the houses of Vijayantimala and a few other film stars only are known to everybody. We have not heard about the raids on financial stars. I do not know the reasons. I hope and trust that the hon. Finance Minister will take this House into confidence, will take the people of this country into confidence, and will disclose the names of those financial stars whose houses had been raided because we are more interested in the activities of the financial stars than in the activities of the film stars. The film stars may be popular in certain fields but the Indian people are more interested in the nefarious activities of the financial stars of this country. Till today, we have not known what amount of hoarded money has been recovered. Till today, we do not know which are the big business houses from where the hoarded money has been recovered. The other day, in reply to a question, the hon. Finance Minister pointed out that till today no prosecution has been launched against anyone who has hoarded black money. We want to know the reason why no prosecution has been launched against them. I assure him, on behalf of a very big section of this House, that if tomorrow he brings forward a legislation to take very serious steps against those people who have hoarded money, who have cheated the exchequer, who have cheated the country we will support such a legislation. We know it very well that when a thief commits a theft, he commits a crime against an individual from whose house he steals something. But here is a section of the people who cheats the Indian people, who cheat the Indian masses, who commit theft against the society, against the people of this country, and yet no action is being taken against them. In fact, instead of taking any action against them, not even social stigma is attach-

ed against them. I know it very well that a number of people whose houses were raided, who were found guilty of having black money, still enjoy a high position in society. The functions arranged by them are attended by Central as well as State Ministers. They play host to the Central as well as State Ministers. We know that very well. When they play host to Ministers, does a poor ordinary Inspector of Income-tax dare to touch them? Do you mean to say that a poor police sub-inspector dares to touch them? This is the state of affairs. In the weddings of some big tycoons, the position of some of our Ministers today has become like that of the elephant which used to be taken in the *barat* in olden days. I hope and trust that the Prime Minister will issue strict orders to State Ministers and Union Ministers not to have any social relations with those people who have been caught and who have been suspected and who may be ultimately tried.

The other problem before this country is that of tax evasion and tax arrears. We know it very well that a number of people took huge loans from the L.I.C. and in spite of the decree passed by the civil court, they have not yet been realised. We know that a number of businessmen have evaded taxes, not only evaded taxes but tax arrears are also there. The taxes have been assessed but for years and years they have not been realised. This House would like to know the exact amount of the tax arrears and the names of those people from whom those taxes have not been realised. This House would like to know whether the names of those people from whom the arrears have not been realised would be published in the press. Of course, they may not be published in the press in the form of press notes, because the press is mostly controlled by these people themselves. In that case, we can put it as an advertisement in the press, and if they refuse to publish the advertisement, then

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Government who as the biggest advertiser in this country could stop their advertisements to those papers. That is the least that the Finance Minister can do in this connection.

The corner-stone of any country's economy and especially the economy of a developing country, and a developing industrial country, is banking. The Finance Minister has said a number of times that strict controls are being enforced on scheduled banks by the Reserve Bank. But at the same time, we know it very well that most of these banks are owned by some big business-houses, and most of the loans which are advanced from out of the money of the depositors or shareholders is advanced to these big business-houses, and hardly any amount goes from these banks to the small entrepreneur. It is impossible for the small entrepreneur to get any money from these banks. Therefore, if we talk socialism and we are really serious about socialism, we should immediately nationalise banks.

I have to say something about this budget. I have great respect for the present Finance Minister. I know that he is very serious to usher in socialism. But when I go through his speech, the Finance Bill and see the various provisions therein, I find that it is hardly a socialist budget which he has presented. It is at best a liberal capitalist budget. This country wants socialism and not benevolent capitalism. We have stood for socialism, and we want that socialism should come in this country through the various monetary provisions and not liberal capitalism. In fact even Dr. Schacht used to bring forward a budget in pre-war Germany which used to be benevolent for the poor people and the middle class people but that could not be called a socialist budget.

The other problem before this country is corruption. We have known the Punjab affair and we have also known about the Orissa affair, and God knows how many more affairs

we shall come to know about. But I assure you that corruption is not so much at the political level as at the business level. It is the system in which business is being controlled which breeds corruption among politicians, officials and among every other section of society. If the hon. Finance Minister and this Government are serious to control big business, corruption can be eradicated. Corruption cannot be eradicated by arresting one peon here or one clerk there or by having some small inquiry here or some small inquiry there. Corruption can be eradicated only by having a stricter control on the finances and resources of the big business-houses. We know very well how many companies in this country are day in and day out violating the provisions of the Companies Act, and even the Company Law Administration feels helpless against them.

We have heard also about reports of under-invoicing and over-invoicing. We have also heard reports about some of the big business-houses of Calcutta and Bombay being raided. But we have not heard any report that the managing directors or the controllers of these companies have been prosecuted and brought to book. Unless we tighten the working of the Company Law Administration, corruption will continue. By merely using pious words and preaching *sadachar*, corruption will not go from this country.

In the morning, my valued friend Shri M. R. Masani criticised the State undertakings and said that State undertakings had not done so well as they ought to have done. But I take this opportunity of congratulating the Government on the way in which the State undertakings have been run. They are having their teething period, but a time will come when they will function in a much better way than the private corporate sector. There were days when the working of the Ashoka Hotel was being criticised on the floor of this House, but we know



very well how much profit that undertaking has given now. That is so not only in the case of the Ashoka Hotel but in the case of a number of other State undertakings as well. Even then, I would submit that something should be done to improve their working and their administration.

The task of a Finance Minister is not only to find the resources but be a good housewife and spend the money properly. I wish that were done. Year by year, the expenses of the administration are increasing. There is a tendency in every ministry to have an empire. The number of Secretaries of all varieties, full-fledged, additional, joint, deputy and under, is increasing. Every ministry wants to have more staff. So most of the money is spent on these things.

A friend of mine over there, who has been a Minister in the Punjab, referred to the work of the Community Development Ministry. I assure you that all the money we have spent on the Community Development Ministry, most of it, has gone down the drain. It is a show-piece, and the sooner it is wound up, the better for the country and for the people of this country.

While speaking, Shri Masani mentioned about the legacy of one of the greatest men that not only this country but the world has produced. He said that all that is happening in this country and all shortcomings are due to the legacy of that man. I assure him that as long as we are alive, we will stand by his legacy. I assure him that his legacy will lead this country to prosperity, progress and peace. A thousand Masanis will not stop India from upholding this legacy.

I support the Budget.

**Shri D. N. Tiwary:** Before I speak on the Budget, I want to challenge a statement made by Shri Ramanathan Chettiar about the language issue. He has unnecessarily brought in the

language issue in the budget discussion.

**An hon. Member:** Government policies can be discussed.

**Shri D. N. Tiwary:** I do not say they cannot be. I said 'unnecessarily'. He has unnecessarily raked up the language issue because in his mind we are thinking of this problem on the basis of north and south. That is wrong. I am not one of those who are very enthusiastic in this matter. I speak English when it is required; I speak Hindi when I know that the man can understand Hindi. The question of north and south never entered our minds. We do not want that it should be imposed on anybody. But we also do not want that any language should be imposed on us. We want that as they are free to adopt any language they want, we should also have equal freedom to have any language we want and we should not be compelled to sit in examinations of the Public Service Commissions or other bodies in the English medium, if we do not want to.

Having said this, I come to the Budget. With all the quibblings of Shri Masani or the wrong picture presented to this House by Shrimati Renu Chakravartty, I must say we are thankful to the Finance Minister for giving us some relief. When we are so much burdened with taxation, any relief coming in any shape or form is welcome relief to us. So we are thankful to him.

We are also thankful to him for his statement that he would not resort to deficit financing. But I find one lacuna. In all the loans floated by Government, a great part has been subscribed by the Reserve Bank, that is, treasury bills or something like that. That is also, in a way, deficit financing. I would request him to see that indirectly also there is no deficit financing. He has given relief on many items, but if he had given relief

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on one item, he would have earned the gratitude of the poor, and that is kerosene oil. I do not say that kerosene oil as such should not be taxed, but that which is used by the poorer section called red or non-white kerosene oil, which is not used by the middle class people, should have been given relief by him. Some relief on this kerosene oil should be thought of, and I still hope he will do it.

The Finance Minister in his Budget speech has expressed the hope that the tax burden on some of the consumer goods will not be passed on to the consumers, but we have got very bad experience in the matter. We have found that every tax burden, whether small or great, is always passed on to the consumers. So, his hope that the taxation which he has levied will not be passed on to the consumers, I think, will remain only a pious wish; and if he is not very vigilant, I think the crafty merchants or the industrialists will try not only to pass on that burden to the consumer, but take something more. This is our experience on every item that has been taxed.

On the question of economy, to which the Finance Minister also referred, I want to put before him two suggestions. The public undertakings are doing well, but there is a huge waste there. Their staffing is very heavy, and we have found that unnecessary persons are employed. If you compare the staff position here with staff position of similar undertakings in foreign country you will find that here the number is far greater. This reduces the profitability of our undertakings. If this is remedied, there will be more profit. For example, in our public undertakings every technician has got a helper. I do not understand what he does. He is a useless burden on the undertaking. If such people have to be kept, they should be trained in some technic, and then should be employed.

श्री बड़े (काशीन) : आप हिन्द में अच्छा बोलेंगे ।

**Shri D. N. Tiwary:** I am speaking for the benefit of the Finance Minister.

Recently Shri Jaya Prakash Narain has publicly stated that a good deal of the staff, whether of the State or Central Government especially secretariat, put in very few hours of work; they spend away their time in gossip, in canteens and other places, and put in hardly four hours of work daily. That should be looked into, and ways and means must be found to take work from them according to the schedule prescribed by the Government. It should also be seen that their example is not emulated by other undertakings or services.

On the question of the pay scales of Central Government employees, I am one with those who feel that our employees should be paid handsomely, but the Finance Minister should take an overall picture of the whole country. If the Central Government employees get much more pay than the employees of the State Government or semi-Government bodies or local bodies, then there will always be discontent. We are seeing it today. In Bihar, about a lakh of non-gazetted employees have given notice to the Government that they are going to take leave *en masse* from 23rd or 24th March. The school teachers are agitated. I would appeal to him to devise some ways and means so that a man of equal qualification could get equal pay wherever he is placed, whether in the Central undertaking or in State services or the Central undertaking Services or in local bodies. Of course the circumstances and places where they are posted should be taken into consideration. The basic pay should be the same for equal qualifications. . . . (Interruptions).

**Shri Priya Gupta (Katihar):** You want levelling down? Or levelling

up to the scales of the Central Government employees?

**Shri D. N. Tiwary:** Why do you misunderstand me? I have clearly stated that they should be given equal pay for equal qualifications.

**Mr. Deputy-Speaker:** You may continue later. We shall take up some other business now.

17.31 hrs.

**RE: MOTION FOR ADJOURNMENT  
AND CALLING ATTENTION  
NOTICE—contd.**

**PAKISTANI FIRING ON COOCH-BEHAR  
BORDER**

**The Minister of External Affairs (Shri Swaran Singh):** Sir, on Friday, 19th March, I made a statement in this House on developments on the Cooch-Behar border which had led to firing by the East Pakistan Rifles from the morning of 17th March, at Phulkabari, Tin-Bigha, Bagdokra, Kharkaria and other points on this border. In giving the House detailed background of the events, I refuted the baseless allegations that were being made by Pakistan of Indian aggression in Dahagram and the alleged occupation of this enclave by Indian forces. I told the House that we had made enquiries and were convinced that there was not the slightest justification for the allegation of aggression by our Border police in the area of Dahagram. I informed the House that the Chief Secretary and the Inspector-General of Police, West Bengal, had proceeded to the disturbed area for an on-the-spot inspection. The report of the Chief Secretary was not available when I made the statement on 19th March. On his return from the area, the Chief Secretary has reported that there is not the slightest basis for the Pakistani allegation that Indian forces have aggressed against Dahagram or that they have occupied this Pakistani enclave. The Chief Secretary has further reported

that firing in the area was started by personnel of the East Pakistan Rifles and that the West Bengal Border police returned the fire in self-defence.

Firing by East Pakistan Rifles has continued on the Cooch-Behar border for 6 days and some loss of life has also been reported. The East Pakistan Rifles are aiding and assisting Pakistan nationals who have made intrusions in this area. Late last night, a message was received from the Government of West Bengal saying that Pakistan Ansars—who are really a para-military organisation trained by Pak Army officials—backed by personnel of the East Pakistan Rifles made raids on Indian territory in the Bagdokra area and began looting and burning the houses of Indian nationals in this area. The Pakistani raid was met by the West Bengal Border Police and some of the raiders who were indulging in looting, arson and other such nefarious activities on Indian territory, were killed. We are watching further developments. I can assure the House that such lawlessness and brigandage on the part of Pakistan personnel will if persisted in be suitably and adequately dealt with.

On the afternoon of 20th March, the Pakistan High Commissioner left a Note Verbale with the Foreign Secretary suggesting that a party of Pakistan officials should be allowed transit facilities over Indian territory so that they could proceed to Dahagram to verify India's assertion that their forces have not committed any aggression on Dahagram. In this Note, our proposal for a meeting between the Chief Secretaries of West Bengal and East Pakistan was side-tracked. Our reaction to this Note was conveyed to the Pakistan High Commissioner within two hours. We informed him that there could be no question of the Government of India agreeing to an investigation by Pakistani officials into the alleged aggression which had in fact never taken place. Simultaneously, the Government of India