

[Shri B. R. Bhagat]

gendum to G.S.R. No. 269 dated the 3rd March, 1962, under sub-section (4) of section 43B of the Sea Customs Act, 1878 and section 38 of the Central Excises and Salt Act, 1944. [Placed in Library, see No. LT-93/1944.

- (iii) a copy of Notification No. G.S.R. 490 dated the 21st April, 1962 under sub-section (4) of section 43B of the Sea Customs Act, 1878. [Placed in Library, see No. LT-94/62].

12.10 hrs.

GENERAL BUDGET—GENERAL DISCUSSION—Contd.

Mr. Speaker: We now take up general discussion on the Budget (General) for 1962-63. Shri Gajraj Singh to continue his speech.

श्री गणपति राम (मछली शहर) : अध्यक्ष महादय, मैंने कल भी एक प्रश्न किया था डिप्टी स्पाकर साहब से कि जो बैंक बैचल हैं और जो इस बजट पर अपने विचार प्रकट करना चाहते हैं, उनको अभी तक समय नहीं मिल सका है। अब क्या उनको आपकी तरफ से कोई संरक्षण मिल सकता है ?

अध्यक्ष महोदय : इस बात को जब भी कोई मੈम्बर साहब मुझ से पूछो रहे हैं मैं उनसे कहता रहा हूँ कि अगर वे किसी पार्टी में शामिल हैं तो उनको चाहिये कि वे अपने क्लिप के पास जायें।

श्री गणपति राम : कई दिन से क्लिप के पास जाते रहे हैं लेकिन

अध्यक्ष महोदय : क्लिप की शिकायत मैं नहीं सुन सकता हूँ।

श्रीमती रेणू चक्रवर्ती (बैरकपुर) : यह तो माननीय सदस्य को पार्टी की बात है।

श्री गणपति राम : अगर क्लिप की ही बात है तो

अध्यक्ष महोदय : आर्डर आर्डर, अगर आप क्लिप से सैटसफाई नहीं है और पार्टी की जो पारबंदियां हैं, उन से बाहर आना चाहते हैं तो मुझे बराहोरास्त लिखें।

Shri Gajraj Singh Rao (Gurgaon): Yesterday I was submitting the point that the clearest index as to whether the villages or rural areas have become prosperous or not is to see whether the people from the rural areas are forsaking their traditional employments and migrating to towns, big cities and big industrial centres. That would be a clear index. If there is good employment available at home, who would like to go to other places? Not only the cultivator kisans, but other labour also who used to be employed in khadi, shoe-making and other small cottage industries, have no means of living in the villages now, and they are migrating to towns, and the juggies in and about Delhi and other big towns are a clear index of it, of their real fate. To say that prosperity has been brought to the villages I would submit is a fallacy which we cannot for long screen by figures etc.

A young gentleman who has been associated with constructive work asked Mahatma Gandhi during his last days: "Mahatmaji, you used to say that swaraj was to come. Now swaraj has come. You also said that Ram raj was to come. When is that coming?" Mahatmaji's brief reply was: "When people like you go back to the villages, that would be the day of Ram raj."

Mr. Speaker: Is he asking me to go to the village?

Shri Gajraj Singh Rao: Yourself and myself also, because for employment I came to the towns and cities. Otherwise, if the heaven was there in the village, I would have certainly re-

mained there. Why come to the town? Seventyfive or 80 per cent of the people still live in the villages. It used to be 90 per cent, now it has changed to 75 per cent. That is also an index. I would certainly say that all the educated are migrating to the towns. We should go back to rural India and serve the people there. But because of unemployment we are coming out, that is my submission. That was Mahatmaji's reply in one sentence in a very Mahatma-like manner.

It is not only this. The Planning Commission is a component part of this Budget, I would submit, because it is to be said by the Finance Minister or on his behalf in this House that we have to cater for our Five Year Plans which have been approved by the nation, and we have to find the money for it, but what has the Planning Commission said: This is the report of what Shri Shriman Narayan, Member of the Planning Commission, said on the 5th of this month:

"Mr. Shriman Narayan, member, Planning Commission, today stressed the need for reduction in disparities in incomes 'with a sense of urgency', both in the rural as well as urban areas with a view to achieving a socialistic pattern of society."

Mr. Narayan said: "It must be conceded frankly that we have not so far been able to take necessary steps for mopping up unearned incomes in cities in regard to urban land values, houses and other forms of property". In consequence, he added, the disparities in income between the rural and urban areas were widening."

This is the certificate of the Planners on the basis of which the whole of this thing is to be worked out. He says that there are disparities; and it is a very clear thing. According to our Constitution everybody has equal opportunities. The biggest of the rural people whom they call the landlords are assessed to land reve-

nue of about one-fourth, or one-third or even one-half of the gross produce. But, what about the towns and cities? There, one may have any amount of income from rent. They may have crores and crores worth of property; and that is not taxed this way. If they say that it must be on income-tax basis, let it be so in the rural areas also. If it is not so, then, the higher income groups, beyond specified limits, should also be taxed on that basis. I would not like to take further time of the House on this point. An important member of the Planning Commission himself has conceded this point.

Why not a ceiling be fixed on property in the cities? I was also a member of a committee in Punjab and we considered this; and it was the Centre that advised us that constitutionally it was not possible. We were examining it at that stage and it was left there. Now the Planning Commission is taking it up and so I need not say more about it. My point is that there should be decidedly a firm policy of Government on this matter.

Mr. Speaker: The hon. Member should conclude now.

Shri Gajraj Singh Rao: I want to take a few more minutes.

Mr. Speaker: He has already taken 10 or 11 minutes yesterday . . .

Shri Gajraj Singh Rao: I took only 8 minutes yesterday and I would like to have 3 more minutes now.

Mr. Speaker: He may have two minutes.

Shri Gajraj Singh Rao: It should be clearly reflected in the Budget also that the policy is for the formation of a socialist pattern of society. A socialist pattern of society means 80 per cent of the population in the villages that has to be catered for.

[Shri Gajraj Singh Rao]

I do not want to go into details into big schemes like the Bhakra Nangal. In every such thing preference should be given to the needs of small industries and agriculture. They should get first preference in electric supply or anything for which money is provided by the Central Exchequer.

It is a point which has been conceded that India is the poorest country. We have to progress with our socialist pattern of society. But many reasons are given such as class conflict, colonial oppression etc. for the slow progress. I would submit that this can be worked out only on a localised basis.

What are the reasons for poverty? Some say that it is over-population. Over-population is in Delhi but not in Kangra where there is sparse population. These things are not absolutely correct. If properly tackled this poverty can be removed.

The second biggest income for us is cattle wealth. With the advent of machines, if we talk of cattle wealth we would be ridiculed in this machine age. Look to Australia. Australia has progressed because of horse breeding and better horses. The wheat which has been taken to India came later on from that sub-continent. That is how they progress. The Indian conception of prosperity is:

“दूध की गंगा यमुना बत्ती है।”

Mr. Speaker: The hon. Member's time is up.

Shri Gajraj Singh Rao: Milk is a good food. Cattle breeding is the most progressive thing for India but we give it up in place of machines and machines. Cattle breeding is very good to the nation as a whole. It should be examined. With these remarks, I conclude.

Mr. Speaker: Shri Nath Pai. Before he begins, I would like to say this. I

have got a list of 20 names from the Congress side. If all of them want to be accommodated each must be content with ten minutes; otherwise some shall have to be left out. It is for them to choose. The time has been divided between the parties. So, they should be satisfied with that.

Shri Nath Pai (Rajapur): Mr. Speaker, the Finance Minister takes pride in his reputation for bluntness which he mistakes for dedication to truth and which his critics misrepresent as harshness. There has been a competition in this House to pay him compliments. Members have been vying with one another for what they describe as his lucidity and clarity and even the hon. lady Member who sits on my right complimented him on the extremely intelligent piece of work he has done in presenting his Budget.

Mr. Speaker, I think the presentation of the Budget of the Union Government is not an essay or elocution competition in a college where one looks for the qualities of diction, grammar and syntax and grace as in a speech or essay. I am going to do him the unusual compliment of talking like him bluntly and I hope he will agree that it is perhaps the best compliment that one can receive—the imitation of a virtue which one values very much in oneself.

The Budget of a Government which is pledged to the proposition of building an egalitarian society will have to be something different. I think, than the presentation of an annual balance sheet, profit and loss account presented by the chairman of a board of directors to the shareholders. We will have to examine every single Budget for a long time to come in this country against the long-term objectives and against the goals which we have set for ourselves. And the final criteria and the final judgment for deciding whether a particular Budget is good or bad is not the lucidity or brilliance of the language but whether that particular Budget and the proposals take

us nearer the goal which we have set before ourselves. I am going to examine some of these goals and see how far Shri Morarji Desai's proposals are likely to help this country in the realisation and achievement of these goals. I know times without number this House has heard from Members participating in all kinds of debates the cherished goal of this country. I would not take the time of the House on that. Perhaps the Second Plan has summarised these goals in succinct terms. They are, I think, the essence of socialism. The first is the provision of jobs, provision of employment to those who are denied the elementary right of earning their livelihood by the sweat of their brow. The second priority, another essential quality of socialism, will be that we try to reduce the inequalities in society. There are two other objectives which of course are necessary to fulfil these two objectives, that is, rapid industrialisation of the country and raising the standard of living of this nation. Now, how far Morarji Bhai's proposals help us in this regard? There is a very interesting feature about planning in India and the Budget proposals. By the very nature, planning means helping those who have been denied a share in society's wealth. Planning, therefore, invariably comes in conflict with those who are generally described as the 'haves'. But surprisingly enough, the most vociferous champions and supporters, nay, advocates of planning in India have been the 'haves' of India. This is something very peculiar. Maybe this is the land of Gandhi and Buddha and therefore, we witness this spectacle that the capitalist class in India have been lending very loudly, suspiciously loudly, their support to the plans in India. I would like to see who are the beneficiaries of the budget proposals and planning in general in this country.

Here is the *Eastern Economist* of April 27, 1962. What has been the result of Shri Morarji Desai's proposals? The Chairman of the Bombay Stock Exchange, which is the barometer of the businessmen's reaction

to what the Government is doing, says:

"The Finance Minister has struck the golden mean between too much deficit finance, both of which could be inflationary in the present circumstances."

Shri K. R. P. Shroff—must be an equally great dignitary like the Chairman of the Stock Exchange; I do not know who he is, but he must be very big, because the *Eastern Economist* quotes him as an authority—has complimented the Finance Minister on having held the scales even between the rich and the poor, between the 'haves' and the 'have nots'. It must be a wonderful means of the ability one can display in holding the scales evenly between 41 million poor and 1 million rich! This compliment should make the Finance Minister sit up and examine as to why, if something is wrong, we are receiving this unadulterated applause from this source. There may be a veneer of criticism here and there. The reason is very simple.

The reason is, during the past 15 years, in spite of all the talks, all the proclamations, all the manifestoes that we have been issuing about our march towards socialism, the economy of this country has been in the grip of one who is a greedy profiteer, and I am afraid, an indifferent bureaucrat. As a result, the beneficiary of what we have been doing has not been the common man, who happened to be on the lips of everyone who spoke in the House; he has not been the beneficiary of planning. Sir, I will be taking the barest minimum of statistics, because I fully agree that statistics can be very misleading. But only to avoid the charge of indulging in platitudes, I will be referring to the minimum of statistics to drive home the point I am seeking to make that during these 15 years there has been an almost aggressive concentration of capital wealth and income in a small sector.

[Shri Nath Pai]

Shri Nigam and Shri Choudhuri—both are very distinguished officials of the Company Law Administration and I hope in being quoted by an opposition Member, they will not be incurring the wrath of somebody—have pointed out these very salient features about this concentration of wealth in our country, in their study *The Corporate Sector in India*. They have pointed out that 7 families control, of the total corporate assets in the country, as much as 35 per cent. There are 119 companies in this country which control as much as 45 per cent of the paid-up capital of companies which they took into consideration, i.e. about 8,000. Further, they pointed out that among the 30,000 registered companies, 0.4 per cent of the companies control as much as 35 per cent of their assets. This is one aspect of concentration of capital.

There is another interesting feature. I have nothing against anybody in particular, but the same 10 families distribute and control among themselves as much as 619 directorships. One of the essential aims, the motive force, of socialism is to prevent, and if we cannot prevent such concentration of wealth, at least to put a check on it. Here the process seems to have been absolutely the reverse. This is about concentration of wealth. What about income?

I will give a few figures about income. It has been pointed out by Mr. Lydall, writing in the *Economic Weekly* of June, 1961.—I am quoting this to drive home the particular argument which I am advancing—that the top 1 per cent of our population receive as much as 10 per cent of the income, top 5 per cent receive 23 per cent of the income and the top 10 per cent of our population control, receive, enjoy and have the benefits of 34 per cent of the total income. There is another interesting salient feature pointed out by these two scholars, civil servants, if you like. They point

out this very interesting feature, that in the highest income bracket of Rs. 2 lakhs and over there has been an appreciation in seven years of as much as 336 per cent in income. Take a few companies—I will cite only three or four. My hon. friend Shri Morarka, who always speaks with expertise, who always speaks with knowledge and who should know better, even he had to quote the dividend returns when he made a reference to the Reserve Bank Bulletin. The Reserve Bank index number of variable dividend industrial securities shows an appreciation of 80 per cent. But I will take a few companies, because these indices can be a little confusing for laymen like me.

Shri Morarka (Jhunjhunu): They were not dividend returns, they were the prices of shares on which variable dividend is payable.

Shri Nath Pai: Quite true—I am open to correction—the index number is about shares. I will tell him immediately about shares also. I have got a handbook here, I would like to point out to him a figure. This is the *Tata Book of Statistics*. This says that on an average the profits have been of the order of 10 per cent, that is, within ten years a man who has the money to invest in shares of equity capital can get a full return of his capital in ten years. I am going to compare it with the common man and what he will be getting. Here are a few companies whose returns are rather interesting. From 1958 to 1961, in four years, the Ambica Mills gave a return of 150 per cent on the equity capital, the Mettur Mills gave 155 per cent, the New India Assurance gave 167 per cent and Burn and Company 105 per cent. Certainly, is it not the most eloquent testimony that we are trying to bring about an equalisation of incomes? Sir, 'equalisation' is a tall claim. We cannot talk of that. But there is no evidence in any sector of a more egalitarian or at least a more equitable distribution of incomes.

Shri Sham Lal Saraf (Jammu and Kashmir): Is it because of the efficiency and technical know-how of these parties that they have earned so much?

Shri Nath Pai: I am coming to that point. I will be grouping like the hon. Member to find a reply to this. I have a suggestion to make, but mine will be a conjecture. Those who can manage only know it better. It will be seen that some of these companies have got more than 1½ times the value of paid-up capital that they invested. Very lucky are the people who can have such benefits from a socialist society!

Having said this, I will compare it with some other sections of the society. Less than 3 per cent of the rich peasants operating about 27 per cent of the acreage, which is about 30 acres per head or per household, have benefited to the extent of Rs. 462 crores from the Rs. 1700 crores income which was generated in the past decade. That means, less than 3 per cent of the peasantry in this country are the beneficiaries of what we have been putting in to bring about a more equitable distribution of income in this country.

Let us see how in that process there has been an aggravation of disparities in the country. Professor Raj, in an essay which he read out to the Dewan Chand Centre here in last March, has pointed out that the agricultural labourer in the past five years, far from being a beneficiary of socialism in this country has been a loser. Today, in spite of all that we claim to have done for him and the investment in irrigation, in fertilisers and all that, the earnings of this agricultural labourer has dropped from 447 to 437. On the other hand, his indebtedness has gone up from 105 to 138, and the days which he has to spend unemployed, cursing his fate for being born in this country, have gone up from 82 to 110. Professor Raj in this analysis

points out that the disparity is of an order where the lowest income of this group is 100 and the highest income is the one to which I referred earlier. That means the disparity is 100 times more. To find a comparable similarity or comparison we shall have to travel far and wide, go to Spain or one of the Latin American countries where alone such disparities in income prevail.

I would like here, at this stage, to point out an interesting thing. We have been talking very loudly about the growth of national income, that during the past decade it has gone up by 42 per cent or so. In the same period, the average *per capita* income has gone up by 17 per cent. May I know what is happening to this then? Here are a few figures from the National Sample Survey. There are 40 million of our countrymen who live on a daily earning, a daily income of 30 nP. Another 40 million are living on 4 annas, 20 million on 2 annas and 60 million on five annas. That means there are 60 million of our brethren whose monthly earnings do not come to half the daily allowance that an MP receives, and we know that an Indian MP is the lowest paid employee in the whole world. That is what an ordinary employee gets in this country.

We are hoping that if everything goes all right, by 1975 the *per capita* income in this country will have been doubled. There are many 'ifs' and many pitfalls in the meanwhile. But assuming that the target will be reached and that we will surmount all the pitfalls and the difficulties which beset our path, where shall we stand? I think a reference was already made to it that the income will be smaller, the *per capita* income that we will get in 1975—I hope many of us will survive these days of scarcity to see that golden day when the national income will be doubled—that will be lower than the *per capita* income that

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a person gets in our neighbouring country of Ceylon and India will, to quote Shri H. V. R. Iengar again, even after five successive Plans will be among the poorest countries of the world. Surely, not again a very good way of telling the world that we are marching towards socialism.

I have before me a review published by the Government of Maharashtra that the Government there spends about Rs. 400 on a prisoner and after fifteen years a citizen of free India hopes to get an annual income of Rs. 400.

Some time back some 800 of our countrymen died in the streets of Kanpur, Allahabad and, I think, in the capital also. What did they die of? Not of any epidemic, but they died because there was no shelter, there was no food, they had nowhere to go and they died after agonising and torturous days in the streets of the capital and other cities in northern India. What a commentary on the tremendous progress that we have made towards socialism! It was precisely the sight of a young girl dying in the streets of London that moved the hearts of a Ruskin and a Marx and gave them the call for a newism, a new religion of the era called socialism. They were agonised to see a young girl of 18 sitting on a dung hill and dying there because she had nowhere to go, no shelter.

In India when such things are happening and when we ask for further details from Shri Datar, the Minister in the Ministry of Home Affairs, he says with such a shocking self-complacency that the House was taken aback, that the Government is collecting the figures and "we have written to the Delhi Administration". How much have we fallen? When the deaths of hundreds of our countrymen, the agonising and tortured deaths of hundreds of our countrymen are taking

place, it is for us an exercise in statistics and arithmetic. Surely, I think this is not the way one proceeds to build socialism. Now Shri Saraf was kind enough to ask me what is happening.

I will take four examples of what is happening here. Firstly, of course, we have a very steeply graded system of taxation. There is the income tax, there is the wealth tax, there is the gift tax and there was the expenditure tax. Of course, if one escapes through all this, there is the estate duty—a remarkable system of taxation. But what is the performance? The expenditure tax has been discarded because the returns are not attractive. I am very sorry that this has been done. The reasons are very simple. Because, the expenditure tax was part of the whole integrated system which was to help the country in preventing evasion and to put a check on ostentatious consumption. Sir Stafford Cripps has gone down in the history of Britain as the iron Chancellor because he had the courage, he had the vision, to bring to his people proposals, measures, which created a new Britain out of the war-devastated Britain. Therefore, a grateful posterity recalls his memory as an iron Chancellor. I think Shri Morarji Desai who, undoubtedly has a large measure of courage but about whose imagination I do not know very much, will certainly go down in the annals of our history, post-war history, as the oracle of ostentatious austerity, because in the midst of all this talk on the one hand, we see the aggravation of poverty and, on the other, an unlimited concentration of wealth. Why do I say 'unlimited'? May I quote Here is a country which openly flies the flag of private capital. And what happened in that country? The American capital had never had it so good as during the regime of Mr. Coolidge and Mr. Harding. Mr. Coolidge said. The first duty of the American Government is to help the business community. He openly claimed that. He said that

"the man who builds a factory builds a temple" He also said that if the Federal Government goes out of existence, the people of America will not suffer, but if industry goes out of existence we shall go to ruin.

When such was the worship of business, even then what was the position? I am quoting from *The Age of Roosevelt*, a first-class study by Arthur M. Schlesinger, Jr.

"Through the decade"—when there was a President who said that the first duty of the American Government is to help the business community—"Through the decade, profits rose over 80 per cent as a whole, or twice as much as productivity; the profits of financial institutions rose a fantastic 150 per cent."

And I have shown that in this country, in a lesser period, profits have gone higher, dividends have gone higher, and the return has been more than 100 per cent. And the Americans never pretended to be following a socialist commonwealth, the creation of an egalitarian society; they were out to help the private *entrepreneur*, the businessman, the business community. Even they would be abhorred to know this. The truth is that the business community in this country has never had it so good as under the Congress regime. And the best evidence, apart from the statistics I have quoted, is the Prime Minister himself, who, in one of those moods which endear him so much to the people of this country, angrily told an election meeting in his own State that during the past ten years the capitalists and the industrialist classes in this country have amassed greater wealth than in the past one hundred years of foreign rule. That is my best and last testimony on this point.

What is happening is this, that we have this system of new taxation, but the tax collecting system remains the old, ancient one. The tax-collecting system has not been geared to the new

tax system. We create a tax and then, before giving a battle, we give it up. I will give this example. This particular tax was discarded. Why? Because the return is not so good. Is the return really that bad? Did we do all that was necessary? Was it not intended as a part of a whole system, and if you pull one plank there is the danger that the whole system may begin to collapse and crumble. That is the great danger.

Let us take the other two taxes. There is the Wealth Tax and the Capital Gains Tax. What has happened to the Capital Gains Tax? I think Shri Morarka will correct me if I am wrong; there are as many as 976 or 977, or thereabout, assesses for the Capital Gains Tax. What is the total return? It is of the order of Rs. 66 lakhs. Who will believe that in this country? If we cast a glance at Calcutta, Ahmedabad or Bombay, what has been the appreciation in the land value and what are the huge transactions? But the poor tax-collector is dodged, is cheated of his due, because of the ingenuity of the businessman, because of the *benami* transactions. Something will have to be done to investigate this, and I hope those who assist the Finance Minister will give some attention to this matter as to how to bring into the net of the tax-collector all these vast *benami* transactions. Will it seriously be contended that the only gain to be taxed in this year was Rs. 266 crores? But this is what we have seen, namely that the total return from capital gains is the paltry, insignificant sum of Rs. 66 lakhs.

Take Wealth Tax again. Rs. 7 crores have been collected. If we compute at the rate of 1½ per cent for Rs. 2 lakhs for an individual and an undivided Hindu family, it means about Rs. 430 crores wealth is earned. If that is so, is this a true picture? What about the accumulation of a sets which is reflected in the investment and the booming share capital? The truth is this, that the ingenuity of the businessman is proving far too much

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for the tax-collector. A method will have to be found out for this.

There are about 77,000 doctors in this country. And how many of them are IncomeTax assesseees? Only 17,000. I think it was some English Viceroy who once quipped that perhaps it is more profitable to be a clergyman than a doctor. That was fifty years ago. We thought that things had changed in Free India. There are only 17,000 doctors paying Income-tax. And I think doctors are among the people who—though they cannot compete with the industrial and financial tycoons who are gradually spreading their tentacles on the industrial and economic life of this country—are certainly well off. But how much tax is collected from them?

Sir, I have given three examples. Here is a tax system on paper, in theory, very steeply and socialistically upgraded. But in practice what is the return? Therefore we go on looking for other avenues of tax collection for our revenue.

I will be pointing out here a few things that can be done. But, Sir, I am afraid about my time and so in case I am running short, I have one word to say before I take up this issue, because I may be cut short, and that is about the public sector. I think I had the privilege once in pointing out some of the glaring shortcomings of the public sector. We were very unhappy, but we certainly want the public sector to remain in this country and—as the Prime Minister said once but which is never implemented—to have a commanding height in the country. We had pointed out that the performance of the Hindustan Steel (Private) Limited was not particularly inspiring. But our intention was never that the public sector should be completely discredited in this country. But Annexure XVII to this Explanatory Memorandum precisely does that. I know, a very

Discussion

brilliant team of devoted civil servants produced this memorandum, and we should like to express our appreciation of the same. But somehow there is something very significant about the manner in which Annexure XVII is prepared. If a Swatantra was to be called upon to pass his judgment on the public sector, he would not have prepared a more damaging annexure than what has been prepared by the Government of India. What does it show? It shows that this is going down, sinking, that it is failing. It simply fails to give an analysis to this country and to Parliament of what is the performance of the public sector.

I know there are many managerial weaknesses. There is a lot of waste, and all this needs to be checked very sternly as quickly as possible, as we hope to do it. And we hope that the Committee of Parliament to check all this will be created without loss of time. But this Annexure certainly fails to tell the people something very significant. First, it does not tell what is the relation of the loans to these companies, to these public enterprises, from the Government, and what is the interest thereon. When it talks of the return being so low as 3 per cent, it does not tell that some of these companies have as much of their capital as 50 per cent, which is a loan from and a debt to the Government of India, and what is the amount of interest being paid. It is nowhere said. What is the actual investment, we are never told. Very significantly, it does not disclose to Parliament, and therefore in the process discredits the public sector, that large amounts are to be kept as reserves, as depreciation fund and other funds, which is a matter of policy. But there is no disclosure of this very salient feature.

An equally important feature about this Annexure is that there is, what is called, social capital which forms nearly 20 to 30 per cent of the investment of the public sector. The townships, the hospitals and the other amenities, they do not bring a return. But this is not separated, and there-

fore the sum total of the product is that we are shown that the public enterprise is not doing well. I hope a vigorous defence of this will be given by the Finance Minister, because there is a cry raised in this country that the public sector is failing. Definitely it has not failed and we shall see to it that we do not allow any one to jump at it to destroy it. What is happening is that this picture is not being properly painted.

But that is not to allow a self-complacency on the part of those who today are running it. In many places there is a lot of scope for improvement. One gets the impression that we have two faces, one of Dr. Jekyll, the respectable face of socialism as we see here, but when Dr. Jekyll goes on his real business he is Mr. Hyde of the Swatantra Party. The Swatantra openly stands for their benefit. But in practice this is what is happening. I am not at all convinced—I hope, Mr. Speaker, that I can have two or three minutes. I do not know how much time I have taken.

Mr. Speaker: He may conclude in two minutes.

Shri Nath Pai: We would only like the face of Dr. Jekyll, the pleasant face of socialism and the benefits that are likely to follow if it is given a fair chance. But he comes as Dr. Jekyll to Parliament, but when he goes to the share market he is Mr. Hyde, and we would like to be saved from this.

Mr. Speaker, I would like, in conclusion, to sum up my criticism and to make once again the plea that if we levy a tax we shall collect the tax. If we lay down a policy we shall have the guts, the courage and the vision to follow it. In the process we may have to hurt. Mr. MacMillan, speaking in the House of Commons, said, you cannot—I do not want that word—without squeezing get anything out of anybody. So, we shall have to hurt somewhere. Shall we squeal the moment the hurt is proclaimed by those who are suffer-

ing the hurt? This was what Dr. V. K. R. V. Rao said in a recent essay. On all the four objectives, he said, the country is failing and the Budget has to be judged against this long term objective and its goal of lessening disparities, of increasing the volume of employment, of giving a higher standard of living to the common man. The concealed falling in the standard of living has been disclosed in a study published by the Commerce—special issue last year. Dr. Rao says, again, in this very respectable *Eastern Economist*, that the employment objective set out in the Plans have not been fulfilled and to the extent that industrial development has formed the sheet anchor of this policy, the industrial revolution has not succeeded in its objective. I am summing up by pointing out that so thorough and objective an observer, who has not been particularly, I think, a severe critic of the present Government like Dr. Rao has pronounced that in the major targets of planned economy, the performance of the Government of India is one though not of massive failure, definitely a lamentable failure. Therefore, I cannot join those who have been vying with one another in lending their support to the Finance Minister.

Shrimati Renuka Ray (Malda): Mr. Speaker, in presenting his Budget for the first time of the Third Parliament, the Finance Minister has very aptly pointed out that fiscal policy and its objectives have changed today. It is no longer merely to raise resources to cover expenditure. But, there are other objectives such as increasing savings, promoting exports and, what to my mind is of the greatest consequence, and in the words of the Finance Minister, it must serve "the objective social justice in distributing the rewards and sacrifices implicit in planned progress."

Mr. Speaker: I have already announced that the Congress Members try to condense their remarks

[Mr. Speaker]

within 10 minutes. That should be a warning to every Member.

Shrimati Renuka Ray: This is very sudden. It will be very difficult to condense.

Mr. Speaker: It was done earlier by me, because, I have a list of Speakers that the party wants.

Shrimati Renuka Ray: Fifteen minutes, Sir. We have therefore, to examine the Budget proposals in view of these objectives and see how far they bring about greater equality between the haves and the have-nots.

In the last session of the last Parliament, in the Lame Duck session, when the Budget was presented, the Finance Minister told us with clarity as to the resources position. Naturally, now, he has brought forward tax proposals for Rs. 60.80 crores which will wipe out the revenue deficit. This is a measure, as he has said, calculated to bring about disinflationary conditions. In a country which has much leeway to make up, we have certainly to go in for planned progress. There are some people who do not believe in planned progress and who do not think, perhaps, that the Third Plan is of much good. But, whatever its defects, the Third Plan has within it all the amenities and necessities of the poor people, which, if implemented, will certainly go a step forward towards bringing about a greater equality. I do not, therefore, agree with my hon. friend Shri Nath Pai when he says that the business community is giving its support and therefore, it must be wrong. Some in the business community may give it lip support. There is no doubt that, if we could implement the Plan in a proper manner and in the manner in which it is meant, we shall go a great step forward towards bringing about a greater equality in the country. There are, of course, sections of the people who have found representa-

tion in Parliament who do not believe in it. The Swatantra Party leader told us that they were very concerned about the common man and they do not think that the Plan would help them; but towards the end of her speech, it seemed that her ache was for the privileged few who have privy purses.

Shri Mahida (Anand): There are in the Congress also.

Shrimati Renuka Ray: That is not the Congress approach.

Mr. Speaker: The hon. Lady Member is losing her time unnecessarily

Shrimati Renuka Ray: Let us examine the tax proposals in this context. We find that the wealth tax has been increased. This is, indeed, something to be welcomed. We find also that there is going to be a tightening of the schedules of admissible entertainment expenditure. This is a good thing. The corporation tax has been increased by 5 per cent. All these will bring about the objective we want.

Turning from this, I come to the question of dropping the expenditure tax. If we really want that the wealth tax returns should come to us—satisfactorily, and that there is check of some kind on spending, it is necessary that the expenditure tax should remain. The Finance Minister says that it is best not to continue a measure which, “as a source of economic restraint, has been ineffective and as a source of revenue, unattractive.” What did Shri T. T. Krishnamachari say when he introduced this measure along with the wealth tax? He said.

“For expenditure tax purposes, the income should not be the decisive criterion. For, if that is so, expenditure from assets, from wealth, will not come within the mischief of the Act.”

Again, he says:

“I hope that in course of time people will agree that they should not spend more than

Rs. 30,000. Ultimately, if everybody spends only Rs. 30,000, we may not get this tax. But, the tax will nevertheless be necessary as a restraint on conspicuous consumption."

Whether the tax has been effective or not in regard to this the abolition of this tax will certainly take away whatever protection there is today. It will be no use having an increase in the wealth tax or in income-tax unless the expenditure tax remains intact. I do appeal to the Finance Minister, who is not here now, to restore the expenditure tax.

Then, I turn to indirect taxation. Here also, the Finance Minister has said that there are people who consider indirect taxation regressive in the sense that the burden falls on the poor. He quotes the example of the excise duty on automobiles, refrigerators, etc., whose incidence naturally falls on the rich. This is begging the question. There are other indirect taxes which are regressive, because, they do fall on the poor men. A poor man in India is not the same as the poor man in America or in England. Therefore, indirect taxes where the consumers are poor people, should not be increased. We have enough of them. For instance, the increase of duty on loose tea: is it not calculated to affect the common man? Do not matches and patent medicines affect the poor people? Does not cloth also affect the poor middle classes? What about railway fares where even in the third class, it is 10 naya paise more? All these things, I think, are regressive in nature. Therefore, I do appeal to the Finance Minister, even at this late hour, to drop these taxes. I speak especially of the poor middle class people who are being terribly neglected today. They are struggling to maintain their standard of living and provide for their children equal opportunities which we want. When we have a proper welfare state on the

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socialist pattern and there being equal opportunity for all the children in the country, it will be different. Now, we are not helping them to keep up their standard and provide for them that educational opportunity through which equal education is available to all. I would beg of the Finance Minister to look into this matter with greater concern, and I hope that even now the income-tax on the lower slabs can be dropped. There are many who believe that a broad-based tax must be there, and that the sacrifice must be spread out amongst the entire community. Yes, but it can be sacrificed only on the part of those who can sacrifice and who have some margin to sacrifice. Only they can be called upon to sacrifice, and not those for whom we are bringing these Plans of development, plans for which we want resources, so that the people who live below the margin of substance can improve their status. Are we going to give them things with one hand and take them away with the other? For, as we all know, the effect of indirect taxation, on the basis of past experience, is cumulative.

13 hrs.

It is not only the commodity which is taxed which goes up price, but some other commodities also go up in price as a result. I do not think, and I do not agree with those who say, that we have fully held the price-line. Of course, it is true that to a certain extent, things are better, and the wholesale index of prices has improved, but so far as the retail prices are concerned, there has not been any discernible improvement, in any manner whatsoever. Anybody who goes to the market and who tries to buy any consumer products, which the poor man also has to buy, knows the truth of this.

Therefore, I would ask that this complacency regarding the price line should go; although to some extent, the price must go up in a developing economy.

There is another point that I should like to raise and that is in regard to

[Shrimati Renuka Ray]

the food policy of our country. Today, we have Nature's bounty on our side, and, therefore, today, the prices of foodstuffs will not go up to a high level. If we bring in credit control, we can prevent speculation on this account. But what are we going to do for the future? Are we satisfied with the progress in regard to fertilisers and in regard to small irrigation works? I come from the district of Malda where small irrigation is most needed but hardly exists. Therefore, I say that we should not be complacent on this point either.

Now, I would say one more word more about the indirect taxes. This is a kind of vicious circles into which we have got. On the one hand, as I said, we are trying to bring in disinflationary measures by seeing to it that deficit financing is decreased, and, on the other side, we are not doing anything to hold the price-line: Unless we take all these precautions and unless we take the various measures that have been suggested by some of the committees and commissions, it is no use saying that thing will improve. I would ask Government not to be like the proverbial ostrich hiding its head under the sand, but to look up and see what is happening.

I would like the Finance Minister, who is not here at the moment, to see what is happening in regard to foreign exchange. This is the most peculiar thing, an irony that exists in this country. We understand that foreign exchange must be conserved. So, even students who want to go abroad for training do not get any foreign exchange. And we quite accept that. But what about those people who are going abroad, not once, twice or thrice, but four times a year with their families, and who do not even ask for any foreign exchange? Where do they get funds from? They make adjustments about the money that is owing to them in the foreign countries and they spend that money there. That money is money that should come to India. That is a form of in-

visible export, I would say, and it is most necessary to check this kind of thing. I am sure the Finance Minister will agree and will not countenance any such thing any longer, and I hope steps will be taken to effectively control these persons who think that they are beyond the law, who do not pay their taxes, who do not feel that the foreign exchange that has to be conserved for the nation needs to be conserved by them. They seem to feel that they do not have to do anything about it, and they do not need to have any national feeling in regard to these matters. Any sacrifice that has to be made has to come from all other people of this country except them. We should take effective steps to deal with these people who consider themselves to be above the law. Parliament has given powers and can give more powers, if necessary, so that this sort of thing could be stopped. How can we face the people when such people can not be effectively stopped from doing such things?

I would suggest most respectfully to our Ministers—some of who are here, and others are not here—that it is necessary for the Ministers in Delhi to set an example of austerity. It is no good preaching austerity to businessmen who have money to buy one or two lavish cars which are difficult to obtain in this country, when such lavish cars are used by our Ministers themselves. I would suggest that they should use for their purposes only the smallest car made in India. The Prime Minister example should be followed. Only then we can catch these businessmen and ask them how they get the funds, and whether they are paying wealth tax, expenditure tax and so on.

There are lots of points to cover, but since my time is up, I would just touch upon one or two more points. I would say just one word about the utilisation of our resources. Of course, we do need all this money which the Finance Minister has ask-

ed for, but I submit that this amount can be raised by other methods. My hon. friend Shri Moraka pointed out yesterday that the amount of these taxes which hit the poor people comes to about Rs. 10 crores. If we drop these taxes, then surely we can raise this sum through other methods and thereby fulfil our Plans.

In conclusion, I would refer to a matter about which I know the hon. Finance Minister is himself quite keen, namely that he should see that the moneys that are allocated to the Ministries at the Centre and in the State Governments are not wasted in any manner but are utilised well. I know that while there is no money to give children meals in the schools, money lapses in the budget provision, and in last year's budget also, money lapsed under the head 'Social services'. That is a tragedy, and I hope that the Finance Minister will see that that does not happen again.

With these words, I support the Budget proposals.

An Hon. Member: The hon. lady Member should come and sit on the side of the Opposition.

Mr. Speaker: Order, order. He can persuade her outside the House, not inside.

Shri Nambiar (Tiruchirapalli): We are encouraging her.

An Hon. Member: When she was a Minister, what did she do?

Mr. Speaker: Order, order. The hon. Member is not listening to me.

Shri Fatehsinhrao Gaekwad (Baroda): Mr. Speaker, Sir, I am most grateful to you for giving me this opportunity to speak today. I have had occasion to bowl many a maiden over at cricket, but this is my maiden speech on the floor of the House.

Mr. Speaker: Does he accuse me for that or does he take the blame on himself?

Shri Fatehsinhrao Gaekwad: I take it upon myself.

As is my practice, I shall be brief and to the point. I have had the great good fortune to travelling abroad and visiting many countries of the world, and during such visits, I have watched and witnessed some of the world's best magicians display their art. But, undoubtedly, the greatest magician in the world is in this country; in fact, he is an hon. Member of this very House, and Indian who also happens to be the Leader of this House, and he normally occupies the first seat in the first row in front of me.

For quite some time, like many of my hon. friends here, the problem of coal and its transport by rail has not only worried me but kept me wondering. We were not sure whether there was a shortage of wagons or whether there was a shortage of coal. I think that the greatest of magicians has solved this in this way namely that he has now reshuffled his Cabinet, and he has redistributed the portfolios. The Minister of Railways has now become the Minister of Transport and Communications, and the Minister of Steel, Mines and Fuel has now become the Minister of Railways, and a new Minister has been put in charge of Steel and Heavy Industries. The Ministries that were quarrelling have now been reshuffled. I hope that at least hereafter, we would not hear of this kind of thing again on the floor of this House. My State, the State of Gujarat, highly industrialised, was hit the most during this period.

For the last few days and today too I have been listening patiently, but I admit with a certain amount of amusement, to certain speeches made from certain quarters across the floor. For sheer command over the language, for sheer diction, these speeches would have won prizes in an elocution contest, as my hon. friend has pointed out. Two parties in particular have been, extremely vociferous, and although ideologically they are poles apart, both have been, funnily enough, speaking on behalf of the common man. May I in all humility be permitted to point out

[Shri Fateshinhrao Gaekwad]

to them that the common man they have been speaking on behalf of, has once again, for the third time in succession,—voted to power a party he has faith in, he has confidence in and which party, he feels, will lead him to prosperity. Is it therefore necessary to ask which party in this House is really interested in advocating the cause of the common man?

And, Sir, speaking of the common man, why is it that all those who attempt to plead his cause, try to convey that he is miserable and unhappy? Is the common man unhappy? Yes, he is, although no one can deny that his lot has been bettered over the last 15 years. But strangely enough, therein lies the very secret, the very cause of it. Now he has been woken up, his lot has been bettered, but having got a little, he now wants more, mainly because he knows what more he ought to get. If a village is supplied electricity, ten other surrounding villages also want electricity. If a village is provided with water works, five other villages nearby want water works too. All villages all over India want everything at the same time. A sleeping nation has been aroused from its sleep and is like a lion aroused from sleep. When a lion wakes up, he starts feeling hungry. When a sleeping nation wakes up, the nation wakes up, the nation feels thirsty, and the thirst is for knowledge.

Here is a glorious example to illustrate what I mean. 75 years ago, during his illustrious reign, the ruler of the erstwhile State of Baroda, my great grandfather, time and again implored his people to send their children to school. But the importance of education was not understood then. Eventually in 1893, he was forced to introduce free and compulsory primary education. Parents not sending their children to school were asked to pay a fine. Funnily enough, many parents

chose to pay the fine and keep the children at home. But today what do we see? I saw it in the last elections. Where there is a primary school, they want a high school; where there is a high school, they want a college; where there is a group of colleges, they want a university.

The common man wants more and, as I said, therein lies the cause of his unhappiness. He has become conscious of what he ought to get. And I am sure—speaking on behalf of my party—that the Congress party will never regret losing an election if that is the price to be paid for such an awakening which is likely to be exploited by the opposition.

Mr. Speaker, Sir, You will no doubt readily agree with me that no person in his right senses either in this country or outside, can deny the fact that we have achieved a tremendous deal since independence. Yes, opinions may differ, will differ, as regards the extent of our achievements. Criticism in various form and manner will be levelled against Government. I am not one who will deny that mistakes have not been committed, and I do not say that we will not make more mistakes. But I am sure that this is what history will say of this country, this is what posterity will testify—that no other country in the entire history of the world has ever achieved so much in a brief span of 15 years.

In my opinion, this is one of the finest Budgets ever presented to this House, and for this the hon. Finance Minister deserves our congratulations. It is a Budget which conforms to the policy accepted by my Party to create a socialistic pattern of society. I am aware of the fact that there are hon. Members of this House, particularly a section of the Opposition, who disagree with me on this. However, I will illustrate to them just one example to prove that the Budget does conform to the policy of ushering in a socialistic pattern of society.

It must be borne in mind that the only direct taxes can be the income- and wealth-taxes and the estate duty. Today the very rich pay as much as 88 per cent in taxes, in addition to the wealth-tax which is also levied on dead assets. Critics do not realise that the removal of the exemption for five years of the wealth tax on investments in new companies means a heavier incidence of wealth tax on the holdings of the rich. In the First Five Year Plan, private sector investments amounted to Rs. 750 crores and in the Second Plan period, the figure went up to Rs. 1,650 crores, making a total of Rs. 2,400 crores. Assuming that the ordinary man invested half of it, Rs. 1,200 crores would be the investment of the richer section. If it is further assumed that out of these Rs. 1,200 crores, Rs. 6,00 crores are accounted for by loans from banks, the balance, which on account of rising prices has become Rs. 1,200 crores, will now be subjected to wealth tax. I must point out to the hon. Finance Minister that this means a sum of Rs. 30 crores and not just Rs. 2 crores, as he has calculated. If this is not an indication that we are on the road to building a socialistic pattern of society, what is?

The rise in prices is only on paper, but payment in the form of wealth tax will, in fact, be in the region of 5 per cent on the rich man's holdings. I cannot claim to be a prophet, but when the rich start to pay wealth tax, they will be forced to unload their holdings and the stock exchange will develop cold feet.

We are wedded to socialism. It is, therefore, understood that inequalities must be removed. We must raise the living standards of the poor. The vast majority of our population is made up of agriculturists. Why cannot we give higher and better prices for what the agriculturist produces? If this is done, two other things will simultaneously take place. The agriculturist will endeavour to produce more, and he will also remain in the village and not drift into the urban areas in search

of employment and there be corrupted by city life.

A great deal has also been done to augment his income in other ways. This has been done through spending vast sums on irrigation projects, road-building, electricity, producing fertiliser and providing him with better seeds. This is only solving one part of the problem. It still leaves us with the task of reducing inequalities and preventing concentration of wealth. My hon. friend Shri A. K. Gopalan, who unfortunately is not here today, the day before yesterday I think strongly advocated increase in direct taxation. I agree with him completely, although I humbly submit at the same time that I think I have an even better suggestion, and I hope it appeals to him and to my hon. friend Shri Nath Pai also. I say impose a ceiling on income, but at the same time remove all direct taxes. I would suggest a ceiling, say, of Rs. 50,000 or even Rs. 40,000, but I reiterate that all direct taxes must be removed simultaneously.

Shri Nambiar: All income will go underground.

Shri Fatehsinhrao Gaekwad: Maiden speeches are not to be interrupted, but I do not mind being interrupted.

It will solve two problems. No bother to the tax-payer—he knows where he stands. And it would mean less work for the tax-collector—the Government. I hope the Finance Minister will give due consideration to this suggestion from a person who may be affected the most.

Sir, that is all I wish to say on this occasion. I once again congratulate the Finance Minister on his Budget, and I whole-heartedly lend my support to it.

Shrimati Savitri Nigam (Banda): It is a very welcome feature that progressively our Budget is becoming an instrument of our Five Year Plans. There is no doubt that our Budget is broad-oriented, but I would have been very happy if it had been socialism-oriented.

[Shrimati Savitri Nigam]

While I extend all my support to the Budget proposals, I would like to submit that our Finance Minister has **been very cautious** as far as direct taxation is concerned. I would like to draw his attention to the happy reactions, to which other hon. Members have also drawn attention, of the stock exchanges and the sigh of relief in all big business houses.

13-23 hrs.

[MR. DEPUTY SPEAKER in the Chair]

The country was prepared for a heavier tax burden as far as direct taxation was concerned. If our Finance Minister had made a little more bold and psychological approach, I am sure he could have easily recovered three-fourths of the deficit by direct taxation.

Though it has become almost a political fashion to condemn the rising prices and it is the easiest way to win the favour of the voter and the common man, as far as the wholesale price index is concerned, it has shown great stability in recent times. But what is most alarming is the difference between the wholesale price index and the retail price index. It shows that the middleman is having a period of boom, enjoying at the cost of the consumer and the producer both. As long as we do not succeed in controlling the markets, in fixing the prices, in making State trading successful, we must avoid this indirect taxation because, howsoever cautious the Government may be, it always affects the common man. In spite of the assurance given by the Finance Minister, all the taxed goods have become dearer in the market.

Take the case of match box and cloth. There is a definite increase in their price in spite of the precautions taken by the Government. So, I would suggest that unless we have got some control and these price fixation committees do succeed in controlling the prices of the essential goods, we must avoid indirect taxation.

I know, as the hon. Finance Minister has pointed out, that for rebuilding the country, we need money, and we have to make some sacrifices, but sacrifices can be made only by those who have got enough to make sacrifices. Instead of taxing the poor people, taxing the essential goods and commodities, if the hon. Finance Minister had taxed luxury goods, only a few people at the top would have resented it, but instead of taxing the luxury goods, loose tea and match box have been taxed.

I would go a step further to suggest ways and means of getting more money. Instead of taxing the individual income, the family income should be taxed. If tax is levied on the family income, all those cunning ways of avoiding taxation would be finished. What happens is that in intelligent and resourceful circles, in order to avoid income-tax, gifts are made, big lands are purchased, houses are constructed and even a child of two months is given a salary. This sort of wrong method adopted to avoid income-tax can be stopped if we start levying tax on the entire family income.

A lot has been already said on the Expenditure Tax. I am surprised that this tax has been abolished. The reasons given by the Finance Minister are not at all convincing. Mr. Káldor is always quoted as an expert regarding the importance of this Expenditure Tax, and I would also like to quote him:

"Apart from the question of incentives, there are other economic aspects in favour of this Expenditure Tax considered in relation to the Keynesian economics. Expenditure Taxes provide a more efficient instrument for controlling the economy in the interests of economic stability and progress than taxes levied on income."

I am glad that the Expenditure Tax has been only suspended and not

Discussion

repealed, I would appeal to the hon. Deputy Finance Minister who is present that it should not be suspended, but it should be brought back. Expenditure Tax is part of an integral tax structure which has been acting as a cross check on all the other taxes such as the Capital Gains Tax, Wealth Tax and Income-tax. Conspicuous income is not so abhorrent to the common man as conspicuous expenditure, and this is an age of conspicuous austerity, not conspicuous expenditure. This Expenditure Tax was helping to a great extent in capital formation also. So, I would again appeal to the hon. Deputy Finance Minister to revise his decision.

Though the hon. Finance Minister has mentioned that permissible business expenditure is going to be tightened up, I would request him to tighten it to a very great extent because this is the biggest blanket for tax evasion. Starting from the birthday party to the marriage party, all sorts of occasions and all sorts of expenditure are shown under this permissible business expenditure.

There are a few drags on our economy, which are really creating great hindrance to our economy, which are economic progress. I would like to mention, first of all, the crippled people. There are more than 5 per cent crippled people in our country. As far as the education of the handicapped is concerned, it is the only subject which has been neglected and which has not made any progress at all to the satisfaction of either the people or the Government.

In America, the tax realised from the income of the handicapped people is more than 22 billion dollars per year while the investment on their rehabilitation, education and employment is only 21 billion dollars. If we can make such a vast population an asset instead of being a big burden on our economy, we would be very much benefited.

Whenever I hear our Education Minister saying that while we have not been able to educate our normal children why should we spend so much money in educating and rehabilitating these crippled children, I am always reminded that this is not the proper approach to this problem. Whatever may be the criteria to measure the importance of the education, training and rehabilitation of the handicapped, it must be given top priority without any hesitation.

While appreciating the wonderful work done by the Planning Commission, I would like to draw the attention of the Planning Minister and the Finance Minister to two very conspicuous defects in our planning. There is not the necessary emphasis on social and economic planning and economic discipline either at the top or at the bottom. Another defect is that there is confusion in the matter of priorities. And the result is that backward areas are becoming more and more backward and the industrial areas are becoming more and more congested and a number of other problems are cropping up, such as slums in industrial areas.

Social and economic disparities are existing not only between State and State but also between one local area and the other local area and between district and district. There are some privileged classes while there are some unprivileged classes. Purple patches here and there do not determine the economic prosperity of a State or an area. To avoid this sort of disparity between area and area and to remove the backwardness from various areas, we must have State Planning Boards and District Planning Boards which may start planning from below. Only then will be able to remove this disparity.

Mr. Deputy-Speaker: The hon. Member must conclude now.

Shrimati Savitri Nigam: Only two minutes more, Sir,

[Shrimati Savitri Nigam]

When the question is raised that backward areas should be given more consideration for locating industries, it is always said that because in the backward areas there are not enough facilities, so, heavy industries cannot be located there. But, what about cottage industries? We should not be guided by the old adage that the Managing Director's wife always decides the location of the industry. We should always be guided by the pledge that we have taken to establish the socialist pattern of society in our country. The Planning Commission should give top priority for providing the basic facilities like roads, electricity, schools as well as cottage industries in backward areas. Only then will we be doing justice to our planned economic growth.

I would here like to mention the case of Bundelkhand. Bundelkhand is an example of what happens to neglected areas. In this area people are deprived of the facilities of the modern age and they are living a primitive life.

I would also like to emphasise that self-sufficiency in food must be attained at least by the end of the Third Five Year Plan. We have made several promises in the past. In 1951 also we had declared that we would reach self-sufficiency by the end of the Second Five Year Plan. Now it is high time that food self-sufficiency is reached by the end of this Plan. Some dynamic steps need to be taken as we have already got many doors shut. Take the case of land to be brought under the plough. We have already got 43 per cent of the land under the plough; it has reached its saturation point. And what is important that there is no shifting from this land. There is such a great burden on this land. Since 1911, other departments and the Planning Commission have succeeded in shifting only 3 per cent of the population from agriculture to other industries. These are the great obstacles in the way of attaining self-sufficiency in food.

As the time at my disposal is very short I would like to suggest very quickly that we must . . .

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

Shrimati Savitri Nigam: Only one minute, Sir,

Mr. Deputy-Speaker: She has already taken 3 minutes more.

Shrimati Savitri Nigam: Land reform legislation should be expedited and double cropping should be increased; instead of 11.9 per cent it must be at least double. Unless the yield per acre is increased or doubled we would not be able to reach our targets.

There is criminal waste of indigenous fertilisers. This should be stopped. Some immediate action should be taken or some legislation must be brought to put an end to that. We are short of foreign exchange and we have not been able to meet our present day needs of fertilisers.

श्री बजराल सिंह (बरेली) : उपाध्यक्ष महोदय, आज इस सदन में पहली बार बोलने के लिए मुझ मीका मिला है इस के लिए मैं आप का आभारी हूँ ।

हमारे सामने जो बजट पेश किया गया है उस को मैं ने देखा । दोनों ओर से कुछ न कुछ गया । हमारी ट्रेजरी बैंकेज ने कहा कि यह समाजवादी बजट है । अपोजीशन ने कुछ ऐतर्गज किया कि शायद यह समाजवादी बजट नहीं है । जो कुछ भी हो हम लोकसभा में जिन लोगों के जरिये से चुन कर आये हैं उन साधारण व्यक्तियों को न तो समाजवाद मालूम है और न साम्यवाद मालूम है वह तो एक दूसरा ही वाद हमारे बीच में देखना चाहते हैं, दूसरी ही बात देखना चाहते हैं, यथार्थवाद की बात हमारे बीच में देखना चाहते हैं । किस प्रकार से उन के ऊपर बोझ बढ़ता और घटता

है उसी के नाते वह हमें देखते हैं और हमारी गवर्नमेंट को देखते हैं। आज मैं निवेदन करूंगा कि हमें सब से पहले उन साधारण मनुष्यों की ओर देखना है जो कि हमारी जरूरतों की सब से पहली, बुनियादी चीज हमें देते हैं। मेरे विचार से हमारे प्रधान मंत्री जी ने भी यही बात हम ओर इशारा किया। हमारे और मिनिस्ट्रों ने भी इस बात को माना है कि सब से पहली जरूरत हमारे सामने अन्न की है। यदि हम अन्न की समस्या हल कर सके तो बाकी बहुत सी समस्याएं उस के पीछे हल हो जाती हैं। परन्तु उपाध्यक्ष महोदय, मैं बतलाना चाहूंगा कि हमें देखना यह होगा कि हमारे अन्न को कमी के लिए जिम्मेदार कौन है? क्या वास्तविक अपना पूरा काम कर पाता है? क्या उसे इस बात की पूरी सुविधायें दी जाती हैं कि वह अन्न में वृद्धि कर के देश के बाकी लोगों, शहर के रहने वालों, का पेट पाल सके?

यहां पर बड़े बड़े सिद्धान्तों और बड़े बड़े आंकड़ों की बातें कही गई हैं, पर मैं फ़िनांस मिनिस्टर साहब का ध्यान ज़रा इधर दिलाना चाहता हूँ कि आज गांवों में खेती के छोटे से छोटे यूनिट को हम ने जो साढ़े बारह एकड़ मान लिया है। अगर कोई उस से अधिक ज़मीन खरीदना चाहता है, तो उस को खरीदने का अवसर नहीं दिया जाता है—कानून उस को मना कर देता है, उस को रोक देता है। इस अवस्था में क्या कभी यह सोचा गया है कि उस साढ़े बारह एकड़ में हम किस प्रकार की खेती करें? क्या वहां आधुनिक यंत्रों से खेती करें?—जैसा कि प्रधान मंत्री जी हमें बताते हैं कि आधुनिकतम यंत्रों का प्रयोग किये बग़ैर हम तरक्की नहीं कर सकते। अगर करें, तो मैं पूछूंगा कि क्या ऐसे यंत्र उपलब्ध हैं, जो कि साढ़े बारह एकड़ ज़मीन का मालिक अपनी जेब से खरीद सके। नहीं हैं।

मैं निवेदन करूंगा कि सरकार इस मामले में काफ़ी मदद कर रही है। वह हमें कर्ज बांट रही है और थोड़े से सब्सिडाइज्ड रेट्स

पर कुछ यंत्र हमें देती है। लेकिन आप देखें कि उस साढ़े बारह एकड़ को वैंयुएशन कितनी आती है। मैं उत्तर प्रदेश के बारे में जानता हूँ कि हमारे यहां प्रति-एकड़ लगान पांच रुपये से अधिक बहुत मुश्किल से ही है। बहुत थोड़े से ऐसे क्षेत्र हैं, जिन में पांच रुपये एकड़ से अधिक लगान है। यदि पांच रुपया साधारण लगान मान लें, तो चूंकि लगान से तीस गुना तक लोन एडवांस होते हैं, इसलिए हम बारह एकड़ पर राउंड फ़िगर में एक दो हजार रुपये गवर्नमेंट से मांग सकते हैं। उन दो हजार रुपयों से क्या तरक्की कर लें? ट्रैक्टर खरीद लें? नये बेल खरीद लें, खाद डाल दें या सिंचाई को सुविधायें पैदा कर लें? क्या कर लें?

जो ग्रामीण क्षेत्र के लोग हैं—जो इस लोक सभा में भी हैं—, वे जानते हैं कि खेती की तरक्की के लिए हमें कई ओर देखना पड़ता है और केवल एक ओर ही देखने से खेती की तरक्की नहीं हो सकती है, अधिक अन्न पैदा नहीं हो सकता है। आगे की तरक्की करने की बात तो दूर रही, एक खेतिहर के पास, जो पीछे का खाया हुआ है, खर्च किया हुआ है और पिछली फ़सल का गंवाया हुआ है, उस को पूरा करने की शक्ति नहीं होती। अगर यह थोड़ा सा रुपया उसे दे भी दिया गया और उस ने थोड़ी तरक्की की भी, तो उस का नतीजा यह निकलता है कि जब उस रुपये की बसूली का समय आता है, तो जो चीजें उस ने कर्ज से खरीदी हैं, उन को वह बेचने पर मजबूर हो जाता है। इतना ही नहीं, कभी कभी ऐसा भी होता है कि वे चीजें बेचने पर भी उस कर्ज का सूद पूरा नहीं होता है। हम ने उस से अपेक्षा तो यह की थी कि वह तरक्की करेगा और ज्यादा अन्न पैदा करेगा, लेकिन इस प्रकार हम ने उसे और मुसीबत में डाल दिया।

मैं अर्ज करूंगा कि आज बाहर के मुल्कों से जितना भी कर्ज ले कर हम ने तरक्की की है—तरक्की करने का ढंडोरा पीटा है, और

[श्री बृजराज सिंह]

क्षेत्रों में चाहे जो कुछ भी हुआ हो, खेती के क्षेत्र में उस से कोई फायदा नहीं हुआ है। इस के साथ ही साथ कर्जा लेने की आदत खुद तो हम ने अपना ही ली, वह आदत ग्रामीण जनता को भी दे दी। अब वे लोग भी कर्जा लेना सीख गये हैं। हमें बताया जाता है कि आत्म-निर्भरता ही उन्नति का साधन है, लेकिन आत्म-निर्भरता के सिद्धान्त का सब से पहले खंडन करती है हमारी सरकार और उस के बाद वह आत धीरे धीरे हम लोगों तक पहुंचा देती है।

सिंचाई के कुछ नये साधन उपलब्ध करने के अलावा जो हमारे सिंचाई के पुराने तरीके हैं, नहरें और तालाब आदि, उन में कोई सुधार नहीं हो सका है। अगर नई योजनायें इस बारे में नहीं बनती हैं, और कुछ नहीं होता है, तो कम से कम पुराने साधनों को ही सुधारा जाता। आज स्थिति क्या है? हम नहरों के भरोसे यह इन्तजार करते हैं कि बैसाख के महीने में कुछ चारा बो देंगे। नहर एक बार आई भी। हम ने पलेवा किया और चारा बो दिया। लेकिन दूसरी बार बैठे रह गये, क्योंकि नहर देर से आई। तो जब जानवरों के लिए चारा चाहिए था, उस वक्त अकाल पड़ गया। चारा भी गया, खेत भी गया और आबपाशी भी पड़ गई। फायदा कुछ नहीं हुआ।

खेती के सुधार के लिए, जिस के बारे में हम कहते हैं कि वह हमारी सब से पहली ज़रूरत है, सरकार ने कुल ८० करोड़ रुपये लगाये हैं। अगर हम उस रुपये को अपने तीस करोड़ खेतिहर बन्धुओं में बाँटें, तो एक व्यक्ति पर लगभग दो रुपये आते हैं। फिनांस मिनिस्टर साहब ने अपनी स्पीच में कहा है कि हमारा इंडस्ट्रियलाइजेशन भी कभी पनप नहीं सकता, अगर हम ने खेती को न पनपाया। आज हम लोग कनसल्टेटिव कमेटी में बैठे थे। वहां भी इस बात को बार-बार कहा गया। उस के बाद प्रधान मंत्री जी से परिचय करने के लिए एक

मीटिंग की गई थी। उन्होंने भी कहा कि किसी भी मुल्क में, किसी भी प्रदेश में इंडस्ट्रियलाइजेशन पनप नहीं सकता, जब तक कि वहां की खेती सुधरी न हो। मैं निवेदन करना चाहता हूं कि इस अवस्था में हमारे सब नेता लोग यह जानते हुए भी ऐसा क्यों करते हैं कि खेती को और थोड़ा ध्यान देते हैं और इंडस्ट्रियलाइजेशन को और अधिक।

हम देखते हैं कि इस देश में तीन स्टील प्रॉडरटेकिंग्स में १,००० करोड़ रुपये लगाया गया है। वह शायद अपनी जगह पर कम है, पर मेरा तो इशारा सिर्फ इतना है कि एप्रीकलवच के लिए उतना तो होना ही चाहिए। मैं समझता हूं कि उस से कम होना बंदर-बांट है। जब वे मानते हैं, हम को बताते हैं, सब समझते हैं और फिर भी ऐसा करते हैं, तो इस के लिए कौन उत्तरदायी है?

मैं निवेदन करूंगा कि अगर इस प्रकार की तरक्की के लिए हम ने बाहर के मुल्कों से कर्जा लिया और अपने स्टैलिंग बैलेंसिज को खत्म किया, तो अच्छा नहीं किया—अपने साथ भी अच्छा नहीं किया और देश के साथ भी अच्छा नहीं किया। मुझे आप के सामने अधिक आंकड़ों की बात नहीं कहनी है। मैं केवल इतना ही निवेदन करने के लिए खड़ा हुआ हूं कि हमारे मिनिस्टर लोग आंकड़ों के खिलवाड़ में भावनाओं को पीछे ठकेल देते हैं। वे आंकड़ों से यह सिद्ध कर देना चाहते हैं कि हमने अपने व्यापार के लिए, अपने लोगों के रोजगार के लिए, देश के खेतिहरों के लिए, साधारण जनता के लिए सब कुछ कर डाला है। मैं फिर यही निवेदन करूंगा कि साधारण जनता आपके आंकड़े देखना नहीं चाहती, साधारण जनता आपके “वाद” देखना नहीं चाहती, आपके इज्म देखना नहीं चाहती, वह चाहती है पुख्ता तरक्की वह चाहती है कि दिन-ब-दिन उसको सुख, चैन और आराम

मिले। अगर हम छोटी छोटी चीजों पर, यहां तक कि रोजमर्रा की इस्तेमाल की चीजों पर जैसे चाय, बीड़ी, साइकल के छोटे छोटे पार्ट्स, कपड़ा, तम्बाकू, टैक्स बढ़ाते हैं और टैक्स बढ़ाने को नोबत आती है तो मैं यही कहूंगा कि हमारे बजट ने और बजट बनाने वालों ने भी देश के साथ, आम जनता के साथ ईसाफ नहीं किया है।

अगर हम अपनी सुरक्षा को देखें, तो क्या पता चलता है। चूंकि कम समय दिया गया है और मैंने काफी समय खेती पर ही लगा दिया है और दूसरी चीजों की तरफ ध्यान नहीं दिया है और मैंने भी मेरा बहुत ज्यादा ध्यान उनकी तरफ नहीं था, इस वास्ते मैं संक्षेप में ही इसका जिक्र कर सकता हूं। जब हमारा सुरक्षा व्यवस्था की ओर ध्यान जाता है तब मुझे ऐसा लगता है कि कहने को तो हम अपने देश को भारत मां कह कर पुकारने के लिए तैयार हैं मगर वह केवल जुबानी जमा खर्च है जो केवल कागजों तक और लैक्चरों तक ही सीमित है। हमने अपनी भावनाओं को इतना ऊंचा करके नहीं रखा है कि एक मां की गोदी के लाल के सम्मुख मां के एक अंग को भी अगर कोई विदेशी छू दे तो जैसी कसक एक लाल को होनी चाहिये, वैसी कसक हमारे दिल में नहीं होती है। चीन की तरफ से हमला चलता आ रहा है। एक बहुत बड़े क्षेत्र को चीन ने दबा लिया है पर आज भारत मां के लाल कुछ नहीं कर रहे हैं, चैन से बैठे हैं। मैं अर्ज करूंगा कि भावना की कमी है, सुरक्षा के साधनों की कमी नहीं है। यदि एक बार हम में यह भावना आ जाए कि यह हमारे देश की मिट्टी को रो मिट्टी नहीं है बल्कि हमारी मां का अंग है तो शायद हम उस शान्ति से सोते नहीं रह सकेंगे, जिस शान्ति में हम अब सो रहे हैं। काश्मीर की तरफ आप देखें। नागा नैंड की तरफ देखें जहां पर लोग धीरे धीरे हमारी टैरिटरी से हो कर बाहर पाकिस्तान की ओर चले जाते हैं। पाकिस्तान से कितने ही होस्टाइल इश्गर आ कर चैन से रहते हैं, डाक्स में काम करते हैं। फिर भी वे

यहां बड़े आराम से और चैन से रहते हैं। पड़ोसी देशों में भी हमारे जहां प्रेस रिप्रिजेंटिव हैं, उनको निकाल कर बाहर कर दिया जाता है : पर हमारी तरफ से कोई इस तरह की बात नहीं की जाती है। हम समझते हैं कि हम बहुत बड़ी और बहुत अच्छी बातें कह रहे हैं, बहुत अच्छा कर रहे हैं कि उसका जवाब नहीं देने।

मुझे एक और चीज निवेदन करनी है। हमारे यहां लूम रनर्ज का व्यापार चलता है। यहां दिल्ली में भी और चारों ओर यह चलता है। यह देश व्यापी चीज है। तीन प्रकार की लूमज अब तक चलती रही हैं। विशेषतः मैं जिस के बारे में निवेदन करने जा रहा हूं वे ऊनी कपड़े की लूमज के बारे में निवेदन करने जा रहा हूं। एक लूम वाले जो लोग थे उनके ऊपर कोई लैबीज नहीं लगाई जाती थी और वे शान्ति से कम करते थे। नतीजा यह होता था कि उन्हें हर चीज महंगी मिलने पर भी फायदा होता था। यार्न वे अपने आप नहीं बुनते थे, यार्न वे मिलों से खरीद कर लाते थे और मिल वालों को जहां यार्न की कीमत नौ रुपये पड़ती थी वहां इन गरीब आदमियों को १६ रुपये में यार्न मिलता था। इतना होने पर भी वे कपड़ा मिल वालों से कहीं सस्ता और ज्यादा बेच लेते थे। दूसरी प्रकार की जो लूमज थीं वे चार या चार से ज्यादा वाली थीं। वे लोक स्पिनिंग भी करते थे और स्पिनिंग के बाद वीविंग भी करते थे, बुनाई भी करते थे। उन लोगों के ऊपर कुछ थोड़ा सा टैक्स पड़ता था। पर इससे बड़ी एक तीसरी कैटेगरी थी जो कि यह सारा काम करती थी और इनके ऊपर साढ़े ग्यारह परसेंट के करीब टैक्सिस पड़ते थे। अब हमारी सरकार ने नई योजना के अन्तर्गत इन सब के ऊपर दस परसेंट का टैक्स लैवी कर दिया है। इसका क्या नतीजा निकलता है? इसका नतीजा यह निकलता है कि जो बड़ी बड़ी फैक्ट्रियां हैं, जो कि अपने आप यार्न बनाती हैं, अपने आप डाई करती हैं, कलरिंग करती हैं, अपने आप फिनिशिंग करती हैं और

[श्री बृजराज सिंह]

अपने आप उसको बना करके बाजार में बेचते हैं, उनको तो आराम हो गया मगर जो एक लूम वाला था, उसको बिल्कुल मौत हो गई वह बिल्कुल तबाह हो गया। मैं फाइनेंस मिनिस्टर साहब से अपील करूंगा कि ये कैस शायद उनके पास भेजा गया है, वह इसको जरा गौर से देखें और कुछ करने की कृपा करें ओवर-आल बजट को भी मैं चाहता हूं वह जरा देखें और अगर वह उसमें सुधार कर सकते हैं, तो सुधार करने की कोशिश करें। मालूम नहीं कि हमारी इम चिल्लाहट से कुछ सुधारने वाला है या नहीं। पर यदि वह थोड़ा भी इसमें सुधार कर सकते हैं, तो उनको इम बात का जनता बड़ा स्वागत करेगी।

Shri Kamalnayan Bajaj (Wardha): Mr. Deputy-Speaker, Sir, the Finance Minister's budget speech and the economic review have created a climate of reassurance and confidence. The proposals, on the whole, are sound and practical. I welcome the increase in the exemption limit on donations and charities. It will help the educational and other social welfare activities in the country. The increase in the exemption limit on post office savings certificates, insurance premia and provident fund contributions is also a good gesture.

But I am afraid, with the increase in the personal taxation it is a matter of great doubt as to how many people would be able to take advantage of this. I think the abolition of the expenditure tax is a very good thing. It has been said in the House that it was a part of the whole integrated tax structure of the country. Although I grant that, still to create a feeling of suspicion, distrust and the harassment which followed along with the expenditure tax was no credit to the country. I say that whatever benefits accrued because of the abolition of the expenditure tax have been more than taken away because of the increase in the wealth tax,

which I heartily welcome for various reasons, to which I will come later on.

My friend, Shri Nath Pai, said a few things about which I would like to say something. He and the hon. leader of the opposition also spoke about the high dividends which some companies were paying. Many companies are old and while calculating dividend, we must also calculate the reserves that they might have built up in so many years. Also, they may have other capital by borrowings from private sources. You should take the total into account and then alone calculate the dividend.

My friend, Shri Nath Pai, also maintained that the disparity in the country is 1 to 100 per cent and he quoted some authority. Perhaps that may be true. To my mind, the disparity is probably more. I had been to Russia in 1954 and even there where everybody is an employee of the State, the disparity was not less than 1 to 100 per cent. Even there, with such high salaries which the individuals got, the income-tax or the direct tax was negligible. I do not suggest that the disparity should not be reduced, but for that purpose income-tax should not be taken advantage of. I believe that income-tax is meant mostly for creating income and wealth and that should not be discouraged. If after paying the tax from the income wealth is created, in one year or years there will be more wealth tax payers in the country and it should be welcomed. But as far as the question of reducing the disparity is concerned, and according to the socialist pattern of society that we have accepted at least our party has accepted it—we must rely mostly on the estate duty and also on the wealth tax. That is how I welcome the increase in the wealth tax.

14 hrs.

My hon. friend Shri Nath Pai also said that in the hundred years or

more of British rule probably the business community has not made that much profit which they have made in the last five years.

Shri Indrajit Gupta (Calcutta South West): He was only quoting the Prime Minister.

Shri Kamalnayan Bajaj: I agree with him. I am proud of it and the business community is proud of it. When the British raj was here it was only a police raj. There was nothing to be created in the country. Our hands were tied, the hands of the business community and the industrialists were tied. Now if the country desires, if the Parliament desires that the country has to be built and that the private sector has to be encouraged, then alone is the private sector interested, then alone are the businessmen interested in doing it. But, on the other hand, if this House in its wisdom passes a resolution that the private sector is not necessary, I am sure many of the private sector people—they are also no less patriots—would stop their industries if they are not profitable, if they are not advantageous to the country.

Some hon. friends have also quoted the authorities of share bazar presidents and other business people and said that they have welcomed the budget proposals. I must say that their welcoming the budget proposals does not make it a capitalist budget, because among the businessmen and the industrialist community there are honest people also and if they have felt something honestly for the budget and if they have said that it should be welcomed there is nothing wrong in it. There are people among the politicians who have criticised the budget not because of the merit of it but because of their political brand or label. I think that is to be denounced more than the honest opinion that comes from any section of the community. I do not say that among the business community there are not people who might have appreciated

or criticised the budget because of their own interests. That may be so. But to denounce it because somebody has appreciated it at a particular stage is not quite proper.

During the British rule, as I said, there was no development which was going on in the country. The country has to be developed now. Nobody will object if we decide now that we will develop the country only in the public sector and not in the private sector. But our results so far achieved in the public sector are gloomy, and we are very sorry and grieved about it. I do not know how we can improve it. But unless we improve it we will be going in a very difficult way, because without the public sector, in a planned and controlled economy, even the private sector cannot be sustained. This is my firm belief, and for that reason it is all the more important and necessary for the private sector or for the country's good that the public sector is developed properly, methodically and systematically and it is made to pay profitably. Supposing the private sector was not allowed to develop, whatever may be the development that has been done in the public sector, the private sector's contribution would not have been there and the results achieved so far would have been much more worse than it is at present.

For that reason, Sir, it should, all the more, be the concern of the country and everybody that in the public sector we must have a very strict control. You may appoint a committee of some people. It is not the nationalisation, as we call it, of the public sector that is going to help us. When you nationalise according to the western thought, you nationalise the material wealth—may be machinery or money or whatever it is—whereas according to the eastern custom, according to the Asian or Indian custom, we should nationalise the real talent the experience, the good successful talent in the country in every walk of life whether they are engineers, doctors, architects, business-

[Shri Kamalnayan Bajaj]

men, industrialists, artists, dancers or singers. When they have reached an age of 50 and they are successful with a good reputation, if we call upon them and tell them that the country needs their services in the public sector, that they have to come and champion the cause of the nation to make it a success, I am sure there are not people wanting who will come forward to contribute their best of life for developing the public sector in this country.

Today, Sir, we are manning the public sector with civil servants or administrative staff. I have no grievance against that. Quite a large number of them are very honest, very able people and we are proud of them. But, supposing an ICS officer who has experience in the matter of administration is asked to operate upon some patient, probably he will kill him or do something like that. Similarly, I believe that the public sector, if it is to be managed, must be managed in a business way and the proper people for it will have to be found out in the same way as we select judges. A lawyer's income may be Rs. 20,000 or Rs. 30,000 a month, but when you ask him to become the judge of a High Court you invite him and he accepts a salary which is much less than his income and becomes a judge. Why? It is because he gets a certain amount of prestige and he has a chance to serve the nation. Similarly, if we invite good people from all walks of life, place them in the proper places and ask them to serve the nation, I do not think patriotic sentiment is lacking in the country. But if you ask them to do a certain thing with suspicion or distrust or humiliations that is what any person would not like.

Sir, I have quite a lot to say, and I do not think I can finish everything in the short time at my disposal. I will take only as short a time as possible to convey a few things. Regarding

ing the company taxes, it has been increased by 5 per cent. But if we calculate the tax revenue yield it will be 11 per cent. I have no objection to that. If it is necessary to increase the tax further, the country is entitled to do that and the Finance Minister is the best judge for it and he should do it. My objection is only this. When you ask the country or anybody to develop further, at least for the Plan period there must not be changes in the fundamental company tax for the duration of the Plan period i.e. five years. The people have calculated that for their development they will need so much ploughing back. 5 per cent increase in the company tax will take away more than 50 per cent of the savings which is there for them to plough back because for the 50 per cent which remains after paying the taxes the dividend liability is there, that should at least be constant and you cannot go on decreasing the dividend while your total income increases. Whatever taxation proposals the country needs you may bring in and you may tax to any extent you like, but you must take care to see that you do not play with it. I will give an example. There is the exemption on the new company's investment in wealth tax for five years. People have committed themselves on this assurance and have bought shares. If all of a sudden you remove it and say that for two years there was the exemption and for the next three years the exemption will not be there, it is not fair. You may put this restriction on the people who invest in new companies hereafter, but those people who have already invested and who were assured of exemption for five years should be given protection and in the middle of the term it should not be removed.

I will say only one thing more and that is regarding the privy purse. I have some personal knowledge about it. Actually I had something to do with it. If I say that I was the author of getting the privy purse exempted from income tax, probably I may not be wrong. It was I who mooted this

idea first. Let me give a brief history of it because many hon. Members of this House are interested in it. When the Deccan States Union was formed, I was the chairman of the parliamentary board. The Raj Mandal was proposing to submit a Memorandum to the late Sardar Patel regarding the private properties that will be taken away after the union was formed. When they were discussing it with their legal and economic experts, they were kind enough to ask for my opinion also. I told them that while I have nothing to do with what they ask for, personally I am of the opinion that if they ask for small things like furniture, houses etc. that is not going to help them and so they must ask for privy purses being exempt from income-tax because if they get in lakhs or crores, so long as it is not free of income-tax it is not going to help them. Then they wanted to know how it could be done because of the legal difficulty. I advised them to approach Sardar Patel. When they approached him, he sent for me and discussed with me the whole issue. I asked him in Gujarati whether he actually wants to give them something or it is only a make-believe. He said that honestly and sincerely Government wanted to give them something. I told him that the personal income of the rajas and maharajas at that time was so much and it was tax-free before they joined the Indian Union. Even if you give them in lakhs and crores as privy purse, that will not exceed the total income that you would be receiving from their private income by way of income-tax. At the same time, they had certain liabilities which they had been incurring for generations on retinue of servants and things of that nature. Of course, I do not want to go into the details of all that. What I am saying is that the privy purse was calculated according to a system after taking into account the liabilities of the princes at the time of granting it an assurance was given by the country that it will be continued. So, we should not go back on that. But there is one thing.

Shri Hanumanthaiya (Bangalore

City): Is it not governed by the Constitution?

Shri Kamalnayan Bajaj: That is for you to decide. I was giving the background. The calculation was not made by me. But I can assure you that the privy purse which they are getting is not in any way more than what they were getting before because previously their income was tax-free.

Shri Hanumanthaiya: I am raising a legal point. We have taken oath of allegiance to the Constitution. As we know, the Constitution can be amended. This idea of making a promise to continue Privy Purses which is to stand permanently and for ever goes against the very spirit and letter of the Constitution. I hope my hon. friend will not repeat this word "promise". When I get an opportunity, I will speak on it. I had also talked about the privy purse with Sardar Patel. I was a member of a committee which the Constituent Assembly appointed—Sir B. N. Rau was the chairman of that committee—to draft model constitutions for the States. We were framing constitutions for all the States in India. I have knowledge and experience of what that committee did. I had a personal talk with Sardar Patel in the matter and I hope I shall be able to reveal it at the proper stage.

Shri D. C. Sharma (Gurdaspur): I suggest that he may be given an opportunity to speak after the hon. Member concludes.

Mr. Deputy-Speaker: The time of the hon. Member is up.

Shri Kamalnayan Bajaj: I will take only a few minutes.

Mr. Deputy-Speaker: He has already taken 20 minutes.

Shri Kamalnayan Bajaj: Other hon. Members have interrupted me and that is why I took so much time. Let me complete this point on which I have given one part.

I have stated that the privy purse should not be reduced because of the promises that we have made. But

[Shri Kamalnayan Bajaj]

there are certain lacunae on account of which it could be recalculated. The privy purse was fixed after taking into account the liabilities of the princes. If they do not honour their liabilities then there is no reason why the same privy purse should be continued.

Shri Ansar Harvani (Bisauli): They have spent a lot in the elections.

Shri Kamalnayan Bajaj: If they have spent in the elections, they have private wealth also.

Suppose a maharaja was getting a big amount as privy purse because there was a dowager maharani, if she is no more, and similarly if the number of servants is less it can very well be reduced and it cannot be opposed or criticised on any ground. So, in this way, some revision or recalculation in the privy purse can be made without in any way going back on our promises.

Shrimati Jyotsna Chanda (Cachar): Mr. Deputy-Speaker, I am grateful to you for giving me this opportunity to join in the budget discussion. I am not competent to comment on the technical aspects of the budget as I am not familiar with high finance and economic policy. It is, therefore, with considerable hesitation that I rise to submit a few points concerning the economic situation in my State of Assam and, in particular, in the Cachar constituency which I have the honour to represent here.

Assam has more than her share of problems—the unfortunate language controversy which has brought needless and avoidable sufferings to many, the border problem with all the political and strategic implications, the refugee problem which remains unsolved, the difficult and complex problem of the hill people and a host of other problems. But it is not often realised that the economic problems of Assam, particularly of Cachar, are equally serious.

The lack of adequate transport and communications and the low level of

industrialisation are the two most important problems facing Assam. The only industry in Cachar, the tea industry, is in a bad shape. I welcome the reduction of the duty on tea proposed by the hon. Finance Minister. The economy of the entire country is affected by the foreign exchange earnings of this industry and the budget has shown adequate realisation of this fact. There are, however, a number of other industries which deserve special consideration in view of the special problems in the region which I represent, particularly the transport and communication problem. I understand that a number of industrialists were given licences for starting industries like paper pulp, paper, rayon etc. in Cachar but they have surrendered the licences for reasons better known to them. May I submit that a Regional Development Committee be constituted to survey that area so that such kinds of industries be set up either in public or private sector for the area is not lacking in natural resources like bamboo, coal, oil etc.

The lack of adequate transport and communications has its impact on the daily life of the people—the high cost of living, the scarcity of essential goods, the rising prices, the great delays in getting things etc. Assam is practically cut off from the rest of India and the whole economy of Assam is dependent on quick, efficient and cheap transport. Air transport is far from cheap and yet for most people in Cachar it is the only effective means of transport. And it is not only the person who travels that has to bear the high cost of transport; the common man is dependent on air transport for the daily necessities of life. So, I would urge upon the Government to consider the possibility of subsidised air transport between Cachar and the rest of India. I may point out that there is at present subsidised air freight between Calcutta and Agartala in Tripura. Subsidised air freight may succeed in putting a check on the rising prices.

The problem of road transport in Cachar and Mizo districts has also to be satisfactorily solved. The Silchar-Shillong road is the only means of communication between Cachar and the rest of Assam except the feeble rail link with Gauhati. Since a few bridges have not been constructed on that road, it is not an all weather road. Five years back a bridge over the river Barak in Cachar was taken up. It is most unfortunate that the incomplete Barak bridge is the sad witness of the Second Five Year Plan. The time-lags and delays in the execution of projects which so vitally affect the daily lives of the people do not speak well for planning.

Then I would like to draw your attention to the refugee problem in Assam, particularly in my area, namely Cachar, where most of the refugees have taken shelter. The Ministry of Rehabilitation has been abolished both at the Centre and in Assam. But the refugee problem has not been solved in Cachar. It may be noted that the 1961 Census revealed that Assam had the highest rate of population growth, nearly 34 per cent, during the last decade. Assam has been subjected to a heavy dose of infiltration from East Pakistan during the last decade. In addition there has been considerable refugee migration. As far as my information goes, hardly a quarter of the refugees have been rehabilitated, and the plight of the rest is miserable. In 1950-51 Government launched a scheme, in collaboration with the Indian Tea Association, for rehabilitation of refugees in the tea estates of Cachar. This scheme met with failure. There was no proper investigation regarding the failure of this scheme.

In Ramkrishnanagar in Cachar the Central Government launched a scheme, known as the Central Tractor Organisation for the rehabilitation of the displaced persons. This also failed. An enquiry committee was set up on which I also served as an M. L. A. The report of the committee was submitted to the Government in early

1960. To my knowledge no action has been taken since then. Whether or not there is a Ministry of Rehabilitation is irrelevant, but the Government has the moral responsibility to rehabilitate those displaced persons.

I shall briefly refer to the problem of the hill people. In the context of national integration it is of the utmost importance that there is a greater understanding of the problems of the hill people. Unfortunately the British practice of separating the hill people from the other people has been unwittingly continued to this day. It may not be out of place to mention here that my constituency includes the Mizo Hills, and yet I have to get formal permission from the District Magistrate, Mizo Hills every time I enter the district. This is certainly odd, and I hope the Government will take steps to remove such an anomaly. The Mizo Hill people have to depend for their foodstuffs and other essential commodities, to have them carried through Cachar. There are some areas in mizo Hill even now where exists no road. The Chakma community who live in the border of Burma have to live most of the time without salt, what to speak of other facilities. In 1960 last there was great famine in Mizo Hill; rice and other foodstuffs had to be airlifted which cost a few lakhs of rupees with a colossal wastage. I would request the Government to look into the transport and communication facilities of these areas.

It may not be out of place to state here that the Karnafuli Dam which is being constructed by the Pakistan Government will submerge a big area of Mizo and Cachar districts. Our Union Government will have to be prepared to take the responsibility of rehabilitating those unfortunate victims of the Karnafuli Dam.

Lastly, I shall refer to the financial situation in Assam. In his budget speech the hon. the Finance Minister pointed out that it was a matter of concern that the progress in regard to

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additional taxation by the States had been slow and in 1961-62 the States budgets provided for additional taxation with a five year yield of about Rs. 100 crores only as against the target of Rs. 610 crores. set in the Third Plan. There is today an increased tendency on the part of States to seek as much financial assistance from the Centre as possible without raising revenues within the States. It is easy to exaggerate the problems of a State like Assam and make special claims on the Centre. But, Sir, in fairness to the Central Government, it must be said that Assam has been very favourably treated by the Centre regarding the Third Plan. The Third Plan for Assam is for Rs. 120 crores, compared to Rs. 28 crores in the First Plan and Rs. 51 crores in the Second Plan. This indicates a very substantial increase in the Third Plan. The efficient utilisation of this amount may pose a problem for the Assam Government. As pointed out in the Assam budget for 1962-63, the average plan expenditure during the first four years of the Second Plan was Rs. 9.5 crores per year, and in the budget for 1962-63 the plan expenditure is expected to be Rs. 23.4 crores.

Before I close I shall say a few words on the language controversy in Assam. Behind the language controversy are economic factors like employment opportunities which are limited in view of the economic backwardness of the State. I feel, therefore, that without rapid economic progress it is not possible to attain proper national integration. In a State where only one-fourth of the people are literate, language should have no economic relevance except for the educated classes, and if the language issue is important today, it is primarily because of the clamour for jobs among the educated classes. The restrictive influence of language will cease to weigh so heavily on the lives of the people if there are adequate employment opportunities. The language

issue should not get priority over the economic issues facing Assam. The fact remains that in a multilingual State like Assam, one language can dominate, as it is trying to do so, but it cannot unite people. It is a sad fact that the language controversy in Assam has released forces of disintegration which can be checked only by a determined effort by all to bring about rapid economic progress.

With these words, Sir, I resume my seat, and I thank you for the opportunity given to me to speak.

Shri Mansinh P. Patel (Mehsana): Mr. Speaker, Sir, before I make some remarks on the Budget proposals, I would like to congratulate the hon. the Finance Minister on presenting a balanced budget. In spite of so many vehement arguments advanced in a polished language by the Opposition friends, I am sorry to state that among the so many groups in the opposition there is no commonness of view at least on the fundamentals of the taxation proposals, whether it be in regard to a suggestion of tax a privy purses or in regard to the nationalisation of the private sector or in regard to any other aspects of the taxation measures. No Groups have a common thinking, except the Communist Group which is slightly supported by the P.S.P., on the question of nationalisation or abolition of privy purses. But at the same time the Swatantra friends and their associates like the Jan Sangh and other friends do not share that view, and thus there is no commonness of view. Therefore, it becomes absolutely difficult for a Finance Minister to get all the views of the Opposition or, for that matter, all the different views of the ruling party itself and all the different opinions regarding the taxation proposals.

On the contrary, some of the friends on this side share certain common feelings regarding some of the taxation proposals. In this respect we can make a common effort and we

can have our say and try to win over the Finance Minister to our way of feeling.

For a country with a population which is one of the largest in the world, that is 434 million people, a taxation proposal of Rs. 70 crores for a planned economy to which we are committed, is of a small nature. According to me, a laymen, the test of a balanced or appropriate budget, lies in the fact whether it affects the stability of prices, or whether it has much effect in the prices of items consumed by the majority of the people. As I understand the proposal, taxes on two or three items like tea, tobacco, etc. may affect the common man. My hon. friends on the other side are apprehensive of all taxation proposals and oppose all of them. In this respect they are at one with the industrialists, who are against all taxation measures, including the Union excise.

The Finance Minister has given the House an idea of persons who will be affected by the direct and indirect taxes. As a matter of fact, we have to look into the spirit underlying the two Budget speeches of the hon. the Finance Minister. When on the 14th of March the Finance Minister spoke on the Vote on Account, the country was faced with the prospect of a big deficit. But since the presentation of the Budget on the 23rd of April there is a feeling or faith in the buoyancy of the economy of our country. Every section of the people, whether he be an industrialist or a common man—no doubt some people may have been hard hit—share the feeling that by the proposals put forward by the Finance Minister the Third Plan will be implemented and the prosperity envisaged in the Third Plan and as seen in the last ten years of planning will materialise.

I am certainly not in entire agreement with all the proposals so nicely put forward. On the contrary, I feel that there is scope for additional

Discussion

taxation, at least on the richer section of the society. The Finance Minister pointed out that hardly a million of our population pay direct taxes. If we look into the statistical handbook which has been supplied to us we find that about nine hundred people are having an income of about a million rupees a year. During the last General Elections it was our experience that the imposition of a ceiling on agricultural land had created a psychological feeling throughout the rural areas to have a ceiling on urban incomes also. It was thought that this would at least have a sobering effect on the educated people, the privileged few, people with large income residing in urban areas. I am happy to find that one of my friends Shri E. P. Gaekwad, who happens to be the ex-ruler of the territory from which I come has accepted the principle that there should be a ceiling. But at the same time has suggested that the direct taxes should be removed. I do not share his feeling in this respect. But I take pride in the fact that prince who has accepted our party ticket is with us and shares the feeling that there should be a ceiling on urban incomes. This ceiling can be imposed by direct legislation.

The Finance Minister the other day pointed out that direct taxation on a man at the maximum rate is only to the tune of 87 per cent. There is therefore a lot of saving even for a man earning a million rupees or so. I do not understand why when even the first citizen of the country, the President of India, or the Prime Minister of the country cannot earn even a lakh of rupees, why these nine hundred privileged few people should be allowed to earn a million rupees or more.

The same argument holds good in the matter of taxation on privy purses. I am not in favour of abolition of privy purses. But at least on a

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matter of principle no income of any person in this country should be tax free. I had the pleasure of hearing my hon. friend Shri Kamalnayan Bajaj giving a long account of the privy purses. I have full sympathy with my hon. friend. I also come from one of the erstwhile States. But to have a privy purse—that two tax free—and take shelter under a constitutional provision or safeguard is not fair. We have seen in history that there cannot be a promise beyond the constitution. And a constitution in the case of a underdeveloped and infant democratic country can be amended, as it has been done, in the last Twelve years. If there is a constitutional bar on taxing these privy purses, I would very frankly say that the hon. the Finance Minister should come forward with boldness for a suitable legislation. The amount that we may realise may perhaps be not more than four crores of rupees. But it is a matter of principle that no income in this country particularly of a privileged few should go tax-free.

We have seen that during the last General Elections the princes have entered politics. I welcome many of them. Some of my hon. friends on the other side have demonstrated what would happen, especially in an infant democracy, if princes were to enter politics. They are, no doubt, welcome; but when they speak in the name of common man, they should share their feeling. Speaking in polished language, Shrimati Gayatri Devi referred yesterday to the underdeveloped and down-trodden and poor people of the rural areas. When such good words are used, they should share the experience of the common folk and pay the taxes which they do. This can only be achieved by the general taxation structure being made applicable to the privy purses also.

Now, Sir, I would like to make two or three suggestions regarding the taxation proposals. I am glad to note that the exemption to donations for charities is proposed to be raised to 10 per cent., with a maximum limit

of Rs. 2 lakhs. As we all know in rural areas there are so many people having a meagre income of say Rs. 5,000 or Rs. 10,000 who sometimes offer to pay to the tune of Rs. 25,00 or even Rs. 5,000 for development of educational or medical institutions. I suggest that the exemption limit in the case of such persons with less income should be raised to 20 per cent.

It has been well established and accepted that there are two sectors at present in the country, call them private sector and the public sector. In the year before last, if my memory is correct, or the previous year, there were proposals of taxing the co-operative sector in the country. I do understand the reasoning of the hon. Finance Minister at that time, that, after all, the co-operatives are also making large profits and they are also having an income. But there is a great difference in a company and a cooperative society. In a co-operative society, there is a ceiling on payment of dividend. It is 6½ per cent. In the private sector there is no ceiling on dividend payment, as some of my hon. friends have said and I myself have experience having some shares in certain companies, call them Ambica mills etc. or whatever it is. The question is, some form of taxation is still being continued on co-operative societies. When I saw so many exemptions in the present proposals,—it may be in the nature of cumulative deposit scheme, it may be in the nature of expenditure tax—I expected that the co-operative sector would also be dealt with a little leniently, so that they can have also their capital formation, and expansion of co-operative societies. It is an accepted principle that a man who owns 10 or 12 companies, gets, for expansion, industrial licences and can have two or three subsidiary companies. If a co-operative society has to expand in that way, there is a difficulty in respect of the so-called equity capital of private companies, in the nature of shares of cooperative societies. Therefore, I would suggest to the hon.

Finance Minister, if not this time, at least to scrutinise the income of the co-operative societies during the last 1 or 2 years and will remove the handicap created on co-operative societies. Societies which, since the last 5 or 10 years, are coming up to a nice stage, are being handicapped by two aspects: (i) sometimes, they are not getting shares from the people because of fixed maximum dividend and (ii) capital formation due to taxes on income.

I have got only one fear in my mind and I would like to ventilate it at this stage. Every one on this side or on the other side has shared one feeling that our aspirations are not being accommodated in the taxation proposals or in the current year's budget. But, let us look at the size of the population of the country and the increase in the population size. A bold step somewhere to check this population problem, has to be taken. I am afraid, unless that problem is being seized with, our plans may not succeed. So far, I have not seen that initiative or serious steps to control this growth of population as it has been seen in the past years. Therefore, I would suggest to the Finance Minister to come, if all my friends agree, even with legislation to curtail the size of the population in future in order to succeed the planned economy of this country.

Shri Muthu Gounder (Tiruppattur): Mr. Deputy-Speaker, two Five year Plans have passed. Crores and crores of rupees have been spent so far. Loans running into hundreds of crores of rupees have been raised and got within this country and also from other countries. Still, we cannot see any marked improvement in the standard of living of the villager or the common man. Perhaps, all the fruits of the budgets and our schemes are being mopped up by a privileged few in our country.

We are in shortage of foodgrains. We are importing foodgrains from other countries at a very heavy cost.

Instead of spending huge amounts in importing foodgrains from other countries, we can utilise this amount and produce foodgrains in India itself. We can produce more grains by improving the per-acre yield. The Madras State now tops the list in per-acre yield. The average yield of rice per acre is 1345 pounds in Madras whereas the all-India average is only 960 pounds. If the other States in India come to the same level as Madras, I think we will have enough food and even more than enough food. We are not able to give a labourer or a peasant cheap food. He asks food at a cheap rate. But, we show him some Five year plan books. He wants amenities. We are not able to give him the amenities. We say, you will be given these amenities after the fourth Five year plan or we will show some charts or some statistics or some papers. This is the condition now prevailing in India. The Government should purchase the foodgrains direct from the cultivators and sell it to the poor consumers at subsidised rates. The Government should come forward to give subsidy liberally and distribute foodgrains at a cheaper rate. The ordinary common man is not able to purchase foodgrains at the present market rate.

Big land-owners in the rural parts have no interest nowadays in farming for reasons known to all. Only the middle class ryots, middle class land-owners, petty land-owners and some agricultural labourers are in the rural parts of India. Even these agricultural labourers are fleeing to cities and industrial places to get more wages. We have to make rural life more attractive. To make it more attractive, we have to make rural life more remunerative and make agriculture more remunerative. How to make it more remunerative? We have to raise the prices of foodgrains. That, we cannot do and we should not do. Already the peasant and the purchasing public, the consumers are hard hit. We cannot raise the price of foodgrains which we are selling. We have to give what is needed for the ryot

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to produce food. Therefore, there is no other alternative but to give subsidy liberally on the foodgrains and distribute them at a cheap rate to the poor consumers.

The major problems in agriculture are finding water for irrigation and getting manure. These chemical fertilisers are not organic manures. If you apply too much of chemical fertilisers or ammonium sulphate or the chemical fertilisers consecutively for some years, they spoil the soil. Therefore, we have to go in for organic manures. Where shall we get them? To get green leaf manure or compost is not easy. We can get some organic manure. To get it on a larger scale, we have to stop export of these oilcakes. Oilcakes is the best organic manure. It has been proved on research that oilcake produces more food-grains. We are now exporting oilcakes in considerable quantities. We have to stop it. If the export of oilcake is stopped, its prices will come down. Especially, groundnut oilcake is used in the southern parts on a large scale. If export of oilcake is stopped, the prices of oilcakes will come down. Naturally, the cost of agriculture will also come down. This may itself, to some extent, lead to reduction in the prices of foodgrains.

Big land-owners, now, have no interest in farming. They have become mill-owners. They have become sugar factory owners and bus operators. So, we are bound to give some encouragement to small ryots and agricultural labourers.

As far as electricity is concerned, the minimum charges that we have to pay for electricity used in agricultural services are Rs. 50 per H.P. per annum. This should be reduced to at least Rs. 20 per H.P. per year. The electricity charges also may be reduced still further.

Getting bulldozers to reclaim virgin lands is not a possibility now-a-days everywhere. There are only one

or two bulldozers in every district, and they too will not be in a running condition; they will generally be old bulldozers of old types, and Government will not be having any spare parts also for these bulldozers. I submit that Government should go in for the purchase of new model bulldozers of a heavy type, and also have sufficient stocks of spare parts in important centres in the State.

Moreover, at present, we have to pay a very abnormal rate for the bulldozers. An ordinary ryot or a middle class ryot is not able to pay the charges which Government are charging him for utilising these bulldozers. The rate should be minimised as far as possible.

New fertiliser factories should be opened wherever possible. In the Madras State there is a proposal to start a fertiliser factory in Neyveli. But that may not be sufficient. Some more factories also may be started in the Madras State as well as in the other States of India.

In our State, namely the Madras State, we are depending upon well irrigation. More than one lakh electric pump-sets have been installed. The sub-soil water is going down especially in the Salem district, and that too in the southern part of Salem district, the wells have reached a depth of hundred feet and more, and so also in some parts of Coimbatore district, we have to do something to raise the sub-soil water level. For this purpose, at least once in a year, the tanks in these areas should be filled up. I would request Government to take a canal from the Cauvery to feed the tanks in these areas, particularly in the southern part of Salem and other affected areas, and these tanks should be filled up at least once in a year during the monsoon period.

The small ryots have already begun to migrate to big cities. Even in Delhi, I see thousands of small ryots

and agricultural labourers of my place, namely Salem district, and I see them in good number, because they can get their wages here by doing other work instead of doing farming work in the south. Therefore, I submit that the small ryots should be encouraged. Then only, we can produce more foodgrains.

The Central Water and Power Commission may be asked to investigate into the feasibility of allowing the flood waters into the Palar River which starts from the Mysore State and passes through the North Arcot District of Madras State.

A sum of Rs. 9.45 crores has been allotted for flood control schemes, but Madras is not getting any amount under this head. In 1961, there were heavy floods in the Madras State in the Cauvery river, as a result of which there was a heavy loss to property as well as heavy loss to lives of cattle. Vast areas of land were made unfit for cultivation. Now, the Madras Government are taking steps to construct a dam across the Cauvery in Hogenekal. I submit that this work may be taken up under this flood control scheme, because if this dam is constructed, then it will be able to control the floods in the Cauvery river.

As far as heavy industries are concerned, we have been told by the Minister in charge of Heavy Industries that the Salem steel industry will be started as soon as expert opinion is received from West Germany or so. We are glad at that. We shall wait for some more months. After having waited for years and years, it will not be difficult for us to wait for some more months. But that should come. That is our request, and that is what we want.

The Government and the planners of modern India who have shown zeal and enthusiasm in starting iron and steel industries in North India, especially in Bhilai, Rourkela and Durgapur are not showing so much

of interest or enthusiasm to start an industry in the south. If they had shown half the enthusiasm and zeal which they have shown to start industries in the north, the Salem steel industry could now have been working, and that too, prosperously. At least, in future, I hope that they will be fair, and we shall have our Salem iron and steel industry. It seems that a board which had been constituted to investigate into the preliminaries of establishing this industry has given its opinion that the Salem steel and iron industry may have its own plant in Neyveli instead of in Salem District. I request that Government may please have the Salem steel plant in Salem district itself, because it is an under-developed district even now.

As far as drinking water and drainage schemes are concerned, Rs. 11 crores have been allotted. But there is water scarcity in many parts. There is one Pasipuram Municipality area in the Madras State, where you can get water only after paying two annas per small pot. That has been the situation there for the past so many years. The same situation obtains also in Namakkal, Tiruchengode and also in Tirupattur in North Arcot District. In all these places, water has to be purchased by paying heavily for every pot. This is the state of affairs in all these places for the last so many years. I hope Government will come forward to take the necessary steps immediately to provide the poor people with at least drinking water, though not food in sufficient quantities.

It has become now-a-days an impossibility for an ordinary ryot to purchase even one bag of cement at controlled rates. Rs. 11 per bag has become the normal rate everywhere. We cannot get one bag from a stockist at controlled rate, but we can get any number of bags, even hundreds of bags, if we pay Rs. 11 or Rs. 12 per bag. This has become more or less a common feature of the cement trade. The other day, the

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hon. Minister in charge of heavy industries had stated that the same state of affairs would continue for some more time to come. The traders in cement will surely take this as a notice and avail of this opportunity to mint more money. The cement stockists are now selling the entire stock to whomsoever they like. I submit that Government should interfere in it, and order them to distribute cement only to those persons who have received authority tickets from the local officers. If that is done, then we shall be able to minimise at least to some extent the blackmarket in cement. Cement factories should be opened wherever possible. A cement factory can be opened, for instance, somewhere in North Arcot district, where limestone is available in good quantity in Harur, Krishnagiri and Tiruppur taluks.

From the Report of the Ministry of Commerce and Industry, we find that the export of handloom cloth is on the decrease, whereas that of the textile mill goods is on the increase. There is always a request from the handloom industry and its well-wishers and from politicians, from our DMK party and from eminent politicians like Shri Rajagopalachariar that the manufacture of bordered dhotis and saris should be made the monopoly of the handloom industry. But this has not been given effect to by Government still. Perhaps, Government want to be in the good books of the textile millowners, who always help them in the elections.

As far as the disparity in wealth and income is concerned, it has been widening rapidly after Swaraj. We see that lakhiers are becoming millionaires and millionaires are becoming multi-millionaires day by day, whereas the poor people are becoming poorer. Of course, it may be said that income-tax has to be paid by these people. But what is the income-tax policy? The income-tax policy is so cleverly manipulated to

suit the convenience of some of these big businessmen. There are so many loopholes, gaps and hide-outs in which these big businessmen take shelter and avoid paying income-tax. Government is also not coming forward with full efforts to trace the evaders and punish them, because it wants to be always in their good books. That is the position we find now.

15 hrs.

It is said the Government has socialistic views. Is not a Government pledged to socialistic principles bound to nationalise big industries like Tatas and Birlas, big banks, the cinema industry, but transport industry and other industries? If not, what for is our swaraj? If we are not able to nationalise these industries, what have we got to do in this socialistic pattern of society? The Government which was daring enough to scrap the small princely States and Rajas by an order one fine morning is not daring enough to nationalise these big industries. We find in modern India, in independent India, Tatas, Birlas and Lalchand Hirachands in place of the white imperialists. That is all the change we see materially in this modern India. The Congress Government will not come forward to nationalise these industries because they are the main financiers of the Congress election fund.

It is claimed from the Government Benches that the new taxes are not going to affect the middle class people or the low income group. But the fact is that they have already begun to affect them. The prices of tea, cigarettes, tobacco and matches are going up. Therefore, we are feeling what we have got in this Budget.

Before concluding, may I say this? The Government all along, for the past so many years, has been giving only a step-motherly treatment as far as the south, especially Madras State, is concerned. I hope at least in future the Government will be fair

enough to see that the south is also industrialised as much as the north and that the standard of living of the people of the south improves a good lot.

श्रीमती कमला चौधरी (हापुड़): अध्यक्ष महोदय, सदन में प्रस्तुत किए गए सन् १९६२-६३ के बजट का मैं स्वागत करती हूँ और माननीय वित्त मंत्री महोदय का धन्यवाद करती हूँ।

प्रकट रूप में यह घाटे का बजट है किन्तु श्री महोदय का विश्वास है कि राजस्व का कुल घाटा १५० करोड़ रुपये से घट कर केवल ८६ करोड़ रह जायेगा जिसे राज्यकोष की ढुंडियों के विस्तार द्वारा वे पूरा करना चाहते हैं। यह प्रसन्नता की बात है। वित्त मंत्री महोदय के भाषण का अध्ययन करने से प्रतीत होता है कि आय व्यय की समीक्षा कर के यह बजट एक संतुलित बजट है। वह दूसरा दृष्टिकोण है कि हमारे विपक्षी पार्टियों के माननीय सदस्यों ने यह बजट समाजवादी समाज के हाँके के प्रतिकूल बताया है।

देश में चालू तीसरी पंचवर्षीय योजना के खर्च के दृष्टिकोण से यदि हम इस की समीक्षा करें, विश्लेषण करें, तो अप्रत्यक्ष कर जो २७ करोड़ रुपये के हैं केवल दस लाख जनसंख्या पर होंगे। इस भार को इस देश की जनता अपने त्याग के बल पर संभाल लेगी। ४४ करोड़ जनसंख्या में ऐसे व्यक्तियों की संख्या सीमित है जो प्रत्यक्ष कर दे सकते हैं। ७१ करोड़ रुपये के करों में से २७ करोड़ की धन राशि प्रत्यक्ष करों से प्राप्त होती है। शेष ४४ करोड़ रुपये की धन राशि से देश की ४४ करोड़ जनसंख्या प्रभावित होगी।

सभी लोग हमारे देश के यह अनुभव करते हैं कि देश की जनता करों के बोझ से दबाई हुई है। किन्तु यह भावना, कि जनता के खून पसीने की कमाई हमारी पंचवर्षीय योजना में व्यय होगी और इस से देश का विकास होगा, हमारे देश की जनता में

यथेष्ट मात्रा में है और हमें याद रखना चाहिए कि इस भावना को जन्म राष्ट्रपिता महात्मा गांधी ने दिया था। एक तरफ हम विकास के कार्य को कर रहे हैं इस में कोई सन्देह नहीं। मैं इस बात को मानती हूँ कि स्वतंत्रता के पश्चात् हमारे देश ने जितनी प्रगति की है वह इस अल्प काल में यथाशक्ति कोई भी सरकार जितनी प्रगति कर सकती थी वैसी प्रगति हमारी हुई है। मुझे वह समय याद है जबकि हम को यह देश विदेशी सत्ता से मिला, टूटा फूटा देश था, आज भी जिस तरफ दृष्टि उठाते हैं कायाकल्प की आवश्यकता मालूम देती है। १५ साल में जिस देश में एक सड़क का भी निर्माण नहीं होता था आज टैंकों का निर्माण, हवाई जहाजों का निर्माण हो रहा है और बड़े बड़े बांध बने हैं। इस से हम आश्चर्यचकित होते हैं, अपने इस भारत को, जिस को कि हम कह सकते हैं कि यह निर्माण का भारत है, देख कर हमारा मस्तक उन्नत होना है।

किन्तु दूसरी तरफ हम यह भी देखते हैं कि हमारी दो पंचवर्षीय योजनाएँ सफल हो चुकी हैं, तीसरी को सफल करने का प्रयास है। हमारे वित्त मंत्री महोदय के भाषण में हमें विश्वास मिलता है कि इस योजना में शायद हमारा देश आत्म निर्भर हो सके। हमें विदेशों से बहुत अधिक कर्ज जो लेना पड़ता है वह न लेना पड़े। कुछ लोग इस बात की आलोचना करते हैं। अभी हमारे एक माननीय सदस्य ने अपने भाषण में इस की चर्चा की कि हमारी सरकार ने स्वयं भी ऋण लेना सीख लिया है विदेशों से और देश की जनता को भी ऋण लेना सिखा दिया है। मैं इसे दूसरे दृष्टिकोण से देखती हूँ। मेरे विचार से यदि हमें विदेशों से इतना ऋण न मिलता तो सारा भार जो हमारे विकास का है, जो प्रगति पर खर्च हुआ है, वह सब हमारी जनता के ऊपर करों के रूप में पड़ता। हमारे देश की जनता की जो परिस्थिति है वह ख़िरी नहीं है। हमारा इतना विंगल देश है। इन साधनों के बिना हम इस की प्रगति की बात कैसे सोच

[श्रीमती कमला चौधरी]

सकते हैं। इस टूटे-टूटे देश में जो कुछ किया जा सकता था वह किया गया। किन्तु १५ वर्ष के अल्प काल में मैं यह मानती हूँ कि प्रगति हुई है।

किन्तु दूसरी तरफ मुझे यह भी दिवाड़ देता है कि बहुत बड़े निर्माण करने की हमें आवश्यकता है। एक तरफ हम दिल्ली को देखते हैं, गगनचुम्बी अट्टालिकाएँ, बड़े बड़े होटल, बड़े बड़े क्लब, ये दिल्ली की रंगोनियाँ, हमारे शासन का विस्तार, प्रशासन के बड़े बड़े कार्यालय, और दूसरी तरफ जब हम अपने ग्रामों में जाते हैं तो हमें देख के काट होता है कि ग्रामों की स्थिति में जितनी अधिक प्रगति होनी चाहिये थी वह नहीं हुई है। हमारे जो भविष्य के कर्णधार हैं उन लव्छों के लिए चिकित्सा का प्रबन्ध नहीं है। गरीबों के रहने के वास्ते मकान नहीं हैं। अभी भी वे जहालत में धिरे हुए हैं।

हमारी सरकार ने शहरों में प्रगति करने के लिए और शहरों की कमी को पूरा करने के लिए अनेक योजनाएँ चलाई हैं। उन अनेक योजनाओं में से मैं एक योजना का जिक्र करना चाहूंगी। हमारी इस राजधानी में जो दुग्ध वितरण की सरकार की योजना है मैं उस के सम्बन्ध में कुछ निवेदन करूंगी। मैं मेरठ के जिस क्षेत्र से यहाँ आई हूँ वह मेरठ जिला हमारे उत्तरप्रदेश राज्य का वह जिला है जहाँ कि दूध का उत्पादन और कृषि की पैदावार सब से अधिक है लेकिन इस दिल्ली दुग्ध सलाई योजना के कारण हमारे ग्रामों में यह हालत हो गई है कि आज दूध के दर्शन नहीं मिलते हैं। हमारे छोटे छोटे बच्चे जोकि देखा जाय तो दूध पर ही निर्भर रहते हैं उनको आज दूध मयस्सर नहीं होता क्योंकि आज पैसे की तंगी के कारण धनाभाव के कारण जितना भी दूध वहाँ पर होता है वह सब बिच कर यहाँ दिल्ली में चला जाता है। आज यदि देखा जाय तो हमारे

ग्रामीण भाइयों की जो गँय रह गयी है वह चाय ही रह गई है। भले ही घरों में मनो दूध पैदा हो उसको बेच देते हैं और केवल थोड़े से दूध को अपने घर में रख कर बच्चे को भी चाय ही पिलाना चाहते हैं। उस चाय के ऊपर हमारे इस बजट में टैक्स लगाया गया है। मैं चाय का कोई हामी नहीं हूँ। यह बात हो सकती है कि यह पेय पदार्थ जिसका कि प्रचार हमारे देश में बहुत दिनों से नहीं हुआ है, हमारे देश की जनता, हमारे ग्रामीण भाई तो दूध पीने में विश्वास रखते थे, दूध, दही को हमारे यहाँ मुना है कभी नदियाँ बहती थीं लेकिन जो जमाना देखा है उस में भी दूध का बाहुल्य देखा है। आज दूध की कमी है और लोग चाय ही पीते हैं तो हमारी सरकार को चाहिए और उपाध्यक्ष महोदय, मैं आपके द्वारा वित्त मंत्री महोदय से यह कहना चाहूंगी कि अगर यह चाय का प्रचार बन्द करना है और इसको हमारी सरकार गलत समझती है तो उसके लिए आवश्यक प्रचार होना चाहिए। लेकिन अगर चाय का प्रचार बन्द नहीं करना है और सरकार उसके ऊपर टैक्स लगाती है तो इसके साफ मानी यह है कि हमारे देश की आम जनता के ऊपर उसका बोझ पड़ेगा। आज यह कह देना कि टैक्स थोड़ा है और १२ चाय के प्यालों पर एक नया पैसा ही है, यह बात जो आज हम अपने बाजारों की हालत देखते हैं, तो प्रवृत्ति देखते हैं व्यापारियों की कि वस्तुओं के दाम किस तरह से बढ़ाना चाहते हैं उस में कुछ विश्वास की बात नहीं लगती है।

उपाध्यक्ष महोदय, वित्त मंत्री महोदय ने तम्बाकू के ऊपर कर लगा कर एक सामाजिक व्यसन के निवारण की ओर संकेत किया है। तम्बाकू वह वस्तु है जिससे इस विज्ञान के युग में डाक्टरों की राय है कि बहुत सी बीमारियाँ पैदा होती हैं और देखा जाये तो वह जीवन के लिये कोई उपयोगी वस्तु भी नहीं है।

आलस में और समय काटने के लिये लोग उसका सेवन करते हैं। मैं तो कहूंगी कि हमारे समाज में आज सिग्रेट, बीड़ी आदि का आज इतना अधिक प्रचार है कि हमारे श्रमिकों और हमारे ग्रामवासियों के बच्चों के स्वास्थ्य के ऊपर उसका बुरा असर पड़ रहा है। जहां मैं इस कर का स्वागत करूंगी वहां मंत्री महोदय से यह भी कहना चाहूंगी कि शराब, को महुंगा करें यह मैं मानती हूं कि मदिरा में हमें बहुत बड़ी आय होती है। कुछ जगह यह प्रयोग भी किया गया कि मदिरा का बहिष्कार हो। अगर उसको आज बहुत ज्यादा महुंगा कर दिया गया होता तो शायद हमारे समाज का अधिक कल्याण होता। हमारे राष्ट्रपिता महात्मा गांधी यदि आज होते तो मैं महसूस करती हूं कि सबसे अधिक दुख उन्हें यह देख कर होता कि इस राष्ट्रीय सरकार के जमाने में भी आज शराब बिकती है। मैं उन लोगों में से हूं जिन्होंने शराब पर टिकेटींग करके जेल की यातना सही है और मैं अपने हृदय की बात कहती हूं कि आज के जमाने में हमारे समाज में यह जो मदिरा का प्रचार बढ़ रहा है वह मुझे दुःखदायक मालूम होता है।

उपाध्यक्ष महोदय : माननीय सदस्या का समय समाप्त हो रहा है।

श्रीमती कमला चौधरी : वस एक मिनट में मैं समाप्त किये देती हूं।

वित्त मंत्री महोदय ने दियासलाई आदि वस्तुओं पर जो टैक्स लगाये हैं मैं समय न होने के कारण उनका विवरण नहीं देना चाहती। लेकिन एक बात कहना चाहती हूं कि सूत पर जो टैक्स लगाया गया है उससे हमारे हैंडलूम का जो कपड़ा बनता है उसके ऊपर प्रभाव पड़ेगा और उम्मे भो कुछ अधिक आय हमारी सरकार की बढ़ने वाली नहीं है। इसलिए मैं निवेदन करूंगी कि मंत्री महोदय इस पर पुनर्विचार करें।

राष्ट्रीय आय में वास्तविक अर्थ में ५ वर्ष मैं ३० प्रतिशत की वृद्धि करनी है। इस का

उद्देश्य हमें स्वतः उत्पादनशील अर्थ व्यवस्था के लक्ष्य तक पहुंचाना है किन्तु मैं यह निवेदन करना चाहूंगी कि हमारे उत्पादन की मुख्य वस्तु जो है वह कृषि है। मैं यह नहीं कहती कि कृषि में सुधार नहीं हुआ है। हमारे काश्तकारों को खेती के साधन उपलब्ध हो रहे हैं लेकिन मैं निवेदन करना चाहूंगी कि इसको केवल यह कह कर कि प्रान्तीय विषय है, टालने की बात नहीं है बल्कि सोचने की बात है। मंत्री महोदय ने अपने बजट भाषण में यह कहा है कि इतनी आय होते हुए भी हम ग्रामवासियों की नौकरी को मांग, बिजली की मांग, पीने के पानी की मांग और स्कूलों की उनकी मांग को पूरा नहीं कर सकते हैं। मेरा निवेदन यह है कि यही प्रमुख समस्याएं हमारे देश की हैं। आज हम इस दिल्ली को देखें या शहरों को देखें, उन को जाने दीजिये, ग्रामों में हम जाते हैं तो वहां पर स्कूलों की कमी पाते हैं . . .

उपाध्यक्ष महोदय : अब माननीय सदस्य अपना भाषण समाप्त करें।

श्रीमती कमला चौधरी : दो मिनट में और चाहूंगी।

उपाध्यक्ष महोदय : और समय देना मुश्किल है क्योंकि और भी बहुत से लोग बोलने वाले हैं।

श्रीमती कमला चौधरी : जैसी आपकी इच्छा।

हमारे प्रान्त की सरकार ने इस तरह की योजना बनाई है कि प्रारम्भिक स्कूल ५०० की जनसंख्या के ग्रामों में खोल दिये जायें लेकिन स्त्रियों की शिक्षा का आज भी वहां कोई प्रबन्ध नहीं है। इसलिये हमको यह बात सोचनी चाहिये।

मेरे बहुत से प्वाइंट्स बोलने से रह गये हैं। उपाध्यक्ष महोदय शायद हिन्दी के भाषण को प्रोत्साहन नहीं देना चाहते इसलिए मैं और अधिक न कह कर अन्त में यह बात कह कर अपना भाषण समाप्त करना चाहती

[श्रीमती कमला चौधरी]

हूँ कि समाजवादी समाज की व्यवस्था की बात अगर हम करते हैं और समाजवादी समाज हमें बनाना है तो उसके लिये सब से अधिक जरूरी बात यह है कि देश में जो एक जबर्दस्त असमानता है उस असमानता को हमें दूर करना होगा। उसके लिये हमारी सरकार को सोचना चाहिए।

अन्त में मैं इस राजस्व बिल का समर्थन करती हूँ और उपाध्यक्ष महोदय, आपने मुझे जो समय दिया उसके लिये आपका शुक्रिया अदा करती हूँ।

Shri M. P. Swamy (Tenkasi): Mr. Deputy-Speaker, Sir, this is my maiden speech.

The Budget for the year 1962-63 presented by the hon. Finance Minister reflects the firm decision of the Government to implement the Third Five Year Plan. Friends on the opposite side criticised the Budget as a capitalist one. It is not so. That is their coloured opinion. If we analyse the Budget, we find that it reduces the gap between the rich and the poor by its taxation proposals, and also that it gives some impetus to our people for employment. If we take into account the Economic Survey presented to us, it shows the reasons for framing such a Budget. The Economic Survey for the year 1961-62 shows the following features. It shows firstly that our foreign exchange position during the first year of the Third Five Year Plan has deteriorated. In paragraph 5 of the Finance Minister's speech, he says:

"Our foreign exchange reserves have declined to very low levels, and the need for conserving foreign exchange by the strictest watch on imports and by limiting our demand within the resources in sight is greater than ever today."

Secondly, shortage in power and transport continued to be felt during the year so that it has become necessary to accelerate further the programmes of development in these fields.

Employment in organised industry showed a further increase during 1961. In a developing economy where rapid social and economic changes are taking place it is difficult to distinguish between actual unemployment and the desire for better employment. Our latest statistics show that the number of unemployed persons at the end of 1961 was 18.3 lakhs.

The main object of the Budget is to wipe out the revenue deficit and to find out resources for implementing our Plan. But the income from the public projects, which is expected to be a sizable contribution for financing the Plan, has not, by and large, reached a stage when the projects could earn a significant profit.

Our population is also increasing.

Having in mind all these factors, if we view the Budget, one can say to the credit of the Finance Minister that the Budget is broad-based and the tax burden is evenly distributed according to the ability to pay.

Now, let us analyse the Budget proposals of the Finance Minister. There are some welcome features in this Budget. The most welcome feature is the allotment of Rs. 1 crore for the promotion of export. Export earns; export pays for import. This is the main economic policy. The allotment of Rs. 1 crore will, undoubtedly, help very much in boosting up the exports. But mere allotment alone will not solve the problem.

Many Export Promotion Councils for several commodities have been set up and their work is commendable. But, still, some more attention is needed to increase the export of goods to foreign countries.

In this connection, the export traders feel a little perturbed because of the decision of the U.K. to enter the European Common Market. So, we have to find out new markets for our goods that are being produced in India and sold in foreign countries. Particularly, in South India, we have cardamom, pepper and other commodities. These are sent to foreign countries and thus we get foreign exchange for our Plan projects. So, for this purpose there should be some Councils. There is one for cashew nut.

In the States of Madras and Kerala the prices of cardamom have gone down considerably. We do not know the reason for this. I think a committee should be appointed to go into this question because a large number of labourers are employed in the plantation industries. I would, therefore, request the Government to take up the matter seriously and to help the plantation industry and to promote export trade. The significance of export can be explained by quoting the very words of hon. Finance Minister.

The Finance Minister says in his speech:

"We must recognise that ultimately it is only through increasing our exports that we can find the external resources for our development and for repaying the loans and credits which we receive."

Another welcome feature is the exclusion of the earnings from export from the proposed increase in the rate of income-tax. Yet another welcome feature is the reduction of the surcharge on income-tax on salaries and pensions from 5 per cent to 2.5 per cent. Then, there is the proposal to raise the exemption limit for provident fund contributions and insurance premia to Rs. 10,000. These measures will, undoubtedly, give some relief to individuals without reducing the resources available for development.

Then, I turn to another aspect of the Budget, namely, the enhancement of duties, taxes etc. The new taxation proposals bring in an additional revenue of Rs. 71.7 crores of which Rs. 44.5 crores come from indirect taxation and Rs. 27.2 crores from direct taxation. An increase of 5 per cent in the Corporation tax was criticised by interested parties. But the number of bonus disputes and labour disputes in the country shows how much earnings are made by the companies. When we compare these things we can see why the companies are not willing to pay this increase of 5 per cent in the Corporation tax. Our statistics show that the industrial production has increased from 7 to 8 per cent and the shares in some commodities have shown a steady demand. The increase in the corporation tax will not hamper the growth of companies and capital investment.

The tax burden is evenly distributed according to the maxim that broad shoulders should carry heavy weights—that is the ability to pay. The criticism about the increase in rates and about tax is far from truth. The imposition of customs duties on luxury goods like the motor cars is quite justified.

By the new taxation proposals the Finance Minister has made an honest attempt to mobilise the internal resources required for our Plan expenditure.

Then comes the question of distribution of funds for the various States for expenditure on Plan projects. The Finance Commission has recommended the percentage that should be distributed to the States. The very legitimate demands of the villagers and backward class people and industrial workers are being given the go-by by the State Governments concerned because they often say that they do not get grants from the Central Government.

For example, in my area, that is, Tenkasi constituency, there is a

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textile mill in Vikramasingapuram where 10,000 workers are working and there are 40,000 dependents living in that town. A water supply scheme is needed. It has been pending for the last 20 years for sanction by the State Government for want of funds. I would request the Finance Minister to take this matter up and include it in the National Water Supply scheme so that this may be implemented soon. The primary need of the workers and family is drinking water. If that is not supplied their health would be affected. So, the Finance Minister and the Labour Minister should look into the matter and do the needful.

Then, one other important matter on which I want to speak is the Union Government's decision to stop the grants hitherto given to the Madras State for the construction of houses for Harijan colonies. With great difficulty the Harijans got loans from the Government. But the Union Government has stopped the grant as reported in the newspapers. In the *Mail* dated 1st April, it is stated as follows:

"The State Government has been informed that its general schemes for building houses for Harijans will not be eligible for any Central financial aid during the Third Plan period as was the case under the Second Plan, it is learnt.

This step, it is stated, has been taken by the Centre following the Planning Commission's decision to limit subsidised house construction for Harijans to such of them as are engaged in unclean occupations like scavengers, sweepers etc."

I would like the Planning Commission to revise its policy and to continue the grants hitherto given to the Madras State for constructing houses for Harijans.

Last but not least, which I would like to say is this. I represent an area where the majority of the population belong to the backward classes. The backward classes are to be treated very liberally and in better manner. I would like to share the views expressed in this House by Shri Dhebar when he addressed the House on the Motion of Thanks to the President's Address to Parliament. He pleaded that a certain time-limit should be fixed for assuring the necessary requisites of life to the backward class. They were neglected for a long time past because mostly they lived in the feudal areas or the zamindari areas. Now, even after the abolition of the zamindari system, these people are not given sufficient help from the State or from the Centre to improve their lot. I want to stress this point because these people are not given anything apart from the educational concessions. There is also a category called the most backward class even among the backward classes and because of that difference the other backward class people do not get some concessions given by the Government. I will request the Central Government and the Home Minister to revise the list of backward classes and make them all the most backward class so that they may be treated all alike. That is the primary thing that should be done. With these words, I support the Budget proposals.

Shri V. G. Naidu (Tiruvallur): Sir, I rise in support of the Budget presented by our hon. Finance Minister. There are so many criticisms that the revenue has been under-estimated and the expenditure side has been over-estimated. Anyhow, it is a deficit Budget and in order to make it good some new taxes have been levied. In welcoming these proposals, I may say that the direct tax, that is, the income tax has been increased on incomes above Rs. 5,000 and company tax has been increased from 45 to 50 per cent. The indirect

taxes and excise duties on some commodities have also been increased. In the *Explanatory Note* it has been stated that the price of a 50 sticks matchbox was fixed at 5 nP. per box. But they were not able to sell it at 5 nP.; they sold it at 6 nP. and thus the manufacturer made more profit. Therefore, they say that it has been raised a little now. When the Government fixed the price at 5 nP. it was sold at 6 nP. and I am afraid that when they fix the price at 6 nP. they may sell it at 7 nP. Government should take care to see that it is sold at the rates fixed by the Government so that the public may not have a feeling that a price is imposed on the public by the Government. There has been a feeling in this House as well as in the States that the prices of foodgrains have been rising. That is due to several reasons, one reason being, the cost of production. The cost of production has risen by 500 to 600 per cent compared to the pre-war days. So, if prices should come down, production should increase and for that we must solve so many other problems that stand in our way. The first thing should be that our farms should be mechanised. We should get machinery and spare parts quickly. I know some middle class people who own tractors, are lying idle for months together for want of spare parts. The dealer says that imports are not allowed. Again, there are some earth-moving machinery such as levellers, bull-dozers and ploughing machines like the tractors in the agriculture department of the State Governments. These machines are also lying there for years together. So, my submission is that attention should be paid to these things.

In regard to fertiliser position, I may say that it is very bad. This year Madras State had been allotted 150,000 tons of ammonium sulphate but so far we could hardly get fifty per cent. Moreover Madras State consumes more of fertilisers. I submit that fertiliser should be supplied to all the States which are in need

of it. The small quantity that is supplied is not given in time. If fertiliser is wanted in November or December, we get it in February or March, which is of no use. Fertiliser should be supplied in time. So, Government should look into these things. Our consumption in 1952-53 was 4-5 lakhs tons of ammonium sulphate (in terms of nitrogen) and now it is 25-30 lakhs tons. According to the Third Plan we are to produce one lakh tons in terms of nitrogen. But our demand is growing fast and we may not be able to meet the demand by this production.

The other main difficulty is attacks by pests and insects. These become more if we go on increasing our nitrogenous manures. Therefore, in Madras we have got more pests than in any other State as far as my knowledge goes. In order to overcome these pests, we must apply pesticides. It is a poisonous drug and it should not be handled by hand. I know while applying these pesticides we had fatal accidents in some cases. So, my suggestion is that the Government should come to our aid in eradicating these pests. Pesticides should be applied by the Government. This scheme may be tried in some places, so that the produce may not be affected by the pests.

Lastly, I come to irrigation. Irrigation in Madras is not so good as in other States. We have tapped almost all the sources of water, whether big or small, in our State. So, we are now looking to the neighbouring States to get some water from them. Therefore, the Central Government should come to our aid and help us in this. We should get some more water facilities in order to improve our position in regard to irrigation for agriculture. So, I submit to the Centre that they may come to our aid and help as much as can be done.

Before I conclude, I should like to say a few words about panchayats. I heard in this House that panchayats are not working properly and so

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many criticisms have been made. But in our State, after the formation of panchayati raj and panchayat unions, the common man gets all the needs he wants like common inter-village roads, drinking water schemes, etc.

With these words, I resume my seat.

Shri Yallamanda Reddy (Markapur): Sir, the budget proposals must be viewed in relation to the aims of our Third Plan and the achievements. No useful purpose can be served simply by telling that such and such development has been done and simply giving some statistics. We have to look into the achievements and the economic development in relation to the needs of the country as well as to the aims of the third Plan. Then alone, we can draw correct lessons from our past.

As far as agricultural production is concerned, the aim of the third Plan is to achieve self-sufficiency in foodgrains and increase agricultural production to meet our requirements and export. Can we achieve this aim in the third Plan period, at the present rate of production in this country? If you see the production figures given by the Minister, in 1954 the *per capita* availability was 13.4 ounces and we imported .82 million tons from foreign countries. In 1960, the *per capita* availability was the same—13.4 ounces *per day*, in spite of the fact that we had imported 5.06 million tons. Likewise in 1961 the *per capita* availability was 13.8 ounces in spite of the fact that we again imported 3.44 million tons. So, it shows that unless we import from foreign countries, the *per capita* availability in relation to our population growth is gradually falling down. So, there is no use telling that there has been an increase of .8 per cent in our production. In relation to our growth of population, the growth in our food production is quite inadequate and it cannot serve the purposes of the country and needs of the population.

If we go on importing foodgrains like this for crores of rupees from foreign countries, I do not know at this rate how we are going to solve our food problem. The Minister is telling us that there is some production and there is stability in our economy. It is not quite correct. We are importing foodgrains worth crores of rupees from foreign countries. At this rate, we will be forced to import for 10, 20 or 50 years. So, the problem of food production has not been solved at all. This Government at this rate of production is not going to solve it, because the very methods adopted by this Government are such that they cannot solve the problem. Unless our agrarian economy is radically reorganised, unless radical land reforms are introduced in the country, mere supplying of manures, this and that cannot create more production of foodgrains.

Take land reforms. In Andhra Pradesh, the ceiling is that a family of 5 persons can have a land which can produce a gross income of Rs. 70,000. That is the way how the States are implementing land reforms. The question of land reforms has become a mere farce in the country. They say day in and day out that they are bringing land reforms and giving land to the tiller and to the agricultural labour, who form the important core of the village population. There are 7 crores of agricultural labour who are denied land or reasonable wage in the countryside. So, unless radical reforms are introduced, there will be no salvation from this problem. This Government will be going on begging from countries like America under PL 480. That can never solve our food production problem. The figures given by the Minister show that at this rate, unless we import foodgrains from foreign countries, *per capita* availability is gradually falling down. So, unless a radical attitude is adopted by the Government, there is no salvation.

Shri Iqbal Singh (Ferozepur): We do not want people to starve as in China.

Shri Yallamanda Reddy: When the question of China comes, we will discuss about that. Here the figures are such that unless we import food-grains, the *per capita* availability is falling. These are the statistics given by the Ministry.

No doubt, there is some increase in industrial production, but the rate of production this year in 1961 is less than the previous years. In 1959, it was 8.7 per cent. in 1960, it was 12.1 per cent, but in 1961 it was only 7 to 8 per cent. Apart from this, our industry is facing very serious difficulties regarding supply of coal, transport facilities and also supply of iron and steel.

Regarding balanced regional development, the third Plan says:

"Balanced development of different parts of the country and the stress on extending the benefits of development to the more backward regions are part of the acts of a responsible Government. From time to time, however, programmes are added to State plans, which are earmarked for areas with special problems."

The question of reducing regional imbalance has been rightly stressed in our Third Plan. Our experience during the past ten years has been that there has been no effort on the part of the Government to see that this regional imbalance is reduced, neither in the First Plan nor in the Second Plan. I can give you many examples. Recently, when the discussion on the Railway Budget was going on I asked the Railway Minister as to why it was that out of 778 new railway lines that were being built in 445(A) LSD—8.

the country not a single line was built either in Andhra Pradesh or in Assam or in one or two other States. Then the hon. Minister was telling about big ideals, about national importance and all that. Who denies all that? But even in spite of that, is it not possible for the Government to spare even one line for these States which have been denied a railway line for all these years? If even under this plan one single line is not given to these States, how will they feel about the Centre. If you take the question of industries or even provision of electricity, you will find the same picture. In all these things there are some States which are sadly neglected all these years. In Andhra Pradesh, for example, the *per capita* electricity consumption is below average, below the average figure for all India. The same position is there in the State of Assam. Therefore, unless this Government takes special care to take note of this aspect in the Third Plan and implement it in all the States, the Centre will not be able to command the confidence of the people. There is no use telling the people about our plans, our objects, our aims and making tall claims.

For instance, there are many issues facing the States. Take the question of distribution of water from Godavari and Krishna. It is a problem which has been pending for the last two years with the Centre. There was an agreement in 1951 to the effect that every State will go on with its own plans. After five or six years when this problem has been raised—I am not going into the merits of the question—even after two years the Central Government could not solve the problem. They have been simply appointing committees and asking them to submit reports after reports. The problem has been dragging on for the last two years. It will definitely hinder the development of projects in various States. There is the Vamsadhara project. There was some difference of opinion between the Orissa Government and the Andhra Government as to where the project is to

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be built. Even after ten years it has not been decided. When there was a question here in the Parliament the Minister said that they were calling for reports, they will see the reports and then expedite the matter. If such a question of difference between two States about the location of a particular project cannot be solved by the Centre for ten years, I cannot understand how the Central Government is functioning, how the Central Government is going to help the States and how it is going to help the various States in the development of the projects.

Difference arose between the Government of Orissa and the Government of Andhra Pradesh about the Upper Sileru project. Both the Chief Ministers have asked Shri Trivedi to give his opinion or judgment about that particular project. That was about six months or one year back. That question was also raised here yesterday. The Minister was telling that he had not yet received the report of the Chief Engineer, he had not received the reports of the Chief Ministers, after they were received they would be sent to the Central Water and Power Commission, after their perusal they would be sent to the High Command and so on. If disputes between States over certain projects are to be solved by the Centre in this way I am sure the development of various projects in the States will be very much hit. There is already such a feeling that the Centre is showing a callous attitude towards the problems of the States. Therefore, as stated in the Third Plan, the Central Government must bear in mind the fact that development of the undeveloped regions should be taken special care of.

Take Rayalaseema. The word "Rayalaseema" is known by heart to everyone in the Central Secretariat, the Madras Secretariat and the Andhra Secretariat because for some hundreds of years there have been recurring famines. The British Govern-

ment appointed so many commissions to solve this problem. Our Government has also been trying to solve this question. For the last six or seven years there have been very serious famines in that district. Yesterday the Minister was saying that he had received a request from Andhra Pradesh requesting any help from the Centre. When the hon. Minister, Shri Krishnappa visited the State of Andhra some two years back he was making tall claims that his Government was going to help the State to eradicate famine from that district permanently. What has happened? Even this year there is a very serious famine in the Anantpur District and about 20,000 people have migrated. Even after two Plans and one year of the Third Plan drinking water is being supplied to the people there in trucks. The Minister for Land Revenue in Andhra Pradesh has admitted that in some parts of the district of Rayalaseema water is being supplied in trucks. After 15 years of freedom, after ten years of two Plans and one year of the Third Plan, if the Centre is not able to take care of those parts which are backward, which are famine stricken, there is no use making tall claims.

Shri D. C. Sharma: I may tell my hon. friend that in some parts of my constituency also water is being supplied in trucks.

Shri Yallamanda Reddy: I support his demand also. When a particular principle is laid down in our Plans, there should be no such parts in the country. What is the attitude of the Central Government regarding this? Have they ever thought of this? Have they taken care to give special priority to all these areas which are very backward? Sir, no such priority has been given. No effort has been made by the Central Government all these years. Therefore, it is high time that the Government takes special care of all these things.

In Andhra Pradesh there is the Nagarjunasagar project. That is one of the cheapest projects in this country, which will produce a lakh tons of foodgrains in the country. That will help to eradicate famine from the country. The Government of Andhra Pradesh and the people of Andhra are requesting the Central Government to take up this project as a national project and invest money direct from the Centre. The Centre has been refusing to do this. They were doing it in the case of DVC. It is not that I oppose or I do not support the Centre giving money for DVC, but likewise, some big projects which can only be done immediately and efficiently by the Central Government must be taken over by the Centre. As far as this project is concerned, I would request the Central Government to take up this project which will to a great extent help to solve our food position. I hope the Central Government would give sympathetic consideration to this matter.

Coming to the employment position, in the Plan much has been said of this. When the Second Plan was started there was a backlog of 5.3 million unemployed. At the beginning of the Third Plan it stood at 9 million. When you see the present figures of unemployment, there is no indication of any improvement. In 1960-61 the registration for employment was 32 lakhs whereas replacements were only 4 lakhs. At this rate the question of unemployment is not going to be solved. I am sorry to bring one thing to the notice of this House. Yesterday the hon. Prime Minister was making a statement about unemployment. He was saying that only when the country advances technologically and scientifically the problem of unemployment can be solved. I am sorry I am unable to be convinced by this because historical evidence shows otherwise. In the United States of America which is an advanced country technologically and scientifically, the position of unemployed in 1960 was 38,80,000 and in 1961 it rose to 49,56,000. In Canada it was 4,50,000 in 1960 and it rose to 5,60,000

in 1961. In Japan there are one crore fully or partially unemployed people. Therefore, it is not only the technological and scientific development that will decide the question of unemployment. The very attitude of the Government, the socialist attitude of the Government alone can solve the problem of unemployment. There is no use telling that we can solve it only when the country develops scientifically. Because of that famine so many people have died and so many people are unemployed. Therefore, I am sorry to bring to the notice of the Chair that the hon. Prime Minister was making a statement which is not corroborated by facts or actual experience.

16 hrs.

Then I come to the question of prices. It was stated in the Second Plan that the price line must be held. A decline of 1.4 per cent in the general price level during 1961 is given so much publicity by the hon. Finance Minister and his deputy. But what is the reality? What about the price of foodgrains, which is the crux of the problem? It is increasing day by day. Even during the Third Plan they have not been able to check it. In 1960 the index was 117. In 1961 it went up to 117.8. In 1962 it is 118.3. This is how it is gradually rising. Though the whole country has been demanding all these years that the price of foodgrains must be held, even during the Second Plan it has not been achieved at all. I think the policy of the Government is such and the speed at which it is proceeding is such that it will never be able to achieve it.

Coming to the burden of taxation, I will give a few figures. Irrespective of whether we oppose a taxation measure or not, there must be some justification for the Government when they are going to impose a tax on the people. Now what we find is that whereas the direct tax has gone up only by 59 per cent during these ten years since the commencement of planning, the indirect taxation has been abnormally increased by 2½

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times, that is, by about 250 per cent. This proves very clearly that the burden of taxation is put more and more on the poorer sections of the society, who have to pay the indirect taxes, than on those who can afford to pay. Therefore, the proportion of direct taxes is far less than that of indirect tax.

Coming to the corporation taxes, in view of the boom conditions and the tremendous profits that are being derived by the companies, the additional levy of 5 per cent is very meagre. Taxes on income other than corporation income shows a depressing trend. The budget revenue from ordinary collection shows a fall of 11 per cent. While the receipts for 1960-61 show an increase of Rs. 12.1 crores in view of the increase in profits as a result of high accumulation of capital wealth, the budget figure this year shows only Rs. 9 crores or so, a fall of about Rs. 3 crores in wealth tax in spite of the increase in wealth.

Then there is the disparity between incomes. I need not explain all those things.

Shri D. C. Sharma: You must explain them.

Shri Yallamanda Reddy: The proportion of individual income to national income has increased considerably but the proportion of taxes and assessed income to national income has decreased. That is a question which is agitating the people now.

The Third Five Year Plan talks about reduction in inequalities in income and wealth and more equitable distribution of economic power. But that has not been achieved by this Government, and there is no indication as yet that this government is going to achieve that objective. Therefore, it is quite clear that the policy enunciated in the Third Plan is being ignored by this Government and it is proceeding in a way which is against what the Third Plan says.

Coming to the indirect taxes, Government propose to levy a cess of 25 nP. per kilogram on yarn which is exclusively used by the handloom weavers. Previously this was exempted from the levy on the ground that it will hit the handloom weavers. Now there are about two crores of handloom weavers throughout the country. The Government in the past used to subsidise or help the handloom weavers so that they can make both ends meet. Now there is the scheme of voluntary control which is a farce. It is not being implemented anywhere. Some of the mills in Madras are openly advertising the rates which prove that the voluntary control is not working well. Now if you impose a further levy on this yarn, it will badly hit the handloom weavers and play havoc with their lives. They will actually give up their business. Already, there are accumulated stocks with them, the Government's policy in this regard is not sufficient to make them earn a living and there is unemployment. Now if we increase the cess again, I am sure the handloom industry will collapse and there will be a crisis among 2 crores of people whom we have been trying to help all these years. Therefore, I request the hon. Minister to drop this levy.

Then the hon. Minister was telling us that there is a better balance between demand and supply. If there is a better balance between demand and supply why are we importing so much of foodgrains? If there is a better balance between demand and supply, why are we asking our people not to produce more sugar, not to eat more sugar and asking the foreign countries to take sugar at a price 20 per cent below the rate at which we are producing? When this is the position in our economy, the Minister says that we have achieved stability in our internal economy and our only difficulty is about balance of payments. This is quite an anomalous position. Both the internal and external economy are inter-related and inter-dependent; we cannot separate one from the other.

Because our internal economy is sound, our balance of payments position becomes acute. If you take our balance of trade with America for the last ten years, you will find that we always have an adverse balance.

Mr. Deputy-Speaker: His one minute is becoming five minutes.

Shri Yallamanda Reddy: I will conclude just now.

Only our trade with the socialist countries is showing an even balance, whereas our trade with the imperialist economy, whether it is UK or America, is always showing an adverse balance for the last ten years. That is so because, according to an article in a trade journal, the Americans will buy articles from other countries only if their price is 20 per cent below that obtaining in the American market. Therefore, I am of the view that unless we take a radical view of our internal economy and change it, we cannot strengthen our economy externally and cope with the problems which we have to face.

The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat): Mr. Deputy-Speaker, during the last election in my constituency, a virulent campaign was started, pointing out that the Government of India indulge in wasteful expenditure and the instances quoted were that of the reports of the Public Accounts Committee. The whole campaign was pin-pointed against me because they said that I being associated with the Finance Ministry for about ten years the whole responsibility for wasteful expenditure rested on me. I did not answer it because I knew the people will answer, and the people did answer because I was returned with a thumping majority. My friend who started the campaign lost his deposit.

But today I propose to point issue with the friends of the same party who have raised more or less a similar question. My hon. friend, Shri Kamath, said that year after year the

audit reports bring out a large number of cases involving wasteful and infructuous expenditure and the Finance Ministry and the Government of India do nothing about that. Some other hon. Members also raised this question. On this occasion, I want to answer that point because it is not only misleading but it gives a very inaccurate picture about the government of this country.

Shri M. K. Kumaran (Chirayinkil): Who are giving a misleading picture—hon. Members or the Public Accounts Committee?

Shri B. R. Bhagat: I was referring to the Member, not to the PAC. Wait.

Shri Nath Pai: We are waiting.

Shri M. K. Kumaran: What do you say about what is contained in those reports?

Shri B. R. Bhagat: As I said, I am coming to that. Have patience. I have collected the figures for three years of all the reports of the Public Accounts Committee. And I want to bring it to the notice of the House as to what picture they give. That is what I want to say.

I find that out of a total expenditure of Rs. 3,209 crores in 1959-60, the losses or other irregular expenditure mentioned in the Audit Reports amounted to Rs. 2.57 crores only. The corresponding figures for 1957-58 are Rs. 2,756 crores of expenditure and Rs. 3.24 crores of irregular expenditure; and for 1958-59 Rs. 3,029 crores of expenditure and Rs. 3.91 crores of irregular expenditure as pointed out in these reports. In terms of percentages they amount to 12 per cent. in 1957-58, 13 per cent. in 1958-59 and 08 per cent. in 1959-60. This is the picture that these reports give. When the Government is having such large expenditure, which is growing from year to year, all these irregularities which these reports point out come to only an infinitesimally small figure of 08 per cent which is also correspondingly going down, and I am sure that in the further years, that is

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1960-61, 1961-62 and 1962-63 when these reports will come, the percentage will be lower and lower.

What do they speak of? Firstly, in such a huge expenditure, irregular expenditure is very small. It is the duty of the Public Accounts Committee or of the Audit Reports to point out such expenditure, that however small they may be they should be gradually reduced. Secondly, the conclusion is that the Finance Ministry or the Government of India and the administrative Ministry are more and more conscious that such irregular expenses should be reduced and all attempts are being made to reduce them.

So the charge that there is a huge wasteful expenditure is wrong, totally wrong. Also, the charge that the Government does not listen to the findings in the Audit Reports or does not take action is also wrong. Because, the whole House knows that all these reports are placed before the Public Accounts Committee. They call for explanations from the administrative Ministries, and they submit their report. Then it comes to the Finance Ministry and they take action on them. So the whole process is such that whatever the number of items of such irregular expenditure may be all attention is pointed towards them so that they may be eliminated. And the facts show that they are going down. And I am one with the House and the hon. Members, although I cannot say, being a practical man, that they will be completely eliminated to zero. certainly it will be our continuing and constant effort that such irregular expenses are reduced to the minimum possible.

16:14 hrs.

[MR. SPEAKER in the Chair]

The hon. Member Shri U. M. Trivedi raised a point about the silver refinery and he said that the whole expendi-

ture is infructuous. I was surprised because he did not care to go into the facts. The facts are that this silver refinery was set up with a view to honour our commitment to pay back the silver which we had borrowed during the war, under the Lend-Lease Agreement, from the United States Government; and the payment was being delayed for one reason or another and we wanted to pay it back. Because, in financial matters, in fact in any matter, we have such a high record of honouring all our commitments. When we found out a way, namely that we had the quaternary coins, the old silver coins which we had demonetised, we thought, although we did not have silver, gold or foreign exchange to pay it back, let us extract the silver out of these coins and pay them back in silver, silver for silver. That is why the silver refinery was set up. The House would be interested to know that so far as the technical expertise is concerned there hardly exists the process to take out silver from such coins. We went round the world. Ultimately, there was the "Demag" of West Germany. They said that they will be able to set up a plant. They accepted it. But, still, they had no such experience. No other country, no other company came forward to take out silver from these coins. Demag came forward. They set up this refinery. We had one or the other difficulty: difficulty in site, difficulty in the purity of water required and other technical difficulties. That led to some delay. When the refinery was commissioned, we found that the crucible in which the silver could be refined was defective. They corrected it. I am glad to tell the hon. House that for 18 months, the refinery is going on and it has reached full production. It has also extracted 8 million ounces of refined silver. The refinery is working. We are paying back all the silver.

Shri Hanumanthaiya: What is the initial expenditure and the recurring expenditure of this refinery?

Shri B. R. Bhagat: I do not have that information. I was only meeting his point. Cost and other things, I do not have the information.

Shri U. M. Trivedi (Mandsaur): Is the hon. Minister aware that the word 'infructuous' is used not by Mr. Trivedi alone, but by a Member of the Public Accounts Committee?

Shri B. R. Bhagat: I have all respect for the opinion expressed by the Public Accounts Committee. I am only trying to....

Mr. Speaker: As well as for the opinion of Shri U. M. Trivedi.

Shri B. R. Bhagat: Yes, Sir. Much more so.

Shri U. M. Trivedi: That is true.

Shri B. R. Bhagat: I am only pointing out that this expenditure is not infructuous.

Shri D. C. Sharma: You have not been able to answer the point raised by the hon Member.

Shri B. R. Bhagat: If he interrupts, I will not be able to answer. The point is, the value of the silver that would be extracted would be much more than the cost and the running expenses of the silver refinery. It will be much more.

Another point was raised, what will it do after all the silver is extracted from the coins. It will take about 7 years to extract all the silver from the coins that we have. For 7 years, it will be getting going. After that, with some minor adjustment, the whole plant is so designed that we would be able to extract copper. The House knows that the country has shortage of copper. There will always be demand for copper. Even after the silver refining work is over, there will be enough work for this refinery. Either from the present point of view or the future point of view, the expenses are neither infructuous nor wasteful.

Then, I come to the general question of wastages in expenditure and rise of non-developmental expenditure. A point was made by some hon. Members that although the Finance Minister was coming every year to the House with taxation proposals and the tax bag was increasing, similarly, expenses and wastages in Government were also increasing. I am one with the whole House in the stopping of such wastages and the preventing of all avoidable expenses, whether administrative or otherwise. But, I want to dispel this impression in the House, because, every year, this is being brought up and every year, on this side, we have been answering it. I consider it may duty to answer it again and remove the impression and show that it is not a fact that non-developmental expenditure is increasing at a disproportionate rate.

I want to give some figures to prove this. I do not want to give many figures also as the hon. Member says, sometimes, the figures may mislead you. I am also trying to use the minimum of them. One point should not be missed. During the last 10 years, the country has been developing at a very fast rate. During the First Plan and the Second Plan development has been very rapid. Expenditures, particularly development expenditure, plan expenditure is going up fast. The House does not object to that. Necessarily it means that administrative expenses and some of the non-developmental expenditure should also go up. For, the demands on administration, the increase in the number of persons employed, the conditions of the economy, the pay and allowances revision, all these things lead towards a rise in the non-developmental expenditure.

The House should know that we have been trying to modernise the classification of expenses and we have been trying to make it more precise and more scientific from year to year, and we have constantly been reclassifying them with this end in view, by bringing some items from the deve-

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developmental side to the non-developmental side, and by taking some items to the developmental side and so on. But, still, the term 'non-developmental' does not connote exactly what we mean, because as I shall try to explain presently, some of the items of expenditure are such that they are really developmental in nature or they arise as a result of the necessity of development. So, the very fact that non-developmental expenditure has shown a rise should not scare us, although this is a fact that there has not been any disproportionate rise in the non-developmental expenditure.

If you see the figures of the last seven years when there has been the peak of development, the total increase in expenditure which has been met out of revenue during that period of seven years, that is, from 1955-56 to 1961-62, is Rs. 543 crores. This is the total of the item 'non-developmental expenditure' according to the classification. This figure of Rs. 543 crores should not scare us. For, if you analyse it, you will see that Rs. 130 crores was on account of defence. I think the House will agree that all expenditure on defence is such that we have to incur it, and I am sure the House will gladly support all expenditure on the defence of the country.

The second item is Rs. 162 crores towards nation-building development and social services; there are social services, then there is construction of buildings etc. by the Public Works Department, and all those other things that go into it. These things constitute the second item. Although towards the second phase of the Second Plan, there has been some cut under this head, still, the House will appreciate that social services form a very important item. Although they do not create any assets, and, therefore, they have to be classified as non-developmental expenditure, still, they are a very essential item.

The third item is Rs. 167 crores towards what is known as 'Charged expenditure' under the terms of the Constitution, which are in the nature of obligations. One such item is our public debt. Our borrowings are rising. The House will recall that for financing our Plans, we have been borrowing more and more, and so the public debt is rising, and the service bill or the interest charge is also going up. It has gone up during this period by Rs. 43 crores; that is the extent by which the debt charges or the interest charges have gone up. Then, under the terms of the Finance Commission's award or under the terms of the distribution entailed under the Constitution, that is, the distribution of revenue between the States and the Centre, we have to part with a sum of Rs. 109 crores to the States.

These are all obligations. If you add up all these figures, you will see that a bulk of the sum of Rs. 543 crores, which is described as non-developmental expenditure, and in respect of which the House is charging us that the non-developmental expenditure is going up, or that Government are becoming wasteful, is against that criticism.

Shri Nath Pai: May I ask my hon. friend whether he calls expenditure on the police a very good contribution towards development, which is to be found at page 111 of the Explanatory Memorandum? The expenditure has gone up by about four hundred per cent.

Shri B. R. Bhagat: I did not know that the hon. Member would go into the individual items. But I might explain this also.

Shri Hari Vishnu Kamath (Hoshangabad): The hon. Home Minister is here, and he can explain it.

Shri B. R. Bhagat: The Home Minister will explain it when the Demands for Grants relating to his Ministry come up before the House. But

let me tell my hon. friend in a general way that the bulk of expenditure under the head 'Police' in recent years has been on policing the border areas. That is a very big item; apart from the other demands on the police and the general administration, the bulk of the expenditure is on the border areas. I hope the House will not grudge any amount spent on policing the border areas.

Shri Nath Pai: Has it brought about a four hundred per cent increase in the security on the border?

Shri B. R. Bhagat: I can deal with the details when the occasion comes, but since the hon. Member has raised a general point, I am giving him a very good answer.

Shri Hari Vishnu Kamath: Good, bad, or indifferent does not matter.

Shri D. C. Sharma: Even Shri Hari Vishnu Kamath feels convinced.

Shri Nath Pai: That is the best joke of the day, I must say.

Shri B. R. Bhagat: Answers are jokes! Coming to some economic aspects, my hon. friend, Shri Morarka, raised the question of export. The whole country knows today the importance of export. It is a fact that over the past ten years our export has not increased, but is rather at a standstill. That is true.

Shri Hari Vishnu Kamath: Stagnant.

Shri B. R. Bhagat: That is why we are trying to do everything possible to increase our exports. But I would plead with the House—I hope the House will appreciate it—that exports are not such a thing which can be increased over a period of one or two years; we have to take steps, we have to make institutional arrangements, we have to change our pattern of production. We have to do a number of things over a wide field so that exports can go up. I agree with him if

he thinks that in this respect the steps we have taken are not very positive, although that does not mean that so far we have not taken any steps. He himself admitted that a positive step has been taken in regard to tea exports. Other positive steps has also been taken. But it is a fact that we are looking forward to more and more active steps in the positive direction so as to increase our exports.

So far during the past two or three years we have taken some steps like removal of restrictions on exports, reduction and elimination of export duties, schemes of drawbacks of excise and customs duties, assurance of imported and domestic raw materials and components as well as equipment for exporting units, the establishment of export promotion councils, the institution of quality control and pre-shipment inspection, export credit guarantees etc. Such measures are also designed to help exports. We have taken some of these steps; we are taking others.

This has created in the country a measure of export consciousness, which we wanted so badly. Export consciousness should prevail right throughout the tenor of our economic life and many of the industries are now striving to find ways and means of selling a growing proportion of their output in foreign markets. Government will continue to keep the question of incentives for exports under continuous review, and the House may rest assured that taking account of all the relevant factors, Government will take all possible measures to encourage exports.

But one fact should be realised, that we cannot export things which we do not have. Particularly in a market like ours, where there is always a pressure from the internal market, prices have to be taken care of. So the first essential is a steady increase in the production of agricultural and industrial goods in our effort to step up exports. This is shown by our experience. Take, for instance, ground-

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nut oil. There are competing demands for internal consumption as well as for export to earn foreign exchange. If we export a larger chunk out of the internal production, there will be a pressure on the price which will disturb the structure of prices in the country.

Apart from producing more, we have to do certain other things if we want to step up our exports. We must maintain standards of quality; we must produce goods at prices which are competitive in those markets. Also our production pattern should be so flexible as to change with the demand changing in other countries. It is no use sticking to one pattern. The demands in the countries we are exporting to change and therefore we have to switch our pattern over to that. So we have to develop a dynamic outlook, if we want to stimulate export industries. Adjusting the whole system of prices, the system of cost, the system of quality, the system of our pattern of production—all these will take time. But we have geared up the machinery and we are taking all steps, positive and palliative. We are giving exemptions also. So that in the very near future, in the course of the Third Plan, we hope to develop exports to reach the target envisaged in the Plan itself.

Then I come to the Plan targets. A point was made that the slowness in the implementation of the Plan targets had resulted in imbalances in our economy and pressure on our foreign exchange, that but for it we would have been in a better state of affairs today. I entirely agree with that. That is true. It is true that some of the Second Plan targets particularly in our key sectors of industry like steel, cement, coal or power, as was pointed out, could not be kept up, but this does not mean that we have not gone forward in them. In cement for example, the original target was 16 million tons, and our realisation was 9.16 millions tons. There is a big gap, but towards the third or fourth year

of the Plan we revised the target. The target was brought down to 11 million tons. So, in some cases the targets were revised. In the case of some of them, particularly the industrial undertakings, the House should realise the difficulty. It was in the Second Plan that an effort was made to lay a very solid and sound foundation of our industrial structure. Most of the industrial undertakings were taken up during that period. In the early years the main difficulty was that of foreign exchange. We were not sure of the foreign exchange. Our foreign exchange earnings were not such that we could commit ourselves in this respect. So, once the foreign exchange was assured, we could go ahead with the designing, implementation and negotiations. For each of these big public undertakings, whether they are steel or coal washeries or cement plants or power plants, we had to run round the whole world, negotiate and find out the best of terms, and it is all time-consuming. So, just to say that we had a target and we could not achieve it minimises the amount of effort that had to be put in. In some cases 75 per cent., in some others 85 per cent of the target has been achieved, although not hundred per cent. So, if you only say that the targets were not achieved, certainly we face the charge of slowness, but you must see the amount of effort put in, the difficulties that we had to face. In many of the industries, there was the question of personnel, finding the right type of men to manage them. Then there was the question of exchange, and we were trying to do our best. If you look at in this context and see what we have achieved during this period, it is rather unparalleled in the history of economic development of any country.

Shri Hari Vishnu Kamath: For all time?

Shri B. R. Bhagat: I cannot say for all time, because we hope to better our record in the Third Plan.

Shri Hari Vishnu Kamath: Let us hope so.

Shri B. R. Bhagat: Because we have now experience, during the Third Plan we hope to step up our implementation. It is a fact that during the Third Plan the crucial factor is our ability to implement the Plan targets, whether it is exports or whether it is the proper running of public undertakings so that we get a good surplus. I will come to that point again because there is another connected point, and the Finance Minister in his Budget speech in paragraph 15 has laid great stress on this. It is a very important point because it is a very good source of revenue.

We have taken in the Plan Rs. 450 crores as surplus from our public undertakings, and the point made was that the record of the public undertakings was such that they were not giving enough return. In the *Explanatory Memorandum* we have given all the returns and dividends. There is truth in the criticism, but you should see the whole picture.

We have ourselves said that in the current year Rs. 2:58 crores worth of dividends were realised for a total investment of Rs. 700 crores. We should realise that, in the first place, these figures do not indicate the extent of the profit made by the concerns but only the amount that would be credited to the government account in a particular year. It is important to remember that a sizable part of these profits goes towards strengthening the resources of the undertakings or to meet their expansion programmes.

For example, during the year 1960-61, the National Coal Development Corporation made a profit of Rs. 1.04 crores. The Hindustan Machine Tools Rs. 74 lakhs; the Indian Telephone Industries Rs. 47 lakhs and the Hindustan Antibiotics Rs. 79 lakhs. All these profits, except for some Rs. 53 lakhs in the case of the H.M.T. and Rs. 9 lakhs in the case of ITI were

ploughed back for further investment. This is not reflected in the dividends.

Shri Nath Pai: Why do you not include all this in the *Explanatory Memorandum*? That was our complaint. The *Explanatory Memorandum* gives a very brief picture and these are not included.

Shri B. R. Bhagat: That is my difficulty. We have given a statement. I am trying to explain it. We cannot give all these figures in the *Memorandum* because it will become too bulky.

Then the House knows .

Shri Nath Pai: May I point out this, Sir. He has not given these figures. He has given the handle to the critics. The memorandum does not give a true picture because it does not include these figures. Only students of the public sector know it. So the enemies are criticising. That is the suggestion we make.

Shri B. R. Bhagat: I will be wiser next year. I agree with him that the impression is being created that our public sector undertakings are in a bad way. I am using all my ingenuity at present to dispel that impression and show that we have a very good case.

Shri Indrajit Gupta: Will the hon. Minister tell us what is the percentage out of the total profit which is contributed to the revenues? It is given there as 0.3 per cent. What percentage is it of the total profit because the major part of it is being ploughed back?

Shri B. R. Bhagat: The revenue that comes to Government will be the profit declared. That won't be the profit that is ploughed back.

Shri Indrajit Gupta: The whole of the declared profit would come to the revenues.

Shri Morarka: I think the picture that is given in the explanatory memorandum is the proper picture. There are cases of losses. For example, there

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is a loss of Rs. 170 lakhs in the case of Hindustan Steel; then there is loan of Rs. 300 crores free of interest. Naturally, all that will have to be shown. So, the picture that is given in the *Explanatory Memorandum* is the proper picture.

Shri B. R. Bhagat: Actually, that is the point I am coming to.

There are public corporations, companies, autonomous corporations. There are running concerns; there are concerns under development which have not reached the end of the gestation period. So you cannot expect them to make profits. The House should not forget, when it is said that the targets have not been reached, that even in the case of institutions like the Tatas their plan targets were not fulfilled during the time. They were paying dividends out of their reserves in order to keep up the standard.

Some criticism was made that the gestation period has been much too long. We cannot expect concerns like the Rourkela, Bhilai and others to just give dividends within a period of 5 years. It was also said that some other companies were making huge profits. As I said before, the Tatas were paying their dividends out of their reserves, in order to maintain their tradition. During this period they were also engaged in undertakings like the public sector undertakings. To say that the public sector undertakings have not fared well is not correct. But we should not be complacent. We should try to pull up the management. I agree with the hon. Member that there is need for continued improvement in the management of these public undertakings. They should be run efficiently and we must have surplus which we want to have for the Third Plan. That should be our determination. But we should not give this impression that because some of these public undertakings are still in a constructional stage or have not completed the period of gestation we are inefficient. As for instance, the steel plants are not only not making

any profits but they are incurring losses. All this will be reflected in the total revenue that will come from the public undertakings. But by and large if you see the public undertakings, they have a very great future and they will be fruitful sources of revenue towards the Plan.

Shri K. R. Gupta (Alwar): Will the hon. Deputy Minister tell us whether he knows that Rs. 1000 crores are invested in the public sector and there was a loss of Rs. 60 crores on that investment? It is reported in the papers.

Shri B. R. Bhagat: I do not know. What does it mean? There is no loss.

Shri K. R. Gupta: There are losses.

Mr. Speaker: We have to accept what the hon. Minister says.

Shri B. R. Bhagat: An important point was made by Shri Morarka about the training of the managerial personnel. He expressed a fear that we were wasting our top personnel by retiring them a little too early. It is true that the Second Pay Commission recommended the age of retirement as 58. Government considered all the pros and cons and did not increase the age. But all the same, in respect of managerial, scientific and technical personnel where high expertise is required we have been giving extensions after extensions. In all these public undertakings, in most of them the age of retirement is virtually 60. We did not accept 58 as the retirement age because it will give us an element of flexibility. If we raise it then the good and bad will be retained and it will mar the progress of young men whom we are training and who will come and take their places. There will be a lot of frustration. So, on balance, weighing the advantages and disadvantages, we decided not to increase the age of retirement but to give liberal extensions for the scientific and technical personnel. We have the Industrial Management Pool which we are trying to expand and they can go up to

60. I do agree with him that so far as the managerial cadre is concerned, we should use as much expertise as is available and particularly in the initial stages there is need for streamlining the management of the public undertakings.

Before I have done, I would refer to one or two more points. Shri Guha said that we had reversed our credit policy. During the Second Plan when there was pressure of price the Reserve Bank evolved a policy of selective credit controls. He said that we had shifted from a selective credit restraint to a general credit restraint and that we are not doing anything to keep a check on creation of credit by banks. The Reserve Bank has been conducting its credit policy in a flexible manner. In regard to a number of commodities recently we had a credit squeeze policy, for instance, wheat, sugar, raw jute, goods, etc. This policy had been relaxed after considerable consultations. When we saw the pressure of high prices, we tried to squeeze; when we saw the pressure is low, we relax the squeeze. That is the advantage in having a flexible credit policy. This has been done taking into account the position of supplies in all these cases. In any case, selective credit control ceases to be effective. Such a policy can only be for a limited purpose or for a limited sphere of commodities. If we do it in a general way, the effectiveness of such a policy is lost; it loses much of its charm. Also, it is not a fact that we have given almost free scope to all banks to create any amount of credit that they like. In fact, the rise in credit during the busy season of 1961-62 has been no larger than in the previous year. It has been on a par. The decline in credit by banks during the slack season of 1961 was significantly larger than in 1960. The present credit policy aims at meeting the legitimate needs of trade and industry and at the same time not allowing credit to be used for speculative or anti-social activities. That is the most important thing.

This takes me to the last point. A large number of hon. Members have raised it. It is the question of prices. This is natural because prices are important from the point of view of the people both in their capacity as producers and as consumers. In a country like India, which is seeking to transform the economic structure through successive Five Year Plans and where a part of the economic activity, including agriculture and small and medium-scale industries continues to be in the private sector, the price policy is very important. Let me point out that first in the second Plan and more elaborately in the third Plan, we have given the broad framework of the price policy. We want to achieve two things.

Firstly, there should not be a runaway inflation. A very sudden spurt in prices is very disastrous for any economy and more particularly for an economy like ours. Although we cannot prevent rise in prices in a developing economy, we want to control the rise so as to suit the need of the economy. Whether it is agricultural price or industrial economy or exports, the rise should be *pari passu* with the developing economy.

The second object of such a policy is that there must be a structure of relative price, whether it is agricultural or industrial price or export price. These are the two broad frameworks of the price policy. Everybody talks today of rise in prices. That is true. Wherever it is present, particularly the urban lower middle-class and the middle-class people are affected because of the rise in prices of certain commodities and we have to try to use corrective methods.

The point has been made that as a result of indirect taxation, there has been a rise in the prices of commodities. A very sweeping statement is made that we have undertaken a large dose of indirect taxation and so there has been a rise in prices. If you im-

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pose a duty on something, tomorrow the market price goes up. This year also a similar charge has been made. I have tried to get the prices of all the commodities on which a levy has been made. I would tell the House the price of only 4 or 5 commodities which are of mass consumption like loose tea. This is the retail price. I have the prices from Cochin, Delhi, Coimbatore, Poona, Darjeeling and Gauhati up to last evening. Only in Cochin, the rise is 28 nP. although the rise should be 10 nP. which was the amount of duty per kilogram. So, the rise is 18 nP. more in Cochin for the hotel brand tea; not all tea. In all the other places, there is no rise in price absolutely. Similarly on matches of 50's which go in common consumption, there is absolutely no rise in prices.

Shri Raghunath Singh (Varanasi): They must be from old stock and therefore there is no rise in prices.

Shri B. R. Bhagat: I have got the report here. There is no rise in prices. Similar is the case about cotton yarn. There has been a rise of 0.092 per cent. in Delhi, but no rise in Ahmedabad and Broach. In cotton fabrics there is no rise in Delhi, Ernakulam, Madurai and Calcutta.

Shri Hari Vishnu Kamath: Are they retail prices?

Shri B. R. Bhagat: Yes, retail prices. In Coimbatore there has been some rise. According to the taxation the rise should be 0.03 per cent. and the actual rise is by 19 nP. In the case of medicines, in certain medicines we have reduced the duty.

Shri S. M. Banerjee (Kanpur): What about Delhi? What is the source of his information? Was it collected by his people in the Ministry.

Shri B. R. Bhagat: Delhi is also there.

Shri J. B. Singh (Ghosi): Why don't you go to a retail shop here and see the prices?

Shri B. R. Bhagat: I have tried to collect it. The source is the market; the retail prices obtaining in the market.

Mr. Speaker: The hon. Members want to know whether he asked his revenue officers to go and find out the prices?

Shri B. R. Bhagat: Certainly, Sir, I will use my own agency. I won't go myself (*Interruption*).

Shri S. M. Banerjee: 7 nP. is the common market price; that you should realise.

Mr. Speaker: Order, order. What does he want me to realise? I am putting his approach to the Minister. He does not allow me to put that.

Shri S. M. Banerjee: You have already put.

Mr. Speaker: Is the hon. Member to answer it? He should wait and get the information. I am getting it. Let me be satisfied with that.

Shri S. M. Banerjee: I am sorry, Sir, I have not heard you properly.

Mr. Speaker: What does he want?

Shri S. M. Banerjee: The hon. Minister was saying that there is no rise in the price of match boxes. But the whole difficulty is that 7 nP. is the common market price.

Mr. Speaker: That is exactly what I was putting to the hon. Minister. I was asking him the source of his information. He is telling that he has used his agency. I am putting it to him whether some customer actually has gone and tried to purchase it. I think that would serve his purpose. I

was actually putting his case. Instead of having patience, the hon. Member interferes.

Shri D. C. Sharma: Match box is selling at a higher price even in the Parliament House.

Shri Raghunath Singh: In the Central Hall it is selling at 7 nP.

Mr. Speaker: The hon. Minister must have used the services of Shri D. C. Sharma and Shri Raghunath Singh for collecting the information.

Shri B. R. Bhagat: I am quite prepared, if the hon. Members are willing to lend their services.

In medicines, although we have reduced the duty, the pre-budget stocks are being sold now and therefore, the prices have not come down.

I have collected the figures from important centres in the country. I have sent my own officials to collect the information. Whatever statements the hon. Members made, they were general statements. They only said that there is a general rise in prices. They did not give any specific information. I have tried to collect the information. If they have any other information, certainly they can bring it to the notice of the House.

Shri D. C. Sharma: What about the price of tobacco?

Shri B. R. Bhagat: Sir, I should be allowed to go on.

Shri Nath Pai: Don't be so unkind. He is doing his best.

Shri B. R. Bhagat: Sir, I only want to supplement what the hon. Finance Minister said in his Budget speech about the whole concept of direct and indirect taxation. The other day, Sir, Shri Morarka said that indirect taxation would depend upon the stage of economy at which a country is. Certainly, when there are more personal incomes, more individual incomes, the revenue from direct taxes will go up. But in a country like the

Soviet Union, where personal income is of the least importance, certainly there is no place for income-tax; most of the revenues there are from indirect taxes. So, to say that we are levying more indirect taxes in this country, therefore it is regressive, therefore it adds to the burden of the poor man, to the common man, it is not true. What the Finance Minister stated was that we made a study about the structure of indirect taxation and if we selected goods properly the articles on which we want to levy the tax, to a certain extent the indirect taxes can be progressive. He maintained in his speech that these taxes are progressive. I am only supplementing that by saying that it is not correct to say that because certain indirect taxes are levied, there is a rise in prices and regressive and retrograde forces are released on the economy. So far, there has not been any perceptible rise in the prices of articles on which the indirect taxes are levied. Therefore, to say that because of our tax policy there is a rise in prices is not true.

It is a fact that during the Second Plan period there has been a consistent pressure on our prices. But it must be recognised that because of the speedy industrialisation, because in the nearly stages there has been a short-fall in our food production, so there was a pressure on foodgrain prices and, later on, because of the pressure of the rise in prices of the raw materials like cotton, there was a constant pressure on prices for the whole period of five years. But we have tried to maintain the prices and stabilise them at a proper level. If you see the index number, towards the beginning of the Third Five Year Plan, the pressure on prices has eased instead of increasing, because there is a large supply of foodgrains and the position of the raw materials is better and so the upward trend in prices, which continued till July, 1961, when the index was 128.6 gradually came down since then to 122.9 by December 1961.

[Shri B. R. Bhagat]

After December 1961 the level of wholesale prices has been more or less stable round that level, the index for April 1962 being 123.4; that is, about 1.2 per cent, lower than what it was a year ago

We want that there should be stability in prices. Although we know in a developing economy there are various forces released which have some relation with the rise in prices, we want to control it. If you see it in the context of the world picture, over this period not only in this country but all over the world there has been a rise in prices. This is one of the conclusions emerging from a recent study made by the First City Bank of New York, analysing the price trends in 43 countries.

Shri Hari Vishnu Kamath: What about the wages in relation to prices?

Shri B. R. Bhagat: That is a different question. I am referring to the rise in prices.

According to this study, the rise in prices in India was 2.1 per cent, somewhat higher than that of Switzerland, which had a figure of 1.4 per cent. It was of the same order as in Germany, United States and Canada. In fact, it was significantly less than in many European countries and much less than some of the developing Latin American countries.

So, if you see the record of our maintaining the stability of prices, we have a very good record. But we should not minimise the point that the social conditions in each country may be different. I agree there with the hon. Members. But, so far as the Government are concerned, we are conscious that what we call the social margin of tolerance to a rise in prices is much less in this country than in European countries; because they have greater flexibility in economy, they have greater flexibility of tolerance. More so because immediately during

and after the Korean war, we have been having very high prices. Therefore, we are allergic to it and what I described as social margin of tolerance is much less here. Therefore, we should be very anxious and careful to see that the price line is maintained. All our efforts will be to maintain the price line. There should be stability in prices to subserve the interests of the developing economy and the interests of the Plan during the Third Plan period

17 hrs.

Before I conclude I would like to say that I am very grateful to the hon. Members who participated in the debate. I must end it on an optimistic note. Because, if you see the march of the country over the past ten years what is the position that you see? I want to bring this to the notice of the House because I want to disabuse any wrong impression. The House has been very indulgent in so far as our Plan implementation is concerned. We have made mistakes; our targets in some of the key sectors have not been fulfilled. True. But if you have an integrated picture and if you see the march of the economy over a period of ten years, there is no cause for any misgiving, there is no cause to be disheartened. Rather, we have reached a stage, a very crucial stage in our economy when we are implementing the Third Plan and we have to gird up our loins. There is cause for having more confidence and more courage. Because, we have laid the basic industrial structure; our agriculture is in a good way; we are building up the whole rural economy right from the bottom. We are generating social and other institutions, so that in future our progress is going to be faster, and we have to strengthen them; and we have to develop expertise, whether of manpower or technical know how or other things so that we march forward. There is no other answer to rapid development in an economy like ours.

Whatever progress we have made is creditable. But we are not satisfied with it. We want to go ahead faster. And that is the lesson of the last ten years of planned development. I would like the House to be indulgent in this, to give this picture of confidence before the country that we have to implement the Third Plan, we have to face all the difficulties, we have to gird up our loins. All the parties should combine to create this atmosphere in this country, so that we may march forward so far as our economic front is concerned.

Shri Nath Pai: We are very grateful to the hon. Minister for trying to enlighten us on the price stabilisation and for the efforts he is valiantly making. Here is this Tata's book of statistics, and it shows that during five years from 1955.....

An Hon. Member: Tata's!

Shri Nath Pai: They have taken the statistics from the Government of India sources. Do not have such a wrong type of allergy.

Mr. Speaker, this book shows that over a period of five years, that is

1955—1960, the price rise annually in India was 7.5 per cent. And this is the highest among the eleven countries, barring Brazil.

Shri B. R. Bhagat: Since when?

Shri Nath Pai: From 1955 to 1960 the annual rise, in percentage, was 7.5. It is at page 19 of the book.

Shri B. R. Bhagat: 7.5?

Shri Nath Pai: Would you try to sue them for misleading the country?

Mr. Speaker: Order, order. An hon. Member had written to me that he had to leave this evening. I sympathise with him because now the time is over. I could not accommodate him because the hon. Deputy Minister has taken one hour.

Now the House stands adjourned till 11 a.m. tomorrow.

17.03 hrs.

The Lok Sabha, then adjourned till Eleven of the Clock on Thursday, 10 May, 1962|Vaisakha 20, 1882 (Saka).