

[श्री मधु लिमये]

नहीं कहना है। मैं ने जो ध्यानाकर्षण प्रस्ताव दिये हैं, उन को आप मान लीजिए।

अध्यक्ष महोदय : ध्यानाकर्षण प्रस्ताव में ये सब मामले नहीं मान लिये जाते हैं। माननीय सदस्य इस बारे में रेजोल्यूशन या शार्ट इयूरेशन की डिस्कशन का नोटिस दें।

श्री मधु लिमये : मैंने अल्प-सूचना प्रश्न भी दिये हैं।

अध्यक्ष महोदय : जब वे आयेंगे, तो उन को देखेंगे।

Shri S. M. Banerjee (Kanpur): We cannot have calling-attention notice?

Mr. Speaker: In all these matters, I have said that they could not be combined together in this manner.

श्री मधु लिमये : मैंने अलग अलग दिया है।

अध्यक्ष महोदय : माननीय सदस्य के नोटिस आये थे। मैंने उन में से कोई ऐसा नहीं समझा, जिस को मन्जूर किया जा सके। अगर माननीय सदस्य यह महसूस करते हैं कि उन में से किसी नोटिस को जरूर एडमिट करना चाहिए, तो वह उस का हवाला दे कर एक साइन मुझे लिख दें। मैं फिर उस को देख लूंगा। अगर वह तकलीफ कर सकें, तो वह मेरे पास आ जायें। मैं उन सब नोटिसिज को भी निकलवा कर देखने के लिए तैयार हूँ।

श्री स० मो० बनर्जी : अध्यक्ष महोदय, मेरा कहना सिर्फ इतना है कि काश्मीर के बारे में यह कहा गया था कि अभी उस के मुताबिक कोई सवालालत न उठाये जायें। लेकिन ये कालिग एटेंशन नोटिसिज इस लिए दिए गए हैं कि अक्षरों में समाचार आ जाते हैं और वे हम को मालूम नहीं होते

हैं। अगर मंत्री महोदय खुद ही इन बातों के बारे में बयान दे दिया करें—काश्मीर का मामला युनाइटेड नेशनज में जाने की बात हो रही है, वेस्ट्रन पावरज काफ़ी दबाव डाल रही है, कश्मीर के इलाके में पाकिस्तान की फ़ॉर्सिज जमा हो रही हैं, वगैरह—तो हमें ये नोटिस देने की जरूरत ही न पड़े, हमें हाउस को परेशान न करना पड़े। आखिर मंत्री महोदय को भगवान ने अक्ल दी है।

अध्यक्ष महोदय : भगवान ने हर एक को अक्ल दी है।

श्री मधु लिमये : विदेशिक कार्य मंत्री आए हैं। आप उन से पूछिए कि क्या वह कोई वक्तव्य देना चाहते हैं।

12.05 hrs.

RE: BUSINESS OF THE HOUSE

Shri Frank Anthony (Nominated—Anglo-Indians): Before you proceed further, Mr. Speaker, may I make a request? You will not be in the Chair later on. On this Aligarh University Bill we have already used two out of the four hours; there was the Mover of the Resolution and the Education Minister who spoke. It is a very important matter and many of us feel that we should have at least 2—3 hours extension of time.

Mr. Speaker: I will try; if that is the consensus of the House we will extend it by two hours.

12.06 hrs.

FINANCE (No. 2) BILL, 1965—contd.

Mr. Speaker: The House will now take up Finance (No. 2) Bill. We were on clause 25. Mr. Bade has to continue his speech. There are about 1½ hours left.

Shri Bade (Khargone): Sir, I support the amendment of Mr. Masani. Shri T. T. K. has said that by imposing these taxes there will be no rise in prices. I think that in the college when I was a student of economics I learnt that when there was the imposition of taxation there was bound to be a rise in prices. Mr. TTK should write a new book of economics that by his taxes there would be no rise in prices. That is a very queer sort of principle. I think it was Mr. Ruskin who was famous for his economics on wealth. Now, TTK is enunciating new principles of economics that by taxation there will be no rise in prices. He should also write his new book on economics. The Finance Bill was secret in the womb and it was abruptly delivered in the House because he was conscious of the fact that by his new Finance Bill there will be increase in prices and there will be speculation; therefore, he kept the whole thing secret. In this Bill there are more taxes and due to these taxes, prices will rise. It appears the Finance Minister wants to solve some riddle. We hear of solving commonsense and crossword puzzle; but this seems to be an economic puzzle or riddle. The report of the Reserve Bank of India says that the Indian economy was afflicted during the year ended March 1965 by rising prices, difficulties in raising adequate resources for investment and a sharp decline in foreign exchange resources; this is stated in the Reserve Bank's report on currency and finance for 1964-65.

"The virtual stagnation in agricultural production in 1963-64— for the third consecutive year— and the expansion in industrial production at a slower rate in 1964 as compared to the preceding years in the face of increasing outlays by the Government, as also the expanding private investment, aggravated the pressure of demand in the economy, the report says."

This is the riddle. He wants to solve it by permutation and combination, and in regard to such permutation and combination, I can recall my experience. There was a student who was being educated and he wrote to his parents that "this was the last stake; give me all the money which you want to give me for my education and I will solve this common sense cross-word and get a bumper prize." But he unfortunately failed and he could not get any prize either, and there was a heavy loss to his family. So also, if the hon. Finance Minister wants to solve the riddle in this way by imposing more taxes, I think there will be chaos, he will fail in his attempt.

In the markets, I have also seen that the copper prices have gone up, and the small scale industry in respect of utensils such as in Ujjain will be shattered. All the people will now have to eat their food from the earthen bowls. We will again return to our old conditions and there will be no utensils of brass and copper. There will be only earthen bowls which we find in this northern parts of India. In Maharashtra these earthen vessels are not found out here, in the northern part of India, we find people keeping tea in earthen bowls, which is a popular feature. If you had seen the papers, you would have found that as soon as this Bill was introduced, the very next day, there was rise in the price of copper, diesel oil, petrol and other things. Because it is a correlated thing, it will have its effect on the prices. I think the hon. Finance Minister should reconsider these proposals. I support the amendment of Shri Masani.

Shri Khadilkar (Khed): Mr. Speaker, Sir, I rise to oppose the amendment. By the reasoning that is put forward, they wanted to convey certain glaring facts, before the House. In this connection, I want to quote Prof. B. R. Shenoy, the eminent economist, who is a protagonist of the private sector. He has written in the

[Shri Khadilkar]

Hindustan Times of August 30, 1965, as follows:

"The supplementary budget presented to the Lok Sabha on August 19, is a further effort to tap the abundant revenue meat which exists in the vast gaps between landed costs and market prices of import goods. These gaps currently vary between 30 per cent of the landed costs, in the case of machine cloth and 650 per cent in the case of art silk yarn. The landed costs, i.e. foreign currency payments for the imports, transport and incidental charges and customs duties—represent the costs of these goods to importers. Their sales at market prices, therefore, bring enormous windfall gains, as measured by the price gaps. In 1963-64, basing our estimates on the then prevailing market prices of import licences, these windfalls were of the order of Rs. 460 crores. The whole of these gains are not however, retained by importers. They share them with the corrupt functionaries of the State, go-between and tout."

When the import tariff was raised, the one objective or the factor before the Finance Minister was to mop up those gains which are not legitimate. At the same time, more concessions are offered by way of depreciation or development rebates and encouragement of substitution or local fabrication of the machinery and so on. In that context, I shall try to show how it works. Sometimes, for essential industries, a 35 per cent rebate is given. So far as the 35 per cent rebate is concerned, one economist has considered that 35 per cent rebate works out to 14 per cent in respect of the imported material. I cannot vouchsafe whether it is correct or not. But looking to the nature of the tax holiday the depreciation rebate given up to 35 per cent is again for the new industries which are building them-

selves up. I want to make a suggestion that though rebates must be offered, they should not be given effect to unless proper steps are taken to utilise the full capacity; that is the first thing; secondly, efforts should be made to fabricate the local machinery. I am told that at Koyali refinery, our technicians have fabricated many things and saved foreign exchange to a large extent. If we keep this example before us, I do not think that the import duty will affect the industries adversely.

One more word and I have done, so far as this clause is concerned. What I have to say on the other clause, I will say later on. The question of prices has been raised. Unfortunately, no doubt some impact on the price level is there. The main factor giving rise to prices is food. But in our economy, though we are professing socialism, it is more or less a type of *laissez faire* socialism. So, unless the central machinery of direction and control of our economy is introduced, I am afraid no Finance Minister will be able to control the price-line. With these words, I oppose the amendment.

Shri D. C. Sharma (Gurdaspur): Sir, I rise to oppose the amendment which has been put forward. I think when I read something about the financial state of the United Kingdom, I find that they took certain steps in order to keep their economy in good condition, in spite of the fact that the GATT involved certain obligations, in spite of the fact that they belong to the European free Trade Organisation, in spite of the fact that they belong to other international organisations; still they have increased the import duty on articles. They have done all that in order to keep their finances in good condition. I think our Finance Minister has also done the same thing, and I believe that he has taken the right course of action in this matter. I think our Finance Minister has done a little better than the Finance Ministers of other

countries in the sense that while they have raised the import duty, he has given so many concessions to which my hon. friend Shri Khadilkar referred. I think the depreciation rebate will go a long way in reducing the rigours, if there are any rigours, of this import duty. At the same time, we should all feel happy that by imposing these import duties, our Finance Minister is giving a fillip to our indigenous industries. He wants to have import substitution. If we have import substitution, I am sure our own industries will take a leap forward, a leap forward which it has not taken during the last 18 years or so. I think that is going to be something which is very remarkable, and which, I hope our industries of all kinds—small scale, medium and heavy—will make use of.

Again, the Finance Minister has given a tax holiday. I do not like any holidays but this is a phrase, and I do not know wherefrom he has borrowed it. But it is a good phrase. By giving this tax holiday, he has tried to improve the capital market, and he has tried also to improve savings and he has also tried to get the money invested in those undertakings which are really going to do some good to the country.

I feel that the question of prices which has been referred to by my hon. friends over there is a very important question. But I want to ask how these things are going to affect the prices of commodities which the common man consumes. How are these things going to affect the price of foodgrains? The point is, as my hon. friend Shri Khadilkar has said, we should go back to the economics of Graham Wallace who conceived a great society, and I think President Lyndon Johnson himself is considering the great society. I hope my Swatantra friend will remember it. The conception of a great society, as put forward by Graham Wallace, envisages centralised planning. My friends who talk of *laissez-faire* in private enterprise do not know what

President Lyndon Johnson has in view when he talks of bringing into being a great society. If we are to control prices, it is going to be an enterprise which is beyond the competence of any Finance Minister. It will have 3 co-partners—the Finance Minister, the producer and the distributor. How can we rope in all these three categories of persons who contribute to the rise or fall in prices? That is a problem not only for the Finance Minister, but for the Planning Commission also. Unless that is done, the Finance Minister cannot be held responsible for the rise in prices.

We have now at the helm of affairs of the Planning Commission a gentleman, who talks very beautifully, who talks sometimes something which I do not understand and who uses very fine phrases. I think the Deputy Chairman of the Planning Commission and the Planning Commission should address themselves to this task and see to it that the prices are reduced. Of course state-trading in foodgrains and other things may help, but not very much. This is a big problem and I hope after the Bill is passed the Finance Minister will address himself to it in the spirit of Graham Wallace, who in visualising a great society for the whole world, said that we must have centralised planning even so far as prices are concerned.

My hon. friend, the late lamented Mr. Feroze Gandhi introduced a Bill saying that every article for sale in any shop should have a price tag attached to it. It may be said that if we do that, we will bring into the field another army of inspectors, another battalion of government officials, another platoon of supervisors who will create trouble for the common man. But the fact of the matter is, if even this simple method of having price-tags attached to articles of consumption is not taken in hand, this cannot be done.

I feel the Finance Minister has not done anything which is conducive to the rise of prices. My hon. friend

[Shri D. C. Sharma]

said that he should eat out of earthen bowls. I do not know what it means. I come from a district in Pakistan fortunately or unfortunately, where the small-scale industry in pottery was in a flourishing condition and where every article used in the household was prepared with common clay, baked in a common way and sold in a common way. At Lahore, I used to have not this highly expensive crockery for drinking my tea from, but those earthen cups and they gave much better satisfaction. When I go to south India and I am asked to a meal shared by so many people, they put their meal on plantain leaves. I tell you most sincerely and genuinely that that kind of meal is more tasty, more hygienic and more interesting than the kind of meal to which my friend referred. I do not know whether Mr. Bade is a Brahmin or not. I do not want to raise the question of caste, because I do not believe in it. But I believe I have a kind of predilection for the hang-over from our previous generation—all those dainty bowls and all that.

I can assure him that in spite of his forebodings, the copper industry will flourish. Copper utensils will not go out of the market and will be available to the common man. The common man will still eat from them, though sometimes I think for the sake of change I may eat my meal in the crockery which was produced in Gujarat or the way in which people of Madras take their meals.

Therefore, these things should be supported because they refer to an economic malady which is not peculiar to our country. It is happening in every country of the world. I do not know much about other countries, but I can say this is happening in the U.K. Mr. T. T. Krishnamachari is doing much less than what the socialist Finance Minister, Mr. Callaghan is doing there to keep the enemy of the U.K. steady. I think this Bill is a plea for keeping the economy on an

even, steady and stable footing and I support it.

The Minister of Finance (Shri T. T. Krishnamachari): There are three amendments to this clause. The first one is a completely negative one. Naturally it negatives the entire proposal before the House. So, naturally I am unable to accept it.

The other two—Nos. 12 and 13—seek to water it down. No. 12 seeks to water it down by relating the application of this to a particular section of the Income-tax Act, namely section 84, which enumerates a number of industries which are given certain concessions. The idea is that the increased import duty should not apply to any of these industries, which again is a negative amendment and so, I am not able to accept it.

In the course of his speech, Mr. Dandekar adopted the not unfair tactics of ridiculing the government, which is part of the duty of the opposition. But I did not expect him to use some inefficient and indifferent weapon for that purpose. He took the financial statement and said that already the administrative system is overlaid and Rs. 33 lakhs is going to be the extra cost by way of expense for this particular amendment of the customs and excise tariffs. I refer to it only because I have put in that financial statement advisedly. In fact we could have said, there will be no additional expense because of these duties. But we have in mind, or rather we are in the process of implementing the recommendations of the Chanda Committee and implementing the recommendations of the Chanda Committee at a time when we are also raising the duties naturally lead to a supposition that the two things are related. So, I thought that we better state what we are doing and if my hon. friend had read the Financial Memorandum, in the second paragraph it says:

"The Chanda Committee had recommended certain reorganisation of the structure of the Excise Department broadly on the following lines:—

• • • • •

As the present Bill proposes to increase the duty of customs and duty of excise on a number of items, it is felt that some increase of staff is necessary especially if the aforesaid recommendations of the Chanda Committee are to be implemented."

And may I read out to the House the abstract? The increase on reorganisation of the Collectorate in a full year is Rs. 10.65 lakhs. This reorganisation is based on the Chanda Committee report.

Shri M. R. Masani (Rajkot): If the hon. Minister will excuse me for interrupting him for a second, why should the Chanda Committee Report—perhaps it may be a good one—be smuggled by the back door in to the memorandum to a Bill which has nothing to do with the Chanda Committee Report? This is a Finance Bill. It is very wrong that something should be smuggled in like this, which adds to the cost.

Shri T. T. Krishnamachari: I can understand the anger of my hon. friend, because my hon. friend is quick to take offence at something when it is really not necessary. Apparently, the hon. Member did not hear what I said earlier. I said that we want to implement the Chanda Committee recommendations. If the budget had not been introduced, still we would be implementing the Chanda Committee recommendations for which we would naturally have come up with the necessary legislation. Now that we have a supplementary budget, I have merely said that since we are doing it, we can as well mention the fact that we are doing it. So that it may not be interpreted later on by somebody that the

two things have a relationship and we have hidden it. I am reading the details of the abstract. The reorganisation of the Collectorate will come to Rs. 10.65 lakhs in a year. The directorate of audit, which has nothing to do with the budget and which is a general thing which has to be done according to the recommendations of the Committee, will come to Rs. 35.5 lakhs. Then there are regional laboratories. Surely, for increasing my duties I do not need regional laboratories. Regional laboratories account for Rs. 16.5 lakhs Central Training Institute, zonal schools, training research posts Rs. 33.5 lakhs; Directorate of Tax and Planning Rs. 2.1 lakhs. The total for a year is Rs. 98.25 lakhs. For four months it will come to Rs. 33 lakhs. I thought that I should mention that to the House on this occasion.

Some hon. Members mentioned something about the rate for stainless steel being increased. Fortunately or unfortunately since we have abolished the surcharge I find the duty on stainless steel has come down a bit, instead of going up.

In regard to the third amendment, it has nothing to do with this. It stands or falls on its own. It is avowedly temporary measure and temporary measures are taken in an ad hoc sort of way. As soon as conditions permit, the 10 per cent will go on everything; not only on goods covered by the Finance Bill but also on other items. So, I do not want to relate the two or combine the two. Therefore, I am unable to accept the amendment of the hon. Member.

Mr. Speaker: Amendment No. 11 seeks to delete only a part of the clause; not the whole clause. So, it is not negative.

Shri T. T. Krishnamachari: It has a negative effect.

Mr. Speaker: Only a part.

Shri T. T. Krishnamachari: I am not objecting to it on that ground.

Mr. Speaker: I will now put amendment No. 11 to the vote of the House.

The question is:

Page 18,—

omit lines 26 and 27.

The motion was negatived.

Mr. Speaker: May I put amendment Nos. 12 and 13 together?

Shri N. Dandekar (Gonda): I want them to be put separately.

Mr. Speaker: All right. I am now putting amendment No. 12 to the vote of the House.

The question is:

Page 18,—

after line 27, insert—

"Provided that in respect of all articles imported for the purpose of an undertaking which fulfils the requirements prescribed by section 84 of the Income-tax Act, 1961, the rates of duty shall be the rates in force immediately before the amendment to the Indian Tariff Act, 1934, by the Finance (No. 2) Act 1965." (12).

The motion was negatived.

Mr. Speaker: I will now put amendment No. 13 to the vote of the House.

The question is:

Page 18,—

after line 27 insert—

"Provided that the regulatory customs duty of ten per cent. effective from 17th February, 1965 shall be cancelled with effect from such date as the alterations in the First Schedule to the Tariff Act increasing the standard rate of duty on imported articles come into operation." (13).

The motion was negatived.

Mr. Speaker: The question is:

"That clause 25 stand part of the Bill".

The motion was adopted.

Clause 25 was added to the Bill.

Clause 26.—(Amendment of Act I of 1944.)

Shri T. T. Krishnamachari: I beg to move*:

Page 19, line 2,—

for "Eighty", substitute "Ninety" (3).

Shri M. R. Masani: I beg to move*:

(i) Page 18,—
omit lines 30 to 39. (14).

(ii) Page 19,—
omit lines 3 to 9. (15).

(iii) Pages 19 and 20,—
omit lines 26 to 35, and 1 to 26 respectively. (16).

Mr. Speaker: Sir, the last clause dealt with import duties. This one deals with excise duties levied on a wide range of products. Just to show how false and misleading is the claim made that prices will not rise if the duties are enacted, let me give three examples, the examples of three specific commodities to show the impact of the duties.

Let us take furnace oil which is largely used in manufacturing processes. The steel industry uses furnace oil. It is increasingly used to replace primitive forms of fuel as, for instance, replacing coking coal for blast furnace in steel-smelting shops. The old 19th century method of firing the blast furnace by coking coal is now an out-dated and reactionary practice which is increasingly being dropped in favour of furnace oil, which gives better results and, therefore lessens the price of steel. Now, thanks to this excise duty that clause 26 seeks to levy, the steel industry will be driven back to the use of coking coal in blast furnace and for steel smelting in place of the more modern

*Moved with the recommendation of the President.

fuel, thus going back to an out-dated method or technique, leading to a rise in the price of steel. One of the biggest things that we have to do in India is to produce steel at an economic price which can compete with world prices not only for our own benefit but if we want to develop exports in course of time. And yet something is being done in cold blood by a reactionary government which drives the steel industry to use inferior and costly fuel, raising the price of the end product, steel, which is one of the main indices of our industrial growth. These are the men who talk of increasing productivity and taking the country forward. I say they are the enemies of progress, the enemies of the people, the enemies of increased productivity, who cold-bloodedly come to this House and ask us to go back to out-dated and reactionary methods which have been discarded both in other parts of the world and in our own country.

Let us take another product, unwrought zinc, used on the manufacture of spelter. Spelter is one of the main ingredients in the manufacture of galvanised sheets. Even the poorest peasant needs galvanised sheets. He needs them for roofing his hut, for his cattle shed, for many other uses. This scarce commodity, spelter, has mostly to be imported. The excise and import duty on this product will hurt all engineering works that use zinc. It will lead to a drastic reduction in the production of galvanised sheets and by leading to a reduction in the production of galvanised sheets, it will send up the prices of galvanised sheets to the people in our countryside. It will hurt every agriculturist who needs galvanised sheets occasionally for his use. Here is a second example of how our rural economy, which we need to help is going to be damaged. They talk about priority for agriculture and yet they are going out of their way to hurt the agriculturist by increasing the prices of the very products which already are too costly for the agriculturists.

In regard to this duty on unwrought zinc I wish to draw the attention of the hon. Finance Minister to an allegation that has been made in a telegram that I have received that this particular duty is a contravention of GATT, the General Agreement on Trade and Tariffs, this country has signed, to which it has put its signature. I want the hon. Minister to answer this point. I cannot vouch for the accuracy of this charge, but it does appear to be plausible on a reading of the telegram. The argument in the telegram is this. The Act permits the imposition of a duty on scheduled products. I would like the hon. Minister to listen to this because, otherwise he cannot obviously answer this point.

Mr. Speaker: He must have got a copy of the telegram.

Shri M. R. Masani: He should listen to this so that he may tell me where I go wrong.

The argument is this that GATT permits the imposition of a duty on scheduled products of one member nation by another member nation only when the latter does it to protect indigenous production against unfair competition from other producing member countries who subsidise their export and dump them in that country. In other words, if this product were being dumped in our country and was destroying our own Indian industry, then GATT will permit us to impose a countervailing import duty. Now, the claim is made that we do not produce unwrought zinc in this country at all and that, therefore, this enabling provision in GATT does not entitle us to levy an import duty on a product where our production is either negligible or non-existent. That is the claim. What we have done in this Bill is to circumvent GATT—that is

[Shri M. R. Masani]

the allegation—and that in order to circumvent GATT and our international obligations, we have first levied a bogus excise duty on non-existent product and then pretended to impose a countervailing import duty to balance against the excise duty. But if there is no excise duty collectable, because nobody produces it, then, of course, the countervailing import duty is a fraud. This is the charge made against the Government. I want the Finance Minister either to accept it and to drop this duty or to tell me how this charge is wrong because a claim is made that India has hardly any production of unwrought zinc and, therefore, this could not be done. Large quantities are imported from Australia, Canada and other countries. There is no evidence at all that any of these countries are subsidising the export of unwrought zinc to India and, therefore, the GATT provision cannot be availed of. If this is so—I say so subject to what the Minister has to say—then it would mean India's fair name abroad will be tarnished. Maybe, the Minister has a reply and I am sure he will give it. I think, if we should know whether or not this claim that this is in contravention of our obligations is correct.

Lastly, I would like to refer to the duty on petrol and diesel. I received a telegram from my own constituency, from Morvi, yesterday. It says:

"INCREASED DUTY ON DIESEL PETROL LUBRICATING OIL AND MOTOR SPARE PARTS RESENTED BY LOCAL TRANSPORT OPERATORS AND REQUEST ITS ABOLITION STOP INCIDENCE OF TAXATION HIGHEST IN WORLD STOP NEW ADDITION WOULD MAR TRANSPORT INDUSTRY WHICH

WOULD IMPAIR PACE OF NATIONAL DEVELOPMENT"

This is from Shri Balubha Jadeja, Secretary, Morvi Maliya Bus and Goods Transport Association, sent from Morvi on the 20th instant. I think this constituent of mine is perfectly correct.

The duty on motor fuel today, taking diesel as an example, is 400 per cent of the *ad valorem* value of diesel. Today already diesel is taxed at 400 per cent, that is, four times of the *ad valorem* cost of the product itself. It is a most monstrous incidence of taxation on a useful thing like diesel oil which our transport and agriculture require. We are treating it like an enemy instead of welcoming it as a friend. This is the highest taxation on diesel anywhere in the world today before this Bill was brought in and yet we select this particular commodity to levy a further excise duty and import duty. The effect of this duty will be to raise the taxation from 400 per cent of the *ad valorem* value to 440 per cent. These are the so-called negligible burdens that the Finance Minister asks us to bear. What will this do? The additional duty on diesel and petrol not only raises the cost of the transportation which is obvious but it will raise the cost of all commodities that are transported for instance, foodgrains brought to market or other things that are being transported. It will also lead to unemployment to the extent that it hits the motor transport industry which is one of our rising industries in India. It will put people out of employment. Further, there are some exports which are carried to ports like Bombay, Cochin or Goa by road transport. In that way it will hit our exports also by raising the price of exports at the dock. It is going to injure our exports instead of encouraging them.

The National Council of Applied Economic research has, in one of its

reports, stated that diesel oil gives 40 per cent higher mileage than petrol or any other fuel and yet I am sorry to say that the Energy Survey Committee appointed by our wretched Planning Commission has come to the conclusion that diesel should be discouraged and petrol should be encouraged and that petrol should be discouraged and coal should be encouraged. It is a most disgraceful report for any Government committee at this stage of our economic development to make that we should reverse the wheels of progress when the whole world has dropped coal for petrol and petrol for diesel that we should fight diesel on behalf of petrol and we should fight petrol on behalf of coal. These gentlemen, whether they are of the Energy Survey Committee or of the Planning Commission, are trying to take this country backwards to the Dark Ages in a technological sense and they come before us with these proposals which are designed to injure our economy because they have gone bankrupt. Because our economic policies are bad and they have brought this country to bankruptcy at home and abroad, they want to cover their bankruptcy by saying, "You should use less of things which involve foreign exchange."

Sir, the hon. Member over there quoted Prof. Shenoy. It was like the devil quoting scriptures. Prof. Shenoy is one of our finest economists, though like all people he is not admired at home. He is the Indian economist whose stock is the highest in economic circles all over the West because he is a sound economist compared to the charlatans utilised by the Planning Commission. Since Prof. Shenoy has been quoted, let me quote a few wise points made by him. He says:

"Continued inflation in the context of a rigid exchange rate has considerably over-valued the Indian rupee. Simultaneously, there has ensued an almost indiscriminate im-

port substitution, regardless of the quality and cost of the domestic output. This development has been induced by policy measures—one of the four major objectives of planning in India is accelerated industrialisation—and by the pressures of exchange controls and import restrictions. Import substitution has extensive moral support from the public and professional support from the economists. It is believed to help the balance of payments problem through "saving" foreign exchange. Such import substitution, which has progressed for about a decade and a half, has produced a highly vulnerable structural imbalance in the Indian economy. Production, especially in the industrial sector, has been increasingly oriented to meet the needs of the home market, now forcibly denuded of imports. As a converse of this development, production for the overseas markets suffered a complementary neglect. This neglect is evidenced by the failure of the traditional export industries to grow fast enough to capture India's rightful share of the vastly expanded world trade in them. Though the manufacturing industries have grown rapidly, the exports of manufacturers, impeded by cost and quality, have not compensated for this export lag....."

Then, later on, in the same article he goes on to say:

"Power and patronage grow with the magnitude of plan investments. This may have had something to do with the rapid acceleration in the size of each succeeding plan, the fourth plan being about six times as large as the first plan. Devaluation of the rupee to the equilibrium level may reduce to zero the market value of the import licences, which constitute the biggest portfolio of political patronage....."

My hon. friend Mr. Khadiolkar will understand why the Finance Minister cannot go in the direction in which

[Shri M. R. Masani]

the hon. Member pointed because this will not help the New Class to line its pockets, the New Class sitting there and its business accomplices outside, the black-marketeers, with whom they fraternise. Let me quote further:

"So long as the ill-effects of currency over-valuation on the balance of payments continue to be covered by foreign aid, the reluctance to devalue to the equilibrium is apt to continue."

I may tell my hon. friend that if he wants to sit at the feet of Prof. Shenoy, he could not do better. But it is no good his picking out one or two sentences out of context. Let him imbibe his whole philosophy. I mention this only for the benefit of my hon. friend there.

Shri Khadilkar (Khed): I would like to say one word in reply to what my hon. friend Shri M. R. Masani has said. I had quoted the well-known economist. Of course, he is propagating a philosophy of economics which is all the time supporting the private sector. So, I do not want to stand by his philosophy. The quotation that I had given related to the fact about how illegitimate gains were being made and an attempt was being made here to mop them up.

I do not want to support the theory of devaluation which he is propagating, nor would I like to subscribe to the conclusions in the article that ultimately this will hit at savings. So far as that question is concerned, I do not want to say anything further.

But, so far as the other factors are concerned, I would like the Finance Minister to give a second thought to some of them. For instance, I want him to give a second thought to the question of raising tariffs on petrol and petroleum products. I am connected with a very big organisation of small operators in the Western part of India, with a membership of

10,000. They are all individual operators and they are carrying on their trade. Their organisation has written to me that have worked out how the whole thing will work in practice; they have written to me that every operator of a transport truck will annually have to pay about Rs. 3,000 to Rs. 4,000 more because of this new increase in tariff and the scarcity of spare parts and the higher prices of the spare parts. As my hon. friend Shri M. R. Masani has said it will affect the transport of foodgrains, the transport of vegetables to big cities and also transport from the docks. So, it will ultimately add to the price-level, particularly, the price level at the common man's level; his life would be further corroded because of these imposts.

The other day, one of the Ministers in West Bengal had calculated and said openly that these imposts would cost Rs. 12 lakhs more annually, so far as the city traffic in Calcutta was concerned. So, I would like to appeal to my hon. friend the Finance Minister to give a second thought to this. I have also given some thought to this matter, and as Shri M. R. Masani has said, petrol and petroleum products have been continuously taxed during the last so many years, and whatever be the concessions given by the foreign oil companies or the discounts in the foreign markets, not even a paisa of it is passed on to the consumer. So, this aspect must be very carefully considered.

There is another aspect regarding kerosene. I do not know whether the hon. Minister while making his proposals has taken into consideration the thinking in the Ministry in charge of petroleum products. Inferior kerosene is now being used as a substitute for high speed diesel oil. The former Finance Minister had said that inferior kerosene was a poor man's fuel. That is no longer correct. Inferior kerosene is not available now in a grocer's shop; you can get it only at the pump. That is being used by

the transport industry on a large scale. Thus, the concession is being abused now. But there is one thing that must be borne in mind. Today, we are exporting petrol at a very low price. I want to know from the Finance Minister what the economics of dieselisation is. Dieselisation is good in the long run. But we are paying through our nose for importing diesel oil; at the same time, we are exporting petrol at a very low cost, because the international market price is at a low level and we are producing more petrol today. So, I would like to know why the hon. Minister has not given some thought to it. Inferior kerosene on which duty is very much low and is almost negligible is now being substituted for high speed diesel oil, with the result that the concession is being abused, because of this.

The most important thing to which I would like to draw the attention of the hon. Minister, and on which I would like to appeal to him is this. As he has said in his speech, the price level has almost reached the optimum level and the index is 165 or so. So far as kerosene is concerned, in India, 90 per cent of the poor people use it for illumination or lighting, and only 10 per cent use it as fuel. Kerosene has reached the common man today. In fact, in the villages, if a person happens to have a kerosene stove, he considers himself to be a little more advanced in culture. But with the present imposts I think that his family budget will be absolutely upset. As I have already pointed out, the transport costs will naturally have to be borne by him ultimately; he will have to bear the increase when he goes from one place to another, and also the increase in the prices of the commodities which he buys, because some element will enter there also. Apart from this, I feel that this will touch directly every consumer, and particularly the poorer sections of our society who depend on this kerosene or illumination and also to some extent for fuel purposes. Therefore, I would appeal to the hon. Finance Min-

ister to reconsider this part of the additional tariff so far as kerosene and petrol are concerned. I would also request him to take into consideration the economics of dieselisation.

I would also like to point out that at the present juncture the transport industry is not well organised in this country. Individual transport operators are plying their trucks in many places. But the number of people who own some fleet is very small. These individual operators will have to stand competition from these fleet-owners and others. Therefore, the transport industry will be hit by these imposts very much. Already the taxation is very high, and there is a committee appointed to go into the prevailing taxation on the transport industry in this country. At this juncture, to put a further burden on the transport industry would not be proper because thereby we would be putting a burden also on the common consumer as a result of which his general standard of living and his well-being would be further corroded and it would be a great blow to him. Therefore, I would appeal to the Finance Minister to reconsider this position.

Mr. Speaker: Shri N. Dandekar.

Shri Raghunath Singh (Varanasi): There is the other wing of the transport industry, namely shipping. My hon. friend opposite has spoken only about one part of it.

Mr. Speaker: I have called Shri N. Dandekar now.

Shri N. Dandekar: There is a curiously inverted progress that we are making in the matter of growth of Indian industry. The whole exercise over the past ten or fifteen years has been towards the end that a great deal of industrialisation in this country might take place, that a great deal of diversification of industry might also take place and that increasingly, of the gross national product, more and more might be industrial goods of

[Shri N. Dandeker.]

various kinds. That was the main objective. But the curious thing is that the opposite objective in terms of fiscal policies appears to be that the faster these industries grow, if they grow at all, the more should be the burden of excise duty and taxation imposed on them. It seems odd to me. I can understand to a certain extent that revenue should also benefit at low rates of excise duty, because the imposition of revenue duties is a normal concomitant of growth of the industrial part of the gross national product in this country. But to look at the process as if it was something undesirable and, therefore, to impose upon it savage excise duties of a character where revenue becomes the more important thing than industrial development seems to me to be an extraordinary inversion, an extraordinary contradiction in terms which apparently everybody appears to accept. I just do not understand this as a general proposition how on the one hand one can say 'I want a wide and diversified industrial growth', and at the same time, the more wide and the more rapid that growth, one could also say 'I am going to slap on heavy excise duties on these people'. Consequently, the benefit of growing industrial production in terms of a large variety of products at low prices to the consumer is never going to be in sight so far as I can see. That is the first general comment I would like to make.

13 hrs.

The second general comment is about a further intensification of the same kind of thinking. On the one hand, we go on talking about the need for technological progress. Everybody keeps on talking to everybody down to the poor little peasant and saying, 'Why don't you adopt the more developed technical processes? Why don't you do this, why don't you do the other?', a whole lot of things where everybody would imagine that the one thing, Government is anxious to secure at any price, is rapid technological changes. Now, one of the most

rapid technological changes occurring in the world today is in the use of power, not merely in the use of power, but in the generation of it. Coal is giving place to furnace oil; furnace oil in certain places giving way to diesel oils, and they in turn are substituted by petroleum and so on. A tremendously rapid growth of not merely the total power content of the industrial effort is taking place, but also the character of the power generation is changing the world over.

What are we trying to do here? We are trying to say, 'No, no; this is terrible; we must not go so fast with all this. We must revive coal at the expense of furnace oil; we must revive furnace oil at the expense of some more superior fuel and so on'. We are at the same time talking of going backwards and forwards in technological terms that do not make any sense whatsoever.

The third general comment I would like to make is that it is astonishing to suggest that to draw something like Rs. 52 crores annually out of the economy by way of these additional excise duties is not going to affect the price level at all, or that it should not affect it more than 3 or 5 per cent or some such figure. It is an incredible proposition. In the first place everyone of these excise duties, in so far as the various types of fuel are concerned, will descend upon the consumer within three months, some of them within a week, and there is no getting away from it that it will descend upon him in terms of the fuel he uses, in terms of the transport he uses, in terms of the various other purposes for which he, in the first place, directly uses power or fuel in one way or another. A whole lot of electricity concerns are going to be affected and they are going to put up their power rates and so on. Secondly, to suggest that these other imports, on steel, pig iron, iron and steel products, copper, zinc and many products, are not going to descend upon the consumer sooner or later—very

likely sooner than later because of the economy of shortages that exists—is certainly to talk something to a lot of gullible people, most of whom I know sit on the other side. They seem always ready to accept this contention. I would suggest to the Finance Minister, so far as carrying his proposals in this House is concerned, that every six months he can go ahead with more duties, talking all kinds of things about the needs of the economy and they will say, 'Ha, ha; shabash it is a wonderful thing; let us have more excise duties; let us have more import duties let us have duties of all kinds; any if anyone says the prices will go up; we doubt whether they will go up; if they still go up, let them; we do not mind. But we must go ahead with these duties. Let us not mind the contradictions, let us ignore the burdens, let us have tremendous duties slapped on". I could single out particular items and go into details, but the general structure that is gradually developing is so utterly uneconomic and harmful to the country that, obviously, all of it is wrong.

One word Sir, about sub-clause (d) of clause 28 which the Finance Minister wants to amend, because he feels that in a moment of,—I do not know what,—and the printer made one slip. The draft was right, and the proof copy was right. But finally they came up with this Finance Bill printed with a further reduction of Rs. 10, in this particular duty. I suggest that that one little might of mercy that was the printer's error perhaps in sub-clause (d) of cl. 28 ought to remain. I oppose that amendment of the Finance Minister.

श्री रघुनाथ सिंह : अध्यक्ष महोदय, आपको मालूम है कि धातुकल युद्ध का समग्र है। शिपिंग को लेफिड लाइन प्राफ डिफेंस कहते हैं। अगर खदान खास्ता पानी पर भी लड़ाई आ गयी तो हम लोग ही काम आएंगे।

आपने मेहरबानी करके हमारे ऊपर भी बहुत ज्यादा इन्टी लगा दी है, फरनेस

घाइल पर। आप जानते हैं कि इस वस्तु 90 सैकड़ा जहाज फरनेस घाइल पर चलते हैं, कोयले का खान बच नहीं रहा है। फाइनेन्स मिनिस्टर साहब अच्छी तरह जानते हैं कि कोस्टल शिपिंग करीब करीब समाप्त हो रहा है। कोस्टल शिपिंग रोज जीता है और रोज मरता है। अगर आप चाहते हैं कि हमारे जहाज आपके पॉर्ट तक पहुंचें तो कम से कम फरनेस घाइल पर से इन्टी माफ करनी चाहिए। आपने शिप प्रोमर्स को दस पर्सेंट ज्यादा भाड़ा लेने की छूट दे दी लेकिन दूसरी तरफ उसका दूना आप ले रहे हैं। आपको समझना चाहिए कि हमारा कम्पिटेशन अमरीका, इंग्लैंड आदि देशों से फारिन मार्केट में है। आज इंग्लैंड में, अमरीका में फ्रांस में तेल सस्ता है और हमारे यहां महंगा है। ऐसी अवस्था में हम कैसे इन देशों से कम्पिट कर सकते हैं। इसलिए मेरा आप से बड़े धदन से प्रार्थना है कि इस बात को देखते हुए कि हमारे सामने इंटरनेशनल मार्केट में कम्पिट करने का सवाल है, आपको चाहिए कि हमको इस लायक बनावें कि हम इंटरनेशनल मार्केट में दूसरे मुल्कों के साथ कम्पिट कर सकें। ऐसा न हो कि इस इन्टी के कारण हमारा फ्रंट इतना ज्यादा हो कि हमारे जहाजों से कोई सामान लाना पसन्द न करे। अगर ऐसा हुआ तो जो रुपया आपने जहाजों पर इनवेस्ट किया है वह बेकार हो जाएगा।

इसलिए मेरी प्रार्थना है कि इस पर फिर से विचार करे और फरनेस घाइल पर से इन्टी कम करे।

Shri D. C. Sharma: I am not a great financial expert and I am not given to reading the works of those persons who are specialist in a particular kind of economics and who are more propagandists than economists, for instance, the gentleman referred to by my hon. friend. The Forum of Free Enterprise has been very kind to me and they send me literature which I

[Shri D. C. Sharma.]

road dutifully and, if I can say so, religiously, because I want to know what light is there on the other side of the hill. But I find that most of these things are, I should say, propaganda rather than sound economics.

Of course, I do not stand to justify whatever the Planning Commission does. I think nobody has said more harsh things about the Planning Commission than I have done. And if there is need for it, I will say harsh things in future also because I know that the Planning Commission has become a kind of out-of-date thing. Anyhow, that is not the point at issue here.

When I look at this clause, I find one thing. There is what you might call piecemeal development, there is what you might call integrated development; there is what you might call piecemeal taxation and there is what you might call integrated taxation. Now, if I understand it aright,—I am a very common man with less than common intelligence—I must say that the whole of this clause is a piece of integrated financial taxation. In other words, it is a house built of so many bricks. If you remove one brick, I think the whole house falls.

My hon. friend over there produced a telegram he received from one of his constituents. I am very happy that he is so much in touch with his constituents. I do not know whether he will change that constituency next time or will stick to it. But the fact of the matter is that Punjab is known for its transport industry. I think the Punjab leads the whole country in the matter of the transport industry. In Punjab in my constituency, there are so many private transport units operating. The Punjab Government also run buses of that kind.

Victor Hugo said—he was in love—“to raise one object to the position of God and to reduce the whole universe to one man, this is love.” I think this is what my hon. friend Shri Masani has done. He has reduced the whole

thing, the whole transport problem, to his constituency. I can understand how much he loves his constituency and how much he loves this private transporter who has sent this telegram to him. My feeling is this. There is no doubt about it that these duties have been raised, there is no doubt about it that the navy will be hit hard as my hon. friend says. Whatever we do, the navy is going to be hit hard according to Shri Raghunath Singh. We do not know what we should do. But I feel that this whole thing has been done in a particular context, the context of our balance of payments position, the context of our defence expenditure, the context of our difficulties in other fields. Now, if you want to remove the duty on one thing, I do not know why you should not remove the duty on other things also. Therefore, I feel that in the interests of financial neatness and tidiness, financial equality and financial integrity, the whole thing should stand as it is.

The Finance Minister has been very susceptible to the appeal made by my hon. friend Shri Khadikar who represents a union of transport workers consisting of 10,000 members. My God, I thought he would say ten lakhs or one lakh. On such a small basis to come to such a big conclusion I think is a kind of fallacious thinking. Therefore, I think that if the Finance Minister thinks that without dislocating the financial structure of this country which he has in view by bringing up this second Finance Bill, he can give them any concessions, he may do so, but my feeling is this that nothing should be done piecemeal, because the moment we start doing things piecemeal in the interests of this industry or that industry, in the interests of this propaganda or that agitation, I think our whole house collapses. Therefore, I would submit that the whole house collapses if this Clause 26 is taken away. Since financial urgency demands it, it should stand intact and not be meddled with or trifled with.

Shri K. D. Malaviya (Basti): I wish to take this opportunity of drawing the attention of the Government to the situation of petroleum products which faces us now, and which we cannot ignore. It is with regard to the absence of a fuel policy. The Government should fix the prices of various items of fuel by putting them all into one basket.

I quite agree with my hon. friend Shri D. C. Sharma that we have so far been following a piecemeal policy of taxation for certain items which fall within one group, such as petroleum products. This piecemeal policy has been followed for some time to the disadvantage both of industry and of the production and consumption of petroleum products in the country.

We have an almost inexhaustible source of coal, lower grade and second grade. The programme of production of coal has received a setback because our emphasis on consumption of petroleum products had been of a piecemeal character. The prices were governed more by the desire of collecting revenues than of creating an integrated fuel policy. Such a policy alone will guide the prices of the entire petroleum products and coal in a proper manner.

I am of the view that in our developing economy we should, so far as it is possible, encourage production of coal, whether it is in the public sector or private sector. It can be done only when there is a margin of profit for those who produce it. It is known that the coal industry is not making much profit for the producer. Therefore, I suggest that the entire taxation policy, which is today based on individualistic considerations, should be put into one basket and a fuel policy should be devised by which coal consumption is also encouraged. Wherever consumption of certain petroleum products have been stabilised for instance, diesel and furnace oil in coastal shipping, light diesel oil somewhere else, kerosene in the

countryside etc.—they should be encouraged, and the prices should be pooled so that the loss on one could be made up by the profit on the other. If coal is also bracketted with other fuel, I am quite sure that the revenues will not be adversely affected. The pressure of prices will also not be felt by the consumer.

Today, unfortunately, the price increase in kerosene is having its bad effect in the countryside. I am not particularly opposed to the idea of a little increase in excise duties because I know that it is infinitesimal fraction of the entire price structure. The black market price of kerosene however is creating havoc. There is imbalance in distribution. Government is not doing anything to regulate distribution and they cannot escape the blame by saying that they have handed over the distribution to the State Governments and individual retailers and therefore they are not responsible for this price market.

I suggest that the Government appoints a high power committee to work out a fuel policy in regard to prices and production, which will ultimately go to encourage industrial production as well as assure healthy consumption of oil.

Shri T. T. Krishnamachari: This being the last clause, it is natural that hon. Members opposite increased the emphasis of their opposition. My hon. friend probably had an unpleasant evening or a difficult morning, he is a little more vituperative than usual, but I do not propose to take up anybody's cause, of this economist or that economist. You can praise one, but you need not condemn the others. I have no doubt that the economist that he has in mind is a good man, that he is an efficient man internationally known or not I do not know, but there are also other good men. I do not know why others should be charlatans merely because you have got to praise one. I can say that the hon. Member there is an excellent man, but that

[Shri T. T. Krishnamachari]

does not mean that the other people have all to be blackguards. They are not. Anyway, that is by the way.

A lot of eloquence naturally came in regard to this ugly Government, with its policy of grinding the poor who are waiting for deliverance. I do not know if some people are going to pray as they did for the Gitacharya to appear, because he is supposed to come every *yuga*. Maybe something like that might happen. But let me deal with the comparatively insignificant points which I have been trying to press. There is one fact which has to be recognised in regard to oils and that fact is that our local production is comparatively small. We have to import a considerable quantity of oil. My hon. friend Shri Malaviya mentioned this. The fuel policy, the pricing policy and the distribution policy has got to be evolved. As he also pointed out, while the additional cost per bottle of superior kerosene might be negligible, the price at which it sells is something much more. I do not mind telling the House a story if I can. When I was comparatively free, I was walking along the road one evening. An old man attracted my attention because he had a long step and swinging arms. Then he passed me and came back again and said to me: you are TTK. I said, I am the fellow. He showed the bottle of kerosene, it was tied with a string, and he said: see this. "What do you want me to see". "What is there in the bottle?" "In the bottom, two inches of water" I told him and asked him, "why did you buy it?" I cannot help it; I have got to light my lamp at home; I have not got electric light like you people and the man there says, take it or leave it." It is true; it has happened. From the distributive angle we are not serving the people as we ought to. The manner of distribution of these products, giving it to big companies who in turn give it to their own contractors who again adulterate it besides charging high price something that has got to

be remedied and remedied soon. While I agree that all duties are wrong and if I can remove them I would like to, the actual effect of these increases statistically makes it look absurd. Of course my hon. friend will say that the statistics is all wrong. There may be some statistician who is a paragon; everybody else happens to be a blackguard. I have been told that in regard to transport of goods the normal freight charge per ton kilometre is about ten paise; the increase in duty would be 26 paise; therefore the increase is 0.26 per cent. The normal charge for passenger kilometre is three paise; sometimes it is more; the increase will be 0.29 paise. Therefore, it is one per cent. Of course it is quite likely that somebody would say: how could I add one per cent; I would add one paise. I do not say that it is not possible.

The other point that was made was in regard to the GATT bound item. I am told by experts that this does not foul our agreement because we have a small production . . .

Shri M. R. Masani: How much?

Shri T. T. Krishnamachari: Mr. Masani might understand that the consideration is not what the production is; the consideration is whether it fouls the agreement. Production might be infinitesimal; it may be small. But there is production on which you can have a duty. In any event I am told that GATT specifically permits levying countervailing duties equal to excise duties.

In regard to furnace oil, I have been told that we are going back to the old days. I do not know, perhaps five or six births before when I was living in a cave. Mr. Masani is found of quoting. I have here a letter written by a person called Higginson; Colombo Plan Fuel Efficiency Expert, National Productivity Council, to the *Times of India* on 27-8-1965. It is a long one and I do not want to take the time of the House by reading the whole of it:

"From my own position, that of a specialist in fuel efficiency brought to India to advise Indian industry on fuel economy, I cannot but say that in some ways the heavy duty may be of final benefit to the management of industrial premises. Indian industry is too complacent concerning the amount of waste of fuel and of heat which occur in almost every factory in the country."

He concludes:

"If the new tax makes industry think about fuel oil, then the tax will be most beneficial both to the finances of the country and to the running expenses of virtually every mill or factory which uses fuel oil. The point of the tax is that it hurts most those who waste most and is thus in my opinion quite the right thing."

I mean that you can quote opinions as you can say things also. It is possible. I heard a story, when I was a student, a professor of mathematics went to Ireland and stayed in a house. Somehow the landlady did not like him and she started being vituperative. The poor man did not know what to say. Finally, after ten minutes, he used all the geometrical and algebraical terms like isosceles triangle and rhombus, rhombi, and finally she shut up. I do not think I can produce so much of that language for my hon. friend Mr. Masani. Maybe, I can speak in a language which he does not know; the Telugu language is a beautiful language; even an abuse in that language is sometimes beautiful and Mr. Ranga knows it. You can probably use it but that is not the purpose here.

My hon. friend Shri Raghunath Singh who has got responsibility for the development of shipping mentioned this point; I could say that this matter was discussed, I could see the disadvantage that coastal shipping is placed in while the foreign shipping gets the benefit of rebate in ex-

ise duty. I have promised to have that matter examined and I do hope we will be able to do something about it.

I am very grateful for the support that I had from friends on this side, the very valuable support from Prof. Sharma. He said about the idea of an integrated picture. Of course it is. If anything goes wrong and we find that something has to be done, we will do it if it is necessary and desirable. But the major point you have to think of is this. There is the question of transport. I am somewhat old fashioned for two reasons probably because I am so wedded to this Government and its policies. I hope my hon. colleague the Railway Minister will not be offended. I feel that one of the greatest assets that we have in this country is the Railways and it is to be supported and it has to do better. In fact one of my friends pointed out to me: the Railways are using diesel oil in a greater measure. It is to be watched. What we are doing is that in certain regions where the freight that is taken up by coal is very high, we use diesel oil. Maybe, we have to think about it again. Of course diesel transport so far as the railways are concerned takes a much bigger load than the normal steam locomotive. It may perhaps be cheaper to have electric locomotives if we can have electricity. These are matters which are being considered all the time. I cannot escape the feeling that while the Railways in this country are not fully used we have to put some check on the mode of transport which involves only one thing, heavy expenditure of foreign exchange. These considerations are before us and if changes are necessary they will be made. But for the time being, statistically I can say that it does not affect. In reality, however, as my hon. friend Mr. Malaviva mentioned, the consumer is not only cheated and made to pay a higher price but also gets things of bad quality such as water being mixed with oil. I feel, therefore, that the

[Shri T. T. Krishnamachari]

negative attitude of my hon. friend opposite cannot be accommodated by us.

Mr. Speaker: The question is:

Page 19, line 2, for "Eighty", substitute "Ninety". (3).

The motion was adopted.

Mr. Speaker: The question is:

Page 18, omit lines 30 to 39. (14)

The Lok Sabha divided.

Shri Krishnapal Singh (Jalesar):

The indication on the panel shows it wrongly.

Mr. Speaker: Does he say that he pressed "Ayes" and something else is shown?

Shri Krishnapal Singh: Yes, Sir.

Mr. Speaker: It may be noted down.

The Deputy Minister in the Ministry of Irrigation and Power (Shri Sham Dhar Misra): I could not vote; I was on another seat.

Mr. Speaker: That may also be noted.

Division No. 11]

AYES

13.36 hrs.

Alvarez, Shri
Aney, Dr. M.S.
Bade, Shri
Badrudduja, Shri
Bheel, Shri P.H.
Butu Singh, Shri
Chakravarty, Shrimati Renu
Dali, Shri
Dandekar, Shri N.
Gokaran Prasad, Shri
Gulshan, Shri
Hansda, Shri Subodh

Himmatsinhji, Shri
Kamath, Shri Hari Vishnu
Kapur Singh, Shri
Koya, Shri
Lakshmi Bhawani, Shri
Limaye, Shri Madhu
Masani, Shri M.R.
Misra, Dr. U.
Muzaffar Hussain, Shri
Nair, Shri Vasudevan
Omkar Singh, Shri
Ram Singh, Shri

Rango, Shri
Reddy, Shri Narasimha
Sen, Dr. Ranen
Shastri, Shri Prakash Vir
Solanki, Shri
Tan Singh, Shri
Trivedi, Shri U.M.
Utiya, Shri
Warior, Shri
Yashpal Singh, Shri
Yudhvir Singh, Shri

NOES

Alva, Shri A.S.
Babunath Singh, Shri
Barman, Shri P.C.
Barua, Shri R.
Basappa, Shri
Bhagat, Shri B.R.
Bhagwati, Shri
Bhanu Prakash Singh, Shri
Borooh, Shri P.G.
Chakraverti, Shri P. R.
Chanda, Shrimati Jyotsna
Chandrabhan Singh, Shri
Chandrika, Shri
Chaturvedi, Shri S.N.
Chavan, Shri Y.B.
Das, Shri B.K.
Das, Shri C.
Dey, Shri S.K.
Dinesh Singh, Shri
Dixit, Shri G.N.
Dubey, Shri R.G.
Dwivedi, Shri M.L.
Gahmeri, Shri
Gajraj Singh Rao, Shri

Harvani, Shri Anwar
Hem Raj, Shri
Iqbal Singh, Shri
Jadhav, Shri M.L.
Jamir, Shri S.G.
Joshi, Shrimati Subhdra
Jyotishi, Shri J.P.
Kankasabai, Shri
Kappen, Shri
Keshing, Shri Rishang
Khanna, Shri P.K.
Kindar Lal, Shri
Koujalgi, Shri H.V.
Krishna, Shri M.R.
Krishnamachari, Shri T.T.
Lalit Sen, Shri
Laxmi Bai, Shrimati
Mahtab, Shri
Maumoon Sultan, Shrimati
Malaviya, Shri K.D.
Malhotra, Shri Loder J.
Manen, Shri
Maistri, Shri D.D.
Marandi, Shri

Masuriya Din, Shri
Mathur, Shri Shiv Chetan
Mehrotra, Shri Braj Bihari
Mehta, Shri Jeevant
Minimata, Shrimati
Mishra, Shri M.P.
Mohammad Yusuf, Shri
More, Shri K.L.
More, Shri S.S.
Mukane, Shri
Muthiah, Shri
Naskar, Shri P.S.
Nayar, Dr. Sushila
Paliwal, Shri
Pande, Shri K.N.
Pandey, Shri R.S.
Pandey, Shri Vishwa Nath
Panna Lal, Shri
Parabhar, Shri
Patil, Shri V.L.
Pattabji Raman, Shri C.R.
Pratap Singh, Shri
Ragbunath Singh, Shri
Raj Bahadur, Shri

Raju, D. B.	Shastri, Shri Lal Bahadur	Tula Ram, Shri
Ramanathan Chettiar, Shri R.	Shree Naryan Das, Shri	Tyagi, Shri
Rane, Shri	Shukla, Shri Vidya Charan	Uikey, Shri
Rao, Shri Krishnamoorthy	Sinhasan Singh, Shri	Varma, Shri Ravindra
Roy, Shri Bishwanath	Soy, Shri H. C.	Vecrappa, Shri
Sadhu Ram, Shri	Subbaraman, Shri	Verma, Shri Balgovind
Saha, Dr. S. K.	Subramanyan, Shri T.	Virbhadr Singh, Shri
Sahu, Shri Rameshwar	Sumat Prasad, Shri	Vyas, Shri Radhelal
Saigal, Shri A. S.	Swamy, Shri M. P.	Wadiwa, Shri
Samants, Shri S. C.	Swaran Singh, Shri	Yadav, Shri N. P.
Gayabhamu Devi, Shrimati	Tahir, Shri Mohammad	
Sharma, Shri D. C.	Tiwary, Shri K. N.	

Mr. Speaker: The result of the division is as follows:

Ayes 35; Noes 106.

The motion was negatived.

Mr. Speaker: I shall now put Amendment Nos. 15 and 16 to vote.

Amendments Nos. 15 & 16 were put and negatived.

Mr. Speaker: The question is:

"That clause 26, as amended, stand part of the Bill".

The motion was adopted.

Clause 26, as amended, was added to the Bill.

Mr. Speaker: The question is:

"That the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

Clause 1, the Enacting Formula and the Title were then added to the Bill.

Shri T. T. Krishnamachari: I move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved.

"That the Bill, as amended, be passed."

Shri N. Dandekar: Mr. Speaker, Sir, I rise to oppose the motion that the Bill as amended be passed and I do so mainly in relation to those objectives of the Bill which are set out in paragraphs 10 and 11 of the

Finance Minister's speech of August 19, mainly that is to say, the objectives concerned with problems of foreign exchange and the balance of payment position. This Bill ostensibly had three objectives as set out in the speech of the Finance Minister on the 19th August.

13.37 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

In the first place, it was to produce a certain amount of revenue both for the current year as well as for the years to come. Secondly it was hoped that this Bill, would be having a controlling effect on the rising level of internal prices. And thirdly, the objective was to favourably affect our balance of payment position. The first two aspects have been dealt with at some considerable length in the earlier speeches. I was waiting to see whether the Finance Minister would deal at all with the foreign exchange effect of this Bill, but I regret to say that except for some mumbling about the import substitution and the necessity for promoting exports and so on, there was no cogent argument as to the precise way in which this Bill would be concerned with the major problem of the persistent and growing imbalance in the balance of payments that is facing the country today.

This is not the occasion on which one should go into the merits and demerits of devaluation, and I would like to say at once, right at the outset that I am not satisfied that this

[Shri N. Dandeker]

is an opportune moment for devaluation. Devaluation would be a major surgical operation not to be accepted unless it is inevitable. Having said, however, that I do not consider this to be the proper occasion to go into any great detail about the specific merits or the demerits of that operation, I would like to say also that there is nothing in the policies of Government during the whole of this year so far, nor in the projected policies of Government that give any indication or any satisfaction or any reason to hope that those policies will be such as are calculated to improve our balance of payment position at all. Indeed, Sir, the only thing that the Government seems trying to do, the only thing it is striving for, is to postpone the evil day until after the general elections. In the meanwhile, all the mistaken policies of Government,—fiscal, monetary and general economic policies,—would continue to be maintained and pursued with an obstinacy that is really incredible. Therefore, I would like to say further that if these are the policies that are to be followed, and if all that is happening is merely designed to postpone devaluation, then that remedy later would be far worse than to accept the operation now. I would suggest that the House must seriously consider even at this stage whether this Bill is at all adequate for one of the main purposes for which it was supposed to have been brought before this House.

I accept that criticism of that kind does involve two responsibilities. It involves the responsibility firstly to indicate or at any rate to accept that there must be some other practical alternatives that could be formulated and adopted; and secondly the responsibility to undertake to show what such an alternative policy could be. I accept these responsibilities and I would like to spend the next few minutes in trying to outline in my own hum-

ble way what I conceive to be a policy that could be adopted with some reasonable prospects of getting our balance of payment position under control and thereby, not merely postponing devaluation, but making it quite unnecessary.

The policy that I have to recommend can be divided into two parts.—(i) it seeks to isolate and immediately to apply those beneficial elements of the cure which devaluation itself would force upon us, while rejecting those other features of this drastic operation which would impose intolerable burdens; (ii) on the other hand it endeavours to initiate at the same time some basic treatment so as not to aggravate, but to alleviate and if possible to liquidate the present situation, which can only be described as a situation fraught with the almost compelling necessity of resorting to devaluation.

Approaching the problem in this fashion, the immediate fiscal and monetary measures required would be a not altogether unpleasant mixture. Three of them are concerned with the importing end and go together. They require the first place; a selective, but drastic inhibition of imports, such as that contained in clause 25 of this Bill but to which I was opposed merely because as an isolated measure it was the wrong end of the stick to begin the process from. My approach does involve a selective and drastic inhibition of imports; but at the same time it also requires the immobilising of currency to some extent. I suggest, therefore, that the first part of the clause namely, the inhibition of imports should be brought about, in the same way as by devaluation, but by a structure of import duties selectively arranged, more or less on the lines proposed in this Bill, so that it serves the general function of devaluation without affecting grievously those essential imports that we would still like to have at not unduly high prices.

The second part of this remedy, which is entirely and totally absent from the Bill before the House and concerning which there are no proposals before us consists in blocking in, or, if I may so call it, an "anti-deflation account", the entire additional revenue resulting from these duties, if these duties are really and honestly intended as an alternative to devaluation. One of the important consequences of devaluation, properly so called, is not merely that it puts up the cost of the imported goods across the board, to the extent and in proportion to the devaluation that you may have accepted, but that at the same time, what happens is, that such imports as do come in despite such increase in their value, extinguish additional currency proportionately to the extent of the devaluation. In other words imports after devaluation result in the complete elimination from circulation of larger quantum of equivalent currency at the new rate of exchange.

Hence if clause 25 of the Bill, which this House has been pleased to pass is to have any effect whatsoever as an anti-devaluation device and not merely as a device for postponing devaluation, if it is to be something like a practical substitute for devaluation,—I suggest that the entire increased revenue resulting from these additional duties must be frozen completely into an anti-deflation account. This account is to be drawn upon only for one specific purpose which I shall presently mention; but meanwhile, it should not be drawn upon or used for any other purpose, neither for current revenue purposes—as indeed the present intention is—nor for investment in government securities and PL 480 counterpart funds about which I had something to say during the course of the last budget discussion, nor even for ways and means advances to Government.

The third element on the import policy side which is essential if devaluation is not to be resorted to, lies in the field of Rupee Payment trade. I had occasion some days ago, in the

course of the debate on the no confidence motion to say something about the evils of rupee payment trade. I would like on this occasion to put forward my views in a more positive way. I suggest first that export earnings in the Rupee Payment trade must precede import commitments in the Rupee Payment trade. At present it is entirely the other way round. Secondly, imports in the Rupee Payment trade must be very substantially less than exports, the difference to be utilised for payments against invisible imports from Rupee Payment countries and for payment of our foreign Rupee Debt and interest thereon to the Rupee Payment countries. Thirdly, the expenditure in India by the Rupee Payment countries out of their mounting rupee balances out of this trade should be rigorously controlled, in the same way as the expenditure in India of the US Government out of their PL 480 counterpart funds is today rigorously controlled in consultation and agreement with that government.

So much for the three essential elements in so far as the import end of the problem is concerned. I would now like to say a word or two about the export end. Two more ingredients of the mixture have to be applied at the exporting end, strongly to stimulate the traditional exports, without incurring the risk of diminishing the free foreign exchange earnings. One of the apprehensions concerning devaluation, among many others is that while it may have the necessary effect—import-wise as well as currency-wise in relation to import.—there is no guarantee, there is indeed some apprehension, I believe, that so far as exports are concerned, the exports may not be stimulated proportionately or more than proportionately to the degree of devaluation, with the result, that you may end up by earning less foreign exchange than you otherwise would.

I therefore suggest two things at the export end as an alternative to devaluation. In the first place Government may use the blocked anti-devaluation account, to which I referred earlier for

[Shri N. Dandekar]

directly subsidising (to the extent of say 10 to 12½ per cent) our traditional exports, where the elasticity of demand in the world market is very great, but where India has actually been obtaining a diminishing share of the growing world trade, everybody knows what our traditional exports are. But I do not think many people know that our government seem to be embedded in the erroneous view that the world demand for these goods is inelastic, as if we cannot get a share of the market that somebody else is getting, as if prices have no effect either on our share or on the totality of world demand, and as if the total world trade in these traditional goods is not in fact expanding. I question all these assumptions. I am of the belief that if we used this blocked anti-devaluation account, arising out of the additional customs duties to which I referred earlier, for the purpose of subsidising our traditional exports, the scope for expansion of our share in that market is very considerable, in any event not less considerable than the extent to which the total volume of international trade in these commodities has been expanding.

Secondly, if our obligations under the GATT arrangements stand in the way of our applying subsidised stimulus to our traditional export industries in that way, I suggest that it is a matter for argument with the GATT people, it being urged that a devaluation by 12½ to 20 per cent would have achieved exactly the same result without however offending any of the provisions of GATT; and GATT could not have then objected. If GATT cannot object to what would virtually be a subsidy across the board for all exports by way of devaluation by a certain percentage, I think it is possible to argue before GATT that, as an alternative to devaluation, if the measures of the total kind I have just described were applied to avoid devaluation and if the additional customs duties were frozen into an account

used only for this particular purpose, then I suggest it should be possible to persuade GATT to agree. Anyhow, we are not there for GATT, it is GATT that is there for us. GATT is an arrangement for the benefit of everybody concerned.

Finally, in so far as the immediate treatment is concerned, I suggest that we scrap clause 26 of this Bill even though it is now too late for me to say so. Because, while clause 25 could have some bearing on the balance of payments position if the other arrangements were made in the way I have indicated, this clause 26 has no bearing on the balance of payments position at all. If anything, it would put up the internal price level and, therefore, operate prejudicially to our export capability.

I would now like to indicate the basic treatment. So far I have been talking about the central features of the immediate treatment as an alternative to devaluation. Now I would like to indicate the essentials of a basic treatment which might liquidate the present devaluation situation and would certainly bring about conditions in which further deterioration in that situation would be arrested. These, however, are measures which, I am afraid, Government are unlikely to accept, whatever may be their reactions to the earlier measures I have suggested.

The first step is one that has been repeatedly promised over and over again, in the Finance Minister's statement on the 24th December last, in the Finance Minister's statement of the 17th February of this year, in the President's Address of the 17th February of this year, in the Finance Minister's statement on the budget, in his 17th July broadcast and in his speeches at various other places, the promise of drastically curtailing current expenditure and all non-plan expenditure, both of the Central and State Governments. I suggest that the time has come when disaster is so im-

minent, at any rate now, these promises ought to be implemented in a drastic way.

Secondly, there should be a drastic cutting down of the Fourth Plan in the direction of cutting out outlays which are mere election winning frills, not creating assets on ground, and outlays creating wasteful unproductive assets which merely impose a recurring liability for operation, maintenance, depreciation and interest and also outlays on projects with longer than a year to 18 months of gestation period.

As an alternative to this, because this might be politically unacceptable.—I think we should look at this truth in the face as I believe the country is more important than any political point that we might make here—I suggest that we may either extend the present Plan by two years, or extend the Fourth Plan over seven years. When that is done, there would be time for the resources to match up to outlays, time for consolidating the gains and making up the essential deficiencies and shortfalls of the Second and the Third Plans and, thirdly for arresting the present growth of *negative national income*.

In my speech on the no-confidence motion I have referred to the whole-scale deterioration in public utility services and in physical public utilities. This, in economic terms, means *negative national income*. All these figures of national income that are being trotted out, to a large extent they should be discounted for the *negative national income* that we have been earning for the last few years.

Failing such a comprehensive and integrated approach to the present devaluation situation,—an attempt that presents, I suggest, a constructive alternative, both to the immediate solution and also to the problem of liquidating the devaluation situation,—unless this sort of approach is made, this Bill must be opposed for the simple and sufficient reason that it will only

aggravate the disaster of inflation and render devaluation inevitable.

Dr. Ranen Sen (Calcutta East): Mr. Deputy-Speaker, Sir, now that the Bill enters the third stage, I will confine myself to two important aspects of our economy. In this Bill there is a provision made for the benefit of people who have amassed unaccounted black money. This Bill seeks to give them sufficient sops and appeasement so that they could run away with the money. The measures so far taken by Government have completely failed to unearth unaccounted money, black money. The policy which the Government is now pursuing is nothing but appeasing these very persons and so it is not going to succeed; nor is it going to yield any results.

During the course of the discussion the hon. Finance Minister said that hard currency is scarce in India. Yet, when we open our newspapers in the morning the first news item that we see is about Ministers or high officials visiting abroad, squandering hard currencies. I will give one more example. The LIC has recently introduced a highly mechanised electronic computer called IBM 1410. When the industries in our country are suffering for want of foreign exchange for importing essential raw materials, our Government is permitting the squandering of foreign exchange for the import of electronic devices for increasing the efficiency of the LIC. The hon. Minister assured us last year that the installation of this machine will not result in unemployment or retrenchment. But the way in which things are progressing it seems that surplus staff in LIC will become inevitable. Now, following the footsteps of LIC, private companies like Oil Companies Dunlop and Union Carbide are also installing this electronic computer. Thousands of workers employed in these companies will become redundant. This raises two questions—hard currency and unemployment. These questions are coming up again

[Dr. Ranen Sen]

and again. As time passes, unemployment is becoming more and more serious. Every year the figure of unemployment is rising. When our country needs hard currency for development, where is the need to import such costly machines which throw out thousands of employed people?

Then I come to the question of small savings by middle class people. I will cite only one example to show that all these talk about savings by middle class people is sheer idle talk. During the discussion on the Unit Trust Bill in December 1963 the Finance Minister stated that it is meant to encourage savings by middle class people. I would quote him:

"The ordinary investor is thus protected automatically against the erosion of value of his investment because of the rise in the value of base of these securities. These are significant advantages from the point of view of individuals who have some money to save and to invest"

14 hrs.

Sir, the people believed in the statement made by the hon. Finance Minister. But what has been the result? I have been approached by some people who have, listening to the speeches of the hon. Minister, purchased the units. What is the position today? The purchasing price is always higher than the sale price. That means that a unit of Rs. 10 is always sold between Rs. 10.45 to Rs. 10.50 and when that particular person wants to re-sell it, he finds that the price is Rs. 10.15 p. or Rs. 10.20 p. As a result of this, if the middle-class people who are mostly the buyers of these units, excepting a handful of very rich people or business magnates who have purchased quite a large number, are in distress, they are not in a position to re-sell those units because they have

to incur a loss of a certain amount of money. That is the position. They could invest that amount of money—that would have also been a saving—in the savings banks and they could have earned much more out of their savings. As a result of all this, the Unit Trust is being described by middle-class people as a fraudulent manoeuvre of the Government. Such things are going on in our country.

Sir, I want a definite assurance from the Finance Minister whether the electronic computers which have been introduced in the L.I.C., which is a waste of hard currency and at the same time these machines result in unemployment among the middle-class people, are being done away with. Following the footsteps of the Government of India, even the private sector, the oil industry and other industries, are introducing these machines. I want to know whether this thing is going to be stopped by the Government or not. Simply saying that there is a hard currency crisis involved and that you want to avoid unemployment will not satisfy anybody. Such statements are worth nothing.

Lastly, in regard to certain questions of foreign exchange crisis, I want to make a suggestion here—probably nobody has made that suggestion. In Calcutta, a certain company, Bird & Co. is being fined to the tune of Rs. 1.60 crores and all that. Today, we find that there are innumerable instances of such companies which resort to over-invoicing and under-invoicing. This has been the scourge in our country and we all know that a handful of big business houses resort to these things. Is it not necessary, in the interest of earning foreign currency, to take over this import and export trade so that we can corner the foreign currency, add to the national economy and add to the development of our country so much so that these scandals do not recur again?

श्री उ० शू० त्रिवेदी (मंदसौर) :
उपाध्यक्ष महोदय, इस बिल की थर्ड रीडिंग की स्टेज धा गई है और बिल के तीसरे वाचन में बहुत सी बातें तो नहीं उठाई जा सकती हैं, लेकिन इस बात का बड़ा अफसोस होता है कि इस सदन में इस पर आपत्ति क्यों नहीं की गई कि वहां पर फ़िनांस बिल, वित्त विधेयक, दूसरी दफ़ा क्यों पेश किया गया है, सैकंड बजट क्यों पेश किया गया है ।

हमारे संविधान के अनुच्छेद 112 के अनुसार, जिसका हार्डिंग है "प्रोसीड्यर इन फ़िनांशल मैटर्स", बजट का प्रेजिडेंटेशन प्रेजिडेंट के एंड्रेस के बाद ही होना चाहिए ।

पहला फ़िनांस बिल 8 मई को पास हुआ था । आखिर ऐसी क्या आफत धा गई कि उसके तीन महीने के बाद ही दूसरा फ़िनांस बिल यहां पर पेश करने की ज़रूरत पड़ गई ? अगर वाकई कोई आफत धा गई थी, तो संविधान के अनुच्छेद 86 के अनुसार प्रेजिडेंट ने दोनों हाउसिज को बुलाकर यह बात क्यों नहीं कही ? मुझे इस बात का अफसोस है कि सदन में किसी माननीय सदस्य ने इस बात का उल्लेख नहीं किया । न ही यह प्रश्न उठाया गया कि यह सैकंड बजट, यह सैकंड फ़िनांस बिल, किस आधार पर यहां पेश किया गया ।

अगर हम संविधान का अनुच्छेद 112 पढ़ेंगे, तो हमको मालूम होगा कि हमारे यहां फ़िनांस बिल साल में एक ही दफ़ा उपस्थित किया जा सकता है । लेकिन हम देखते हैं कि यह सैकंड बजट इस तरह पीछे से घुसेड़ दिया गया । शासन ने अनुच्छेद 117 के अनुसार रिकमेंडेशन तो हासिल कर ली, लेकिन इस बारे में प्रेजिडेंट की तरफ से हमारे पास कोई मैसैज तक नहीं आया कि कि क्यों इस बिल की आवश्यकता पैदा हुई और क्यों इसको पास करना चाहिए ।

मैं निवेदन करना चाहता हूँ कि हम इस पार्लियामेंट में डिमोक्रेटिक सिद्धान्तों को पूर्ण रूप से धरनाना चाहते हैं और उनके अनुसार ही सब काम करना चाहते हैं । लेकिन गवर्नमेंट ने एक डिक्टेटोरियल पालिसी अक्युयार कर ली है और यह सोच लिया है कि हम जो चाहें, कर सकते हैं, हम जब चाहें संविधान की अवहेलना कर सकते हैं, उसको ठोकर मार सकते हैं । मैं गवर्नमेंट को जताना चाहता हूँ कि अगर वह इस तरह खुद ही प्रजातन्त्र का हास करना चाहती है, इस तरह संविधान की अवहेलना करके प्रजातन्त्र को ठेस पहुंचाना चाहती है, तो धाने वाले नये चुनावों में जनता इस बात को साबित कर देगी कि अगर यह सरकार प्रजातंत्र में विश्वास नहीं करती है, तो फिर उसको इस सदन में धाने का कोई अधिकार प्राप्त नहीं हो सकता है ।

सरकार ने इस बिल की क्लाज 9 में "चैरिटेबल परपज" की एक दूसरी तरह से व्याख्या की है, जिसका परिणाम यह होगा कि अगर कोई रिलिजस परपज के लिये रुपया दे, तो उसको इनकम टैक्स की छूट नहीं मिलेगी । यह एक बड़ी गम्भीर बात है । मैं पिछले सवह सालों से यह देखता धा रहा हूँ कि इस कांग्रेस सरकार ने हिन्दू धर्म और हिन्दुओं का नाश करने और दूसरों को उत्तेजन देने का बीड़ा उठाया हुआ है । यह मुझे हमेशा से खुशती धा रही है ।

जब पहले-पहल 1937 से पहले यह प्रश्न उठाया गया था, तो उस वक़्त के एग्ज़िक्यूटिव फ़िनांस मिनिस्टर ने लिखा था कि जब तक हिन्दुस्तान में जायंट हिन्दू फेमिली है, जब तक यहां पर यह कन्सिप्शन है कि उस फेमिली में कोई एक धादमी प्रापर्टी का मालिक नहीं हो सकता है, तब तक एस्टेट ड्यूटी नहीं लग सकती है, डैथ ड्यूटी नहीं लग सकती है । कांग्रेस सरकार ने एक नई फ़िक्शन पैदा करके यह कानून बनाया कि जब कोई धादमी मर जाये, तो उसी दिन से उस की जायदाद का

[श्री उ० मू० त्रिवेदी]

बंटवारा मान लिया जायेगा और उस पर टैक्स लगेगा। यह सरकार हिन्दुओं पर टैक्स लगाने के लिए तरह तरह के उपाय करती रही है।

गवर्नमेंट की तरफ से जामा मस्जिद के सामने बाग लगाने के लिए लाखों रुपये खर्च किये जा रहे हैं, ताज महल की मरम्मत और सुधार के लिए लाखों रुपये खर्च किये जा रहे हैं। इस भ्रष्टाचार में क्या उसको शर्म नहीं आती है कि जब किसी हिन्दू मन्दिर के उद्धार की बात आती है, तो वह नाक भी सुकेड़ती है? यहां तक कि अगर जनता उस पर अपना पैसा लगाना चाहती है, तो वह उस पैसे पर इनकम टैक्स का फायदा रोकने के लिये तैयार हो जाती है। यह कहां तक सही नतीजा है। मैं पूछना चाहता हूँ कि क्या यही धर्म निरपेक्ष राज्य है। उन्होंने धर्म की निरपेक्षता का एक दम्भ पैदा कर रखा है, दम्भ पैदा किया है और उस दम्भ के आधार पर वह चलना चाहते हैं। उस दम्भ के पिछवाड़े जा कर और उसका आधार ले कर यह सरकार किसी न किसी प्रकार से हिन्दू धर्म को नुकसान पहुंचाने की गरज से सारे काम कर रही है। मैं बड़ी प्रार्थनापूर्वक कहूंगा कि इस गवर्नमेंट को कम से कम अब तो सोच लेना चाहिये कि इस प्रकार से राज्य करने के वास्ते वह नहीं आई है। यहां पर हिन्दू धर्म को मानने वाले जो मैजिस्ट्री में हैं उनके वास्ते भी तो कुछ करना चाहिये। उनकी भ्रष्टाचार से बचाने की जाती है, उनकी धर्म की भावना को क्यों ठेस पहुंचाई जाती है।

हमारे यहां जितने भी रिलिजस परपजेंट हैं वह सब चरिटेबल परपजेंट होते हैं कौन सा चरिटेबल परपजेंट है जो कि रिलिजस परपजेंट नहीं है। कौन सा काम रिलिजस काम है और कौन सा नहीं है इसकी व्याख्या करना बहुत मुश्किल हो जायेगा। अगर

इस तरह से किया गया तो मुकदमे बढ़ जायेंगे। सारे हिन्दुस्तान में मुकदमे बढ़ जायेंगे और मुकदमेबाजी का दरवाजा खुल जायेगा।

पुनर्वास मंत्री (श्री त्यागी) : रिलिजस के माने सिर्फ हिन्दू नहीं हैं, तमाम रिलिजस हैं।

श्री उ० मू० त्रिवेदी : वह तो मैं समझता हूँ कि तमाम रिलिजस हैं लेकिन दूसरे रिलिजस वाले क्या करते हैं यह भी मैं समझता हूँ। जहां तक हिन्दू रिलिजस का सवाल है वह चैरिटी से बंधा हुआ है। दूसरे रिलिजस चैरिटी से बंधे हुए नहीं हैं। उनके और हमारे रिलिजस में फर्क है। हमारे यहां हर एक रिलिजस काम चैरिटी की व्याख्या में आ सकता है।

मैं यह नहीं कहता कि आप दूसरे रिलिजनों को प्रोत्साहन न दीजिये। आप जितना दे सकें उतना दीजिये और देते चले आ रहे हैं। हम इसमें कोई आपत्ति नहीं है। लेकिन सोचिये तो सही कि आपने भारत वर्ष में कितना-कितना रुपया दूसरे मजहबों के लिये लगाया। बौद्ध धर्म के वास्ते, उस का शो बनाने के वास्ते, उसका सेंटिनर बनने के वास्ते आपने लाखों रुपये लगा दिये। लेकिन क्या आप बतला सकते हैं कि आपने कभी किसी जगह पर हिन्दू धर्म के लिये कोई फूटी कीड़ी खर्च की है। सोमनाथ मन्दिर का उद्धार करने की कोशिश क्लबम भाई पटे ने की लेकिन उससे आप की नाक भी सिकड़ गई। पंडित जलवाहरलाल नेहरू बड़े नाराज हुए। आज वह मन्दिर बना हुआ है लेकिन आप उसे देने की भी राजी नहीं हैं, उसको बढ़ाने के लिये राजी नहीं हैं। क्यों आपके दिल में ऐसी बात पैदा हो रही है। यही कारण है कि आपने आज रिलिजस बंड इसमें घुसेड़ कर हिन्दुओं के ऊपर बैंकडोर से छुरी भोंकने की कोशिश की है। मैं आप से

पूछता हूँ कि जब आप यह कहते हैं कि आप गरीब प्रजा के वास्ते सब कुछ करने के लिये तैयार हैं तो आपने डीजल प्रायल और किरोसिन प्रायल पर टैक्स बढ़ा कर किसको फायदा पहुंचाने की कोशिश की है। किसको नुकसान पहुंचा है यह आप देख सकते हैं। पहले एक रुपये का टिकट लेकर एक आदमी तीस या चालीस मील जा सकता था। वह बस डीजल से चलती थी। लेकिन अब वही टिकट 1 रु 80 पैसे या 1 रु 90 पैसा हो गया। यह टैक्स आपने किस पर डाला है। आपने इसको पिछले दरवाजे से गरीबों पर ही तो डाला है। अब परिणाम यह होगा कि एक आदमी को तीस चालीस मील जाने के लिए 1 रु के बजाय 1 रु 80 या 90 पैसा खर्च करना पड़ेगा। आपको आज टैक्स की हाय लगी हुई है। आज प्लैनिंग कमिशन की वजह से इतना बड़ा गड़ड़ा हो गया है कि चाहे उसमें एक लाख टन सोना डालो या दो लाख टन सोना डालो, आपको पता नहीं लगेगा कि वह सोना कहाँ गुम हो गया। वह पिघल जाता है और बालकैनों का फूड बन कर भरा हुआ है। आप उस गड़ड़े में कितना ही सोना डालें उसका असर होने वाला नहीं है। आप किसी न किसी तरह से अपनी भूल लगा कर या दूसरे की भूल से काम लेकर इस प्लैनिंग कमिशन को पांच साल के लिये बन्द कर दीजिए। उसके ऊपर इतना खर्च करने की आवश्यकता नहीं है।

Shri Surendranath Dwivedy (Kendrapara): I stand here to oppose this Bill, not because I do not want rapid economic development in this country but because of other reasons. I am all for planning, and I also support planning, if that planning is really meant for the economic betterment of the people of this country and also to reduce disparities.

The hon. Minister, while bringing forward this Bill has put forward the plea that this Bill is necessary in

order that Government may have resources so that planning could be a success. Nobody would have any objection to the principle of having more resources to make our planning a success. But the question is how to raise those resources. I am sorry to say that the Finance Minister who always professes that he is for socialism and actually acting according to the policy accepted by his own party, and who even went so far as to say that he would not sit there even for a moment if he deviated from or went against the party policy has by means of these new taxes put a burden very largely on that section of the people who are the weakest in the society today. My hon. friend the Finance Minister says that in regard to this indirect taxation, he should devise some means to ensure that while he would get the resources the burden would not fall on the common man. But what is the sum total of the indirect taxes that he is going to levy?

Any indirect levy must ultimately hit and does hit the common man. This is a known thing. Government have been reluctant to get resources from those sectors which are in a position to pay. There is no integrated taxation policy so far.

I have a suspicion in regard to the reason why he has brought forward this Bill at this time of the year. He could as well have waited for the budget and he need not have come forward with this surprise Finance Bill now. But I have a suspicion that he has come forward with this Bill because the elections are approaching, and if during the budget before the elections he would bring forward such measures then there would be great opposition because they would be very close to the elections, but if he brings it forward now, then the people would forget all about it after one and a half years and get accustomed to these new taxes. Perhaps that is the reason why he has gone out of his way. This is a political device, in my opinion.

[Shri Surendranath Dwivedy]

I would also like to ask whether Government have established any record about economy in administration, which would enable us to put more funds in their hands? About two years ago, if I remember aright, the Finance Minister said that he was taking measures to reduce expenditure in his own Ministry, to the extent of Rs. 75 lakhs. He has again promised in the course of his reply to the debate on this Bill that Government are thinking about it, and they would persuade the States also to do something in this matter. From all calculations it seems possible that in the State as well as the Central sector of administration, an economy to the tune of Rs. 200 to 300 crores could easily be effected. But that has never been attempted anywhere.

The last reason for which I am opposing this Bill is this. I have gone through the speeches of different Members, of even those who have supported this Bill. There is not even a single speaker who has not raised the question of rise in prices. Everybody who has lent his support to this Bill has expressed concern about the rise in prices. And what has the hon. Minister to say in regard to this? He says that ours is a federal structure, and the States are masters, so far as agriculture is concerned; and if there is increase in food prices, the Food Minister is in a great difficulty. The hon. Minister also says that he wants more and more resources because the States are making increasing demands. If the States are making increasing demands, may I know whether the States are in favour of Central planning or not? Have they accepted this principle or not? If they have accepted it, then he cannot come forward with the plea that the States are not co-operating, and, therefore, there cannot be any reduction in the agricultural sector. If it is not possible for him to take recourse to any measures in regard to that sector because the States are non-co-operating,

then what about the non-agricultural sector? Everywhere, the prices are rising. Therefore, I think it is a vicious circle which is going on. The prices are rising, and the cost of living is going up very high, and there is increasing demand from all sections, and Government go on increasing the dearness allowance, which is, of course, necessary; then, there is demand for increase in wages; that also becomes necessary and the whole vicious circle goes on in this manner. Many hon. Members have said in this House that the prices have reached an optimum level and there must be a halt to these things. But my hon. friend the Finance Minister does not come forward with any statement in this regard; although the prices are very high now, he is not in a position even to say that this is the optimum level that we have reached, and the prices will be stabilised at this level. We have discussed so many times in this House about the price stabilisation board, this and that. The principle is enunciated but in actual implementation we find some sort of haphazard committee going into this aspect and that aspect and nothing effective being done. Is it not time that the country should know where do we stand in the matter of these things? Because if prices go up, necessarily the entire plan allotment and allocation will also go up.

Therefore, I do not think the Finance Minister has made out any case for this country to support him in his new taxation measures. I am opposing it on these grounds, as I have made it very clear. My complaint against this Government is that although it professes socialistic planning, it is reluctant to take measures which will actually usher in an equalitarian society, clearing the vested interests who are the real obstacle in the development of our economy.

Shri T. T. Krishnamachari: We had representatives of four groups oppo-

site speaking, and I must say that even at this age, my willingness to be educated remains undiminished. I was listening very carefully to the suggestions that were thrown up at this stage of the Bill in order to better the measure or use the measure to purposes more fruitful than Government has in mind.

Of course, Shri Dandekar, who is an eminent person with a very distinguished record in government service, came out with some suggestions, carefully thought out. I think it will be wrong on my part to offer either criticism or comments on what he has said. I must see them in cold print, digest them and see what...

Shri Tyagi: They are purgative.

Shri T. T. Krishnamachari: Doesn't matter; sometimes it does good.

I would like to see what it means. I have no doubt that his intentions are perfectly honourable. He has taken great pains in this matter.

He mentioned about the fact that I have not indicated how this supplementary budget is going to ease the foreign exchange situation. May I in all humility suggest that that is the main basis of the supplementary budget, apart from the revenue aspect of it? The fundamental thing is that we should check imports, we should stimulate import substitution, internal production. That is the cardinal aspect of the measure; otherwise, there is no meaning in putting any tax on machinery imports and then seeking to utilise it by a certain amount of increase in development rebate. I could even make a promise that a certain amount of finance will be available if the calculation of the finance needed is exceeded. The idea is that we have reached a state of industrial development in this country where there is a lot of capacity with talent. All that is needed is a certain amount of will, a certain amount of compelling necessity for those people to fabricate in the country

most of what they want. Of course, some things could be done. I have worked out when I was thinking of this development rebate how it would affect industries where a whole 100 per cent is imported, where 50 per cent is imported, where 25 per cent is imported and so on. I do find that if other people do the same thing—of course they should, because in my case it is academic; in other people's case, it is necessary—if they do the same thing, they will find that with the concessions given to a person who buys his machinery locally or fabricates, he is in a much better position to write down the value than in the case of a person who imports. That is precisely the reason why we have put this heavy import duty on machinery, leave alone anything else. I think that ought to satisfy him in regard to the objectives of the measure. Exactly what it is going to do, how are individuals going to react to this kind of thing is a matter which is one of value judgment. It is not quite easy to say at this moment what its precise effect would be. The measure we have taken in the recent past has given me a certain amount of breathing time in regard to foreign exchange, and I think the cumulative effect of these measures will certainly help Government to get on to a plateau in regard to the foreign exchange position from out of which they could think of other measures.

The hon. Member mentioned about the rupee trade. I do not want to say that there is no truth in what he said or that all that he said is wrong. I quite agree with him that rupee trade is something in which we have to find out the real value of what we get. I may tell the hon. Member that during the time I was a Minister without portfolio and was examining a number of facets of our economy, one of the things that we did was to go into the value of things imported in the rupee trade. I do find that the position needs watching. At the same time, I would like to tell him that the rupee trade is a two-way traffic. If you tell the country with whom you

[Shri T. T. Krishnamachari]

have the arrangement, 'You have to buy from me first before I buy from you', many of them may not like it. Some of them would ask for a credit, a technical credit as they call it. It might take sometime before the money is reimbursed.

So it has to be a two-way traffic. It has to equalise somewhere. Barter trade—which really rupee trade is—cannot have an advantage to one as against the other. But it is something which needs watching, and careful watching; you cannot leave it to instruments which are not very careful about what they pay, because today machinery is something which people need and are prepared to pay a high price, but I think ultimately the economy suffers.

Of course, that takes me on to what Dr. Sen said. He wanted socialisation of import/export trade. In one sense, rupee trade is of that nature. It is being conducted by two organisations of this Government, the STC and the MMTC. I am quite prepared to admit that not all the transactions covered by them are good. Sometimes some of the things are wrong. This experiment in the direction of the State getting into the export-import trade is there. But at the moment it is largely confined to countries where there is state trading. In fact, I may even plead guilty, Mr. Deputy-Speaker, to the fact that if state trading is a sin, I was the perpetrator of the original sin, because I had started it when I was Commerce and Industry Minister. The essential purpose of it then was to canalise the trading with countries which have only state trading.

Shri Ranga (Chittoor): Now it is not so.

Shri T. T. Krishnamachari: Maybe, they have now gone beyond it. I might say that the guilding hand changes, and with it probably changes the policy. But that is the precise reason why it was brought in, and I

think that to the extent that we have to trade with those countries the state trading operation is a good one. I can tell hon. Members, where there are faults or losses we have to find out the reasons and remedy them. In fact, I think in regard to most countries with which we trade on a rupee basis, there is something we look into, excepting perhaps the USSR. So far as our trading with the USSR is concerned, it is hard bargaining. There is no denying that. But our goods go to them, their goods come to us, and generally their prices are on the basis of world prices. But with regard to other countries, the trade with other countries certainly needs watching. I will give this assurance to the hon. Member, Shri Dandekar, that I shall carefully consider what he has said, though I cannot admit that clause 26 has no bearing on the balance-of-payments position. It has a very intimate bearing; because the products covered by clause 26, many of them, are imported. It may be they might be processed in this country. But they are imported.

An hon. Member mentioned before that: why do you export petrol and still put a duty on it? We are probably reaching the stage very soon when we shall not export it, because we shall convert it into naphtha for our fertilizer plants. So it is only a phenomenon. But the products, the bulk of the products covered by clause 26 have a large foreign exchange content in them, and I do not think you can separate the goods covered by clause 25 from the goods covered by clause 26. If the hon. Member is willing to accept my statement for that, I would suggest that he should ponder over it.

I have mentioned yesterday about curtailing of expenditure. I said it is one thing we have to do, and I think we could make a certain amount of saving by cutting down a lot of non-plan expenditure.

My hon. friend came back again to the burden of the song, namely, that the nigger in the woodpile in all matters concerned with our difficulties today happens to be planning—planning, rigid planning, planning with a time-limit. I would even appreciate what hon. Members say “your resources that you have envisaged are not adequate . . .”

Shri Ranga: That is right.

Shri T. T. Krishnamachari: “. . . some of them will not be forthcoming, so you cannot have a plan of that size”. But I don't appreciate the alternative suggestion of making everything an India-rubber and stretching it. No, Sir. Then, what is the meaning of my fooling myself? If actually the position is that the resources are not in sight and they could not be raised, obviously the plan cannot be fulfilled. What is the object of my saying “I am going to have a plan of this size, but I will elongate it to seven years”?

The other point is this. Hon. Members opposite seem to think that planning is something which is conceived of for the benefit of the Prime Minister, or for the party. Planning is something which is conceived of for the benefit of the people of this country.

Shri Ranga: For the elections.

Shri T. T. Krishnamachari: And unfortunately, Sir, wherever I go—and I have been travelling fairly widely—the man in the village, about whom everybody else speaks, is conscious of the plan, because he thinks of what the plan is going to do for him.

An hon. Member: He is cursing it.

Shri T. T. Krishnamachari: Town-bred people who imagine things think that somebody is suffering . . .

Shri Ranga: My hon. friend was not born in a village at all. Where

were you born? Were you born in a hut or a hovel or a village? What is all this nonsense?

Shri T. T. Krishnamachari: My hon. friend should do a little logical thinking. Of course, it is rather difficult, I agree. But the point about it is this. We are not out of touch with them; we are in touch with them. And I can tell you that the people in the villages want more irrigation facilities, they want more wells. I went to U.P. two months back, and I would say this. The Government during last year has done some work in regard to providing water supply for irrigation which I think is exemplary. 92,000 wells in a year is not something which one need be ashamed of. Well, many of the wells have got Persian wheels. When you go and see them they say, “It is all right, it is true that we are making money out of this; but then ten miles away in Lucknow you have electric power; can't we have electric power, in which case we don't need the Persian wheel and two bulls?” So, that is how it grows. The villager is conscious of the fact that he wants to develop; and he wants things.

Of course, hon. Members certainly have to say that it is all wrong, whatever I do is wrong, whatever I say is false, and everything is done for the elections. Of course, elections are fundamental for me and for them. There is no denying that. Elections are not held only for me; it is also for them. Everybody thinks of elections when the elections come near. It is true, we do so many things for elections perhaps, and the hon. Members say so many things for elections. That is the only difference. Therefore, I do not want to score any polemical point over my hon. friend. But I am saying that it is not a mere article of faith of us—which it is—but it is also a matter of compelling necessity: a fulfilment of the promise that we have given to the people, the plan should be developed. I can tell you, it may be that what we have done in the past is negligible, but in the ag-

[Shri T. T. Krishnamachari]

gregate it is something which is impressive.

I have got the national income statistics here on the basis of the 1948-49 prices—and I can tell you there is no fraud about it . . .

Shri Ranga: You are conscious of some frauds, anyhow.

Shri T. T. Krishnamachari: The national income was Rs. 8860 crores in 1950-51 before we started planning, and this year's quick estimate gives us about Rs. 14930 crores. So there has been an increase of somewhere about 61 points over a period of time. I do not claim that I have done it, I do not claim that the party has done it; but I only claim that the Plan has done it. It is only because of there being a plan . . .

Shri M. R. Masani: The people have done it.

Shri T. T. Krishnamachari: Maybe; after all, the dichotomy between the people and the plan is something which I cannot visualize. The plan is for the people, and therefore if the people have done it, yes, they have accepted the plan.

Shri M. R. Masani: In spite of the Plan.

Shri T. T. Krishnamachari: Anyway, Sir, there is no point in labouring a situation in which there could be no point of agreement.

Shri Ranga: That is it.

Shri T. T. Krishnamachari: Then, Sir, the Trivedis and the Dwivedis spoke. My knowledge of the Vedas is somewhat imperfect. I wish I was a Chaturvedi.

An hon. Member: There is one Chaturvedi in your party.

Shri T. T. Krishnamachari: Anyway, I would like to tell my hon. friend Shri Trivedi that I am Hindu. He is not the only Hindu. Maybe, one of these days I may change my clothing and come in my dhotie and my war-paint in order to show that I am a Hindu! (*Interruption*). I do not know; when I say my *apivadhaye* to my elder I say that I belong to *Yajushyaka*; that is the only Veda that I know, *Yajurveda*. But that is neither here nor there.

They have spoken, and spoken well, and spoken moderately, as they do. But the only point I would like to draw the attention of the House to is this. Here are four leading lights of four different Groups speaking. I ask the hon. Members in this House to do a bit of intellectual exercise and find out the common point from them. I tell you they cannot do it.

Shri Ranga: The common point is to drive you out.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

Lok Sabha divided:

Division No. 12]

AYES

[14.46 hrs.]

Alva, Shri A.S.
Aney, Dr. M.S.
Arunachalam, Shri
Babunath Singh, Shri
Barman, Shri P.C.
Basappa, Shri
Bhanja Deo, Shri L.N.
Bhanu Prakash Singh, Shri
Borooah, Shri P.C.
Brahmeshwar Prasad, Shiv
Brij Basi Lal, Shri
Chakraverti, Shri P.R.

Chanda, Shrimati Jyotsna
Chandrabhan Singh, Shri
Chandrishi, Shri
Chaudhuri, Shrimati Kamala
Chavda, Shrimati Joraben
Das, Shri B. K.
Das, Shri C.
Deshmukh, Shri B.D.
Dixit, Shri G.N.
Dorai, Shri Kasinatha
Dwivedi, Shri M. L.
Firodia, Shri

Gajraj Singh Rao, Shri
Gange Devi, Shrimati
Hanada, Shri Subodh
Harvani, Shri Anser
Joshi, Shrimati Subhadra
Jyotishi, Shri J.P.
Kappen, Shri
Keishing, Shri Rishang
Kouljagi, Shri H.V.
Krishna, Shri M.R.
Krishnamachari, Shri T.T.
Kureel, Shri B.N.

Lakhmu Bhawani, Shri
 Lalit Sen, Shri
 Laskar, Shri N. R.
 Laxmi Bai, Shrimati
 Mahtab, Shri
 Mahishi, Dr. Sarojini
 Maimoona Sultan, Shrimati
 Malhotra, Shri Inder J.
 Mantri, Shri D.D.
 Marandi, Shri
 Masuriya Din, Shri
 Mehrotra, Shri Braj Bihari
 Mehta, Shri J.R.
 Mehta, Shri Jaahvant
 Minimata, Shrimati
 Mirza, Shri Bakar Ali
 Mohammad Yusuf, Shri
 Mohany, Shri Gokulananda
 More, Shri K. L.
 More, Shri S.S.
 Mukne, Shri
 Pandey, Shri R.S.

Pandey, Shri Vishwa Nath
 Panna Lal, Shri
 Patel, Shri N.N.
 Patel, Shri P.R.
 Patel, Shri Rajeshwar
 Patil, Shri Vasantrao
 Pratap Singh, Shri
 Raghunath Singh, Shri
 Raj Bahadur, Shri
 Raju, Shri D.B.
 Raju, Dr. D.S.
 Ramanathan Chettiar, Shri R.
 Rane, Shri
 Rao, Shri Thirumala
 Reddy, Shri Linga
 Roy, Shri Bishwanath
 Saha, Dr. S.K.
 Sahu, Shri Rameshwar
 Saigal, Shri A. S.
 Samanta, Shri S.C.
 Sharma, Shri A.P.
 Shashi Ranjan, Shri

Shastri, Shri Lal Bahadur
 Sheo Narain, Shri
 Shree Narayan Das, Shri
 Shukla, Shri Vidya Charan
 Sinha, Shrimati Ramdulari
 Sinhasan Singh, Shri
 Subbaraman, Shri
 Subramanyam, Shri T.
 Sumat Prasad, Shri
 Swamy, Shri M.P.
 Tahir, Shri Mohammad
 Tiwary, Shri K.N.
 Tula Ram, Shri
 Tyagi, Shri
 Ulkey, Shri
 Varma, Shri Ravindra
 Verma, Shri Balgovind
 Virbhadra Singh, Shri
 Vyas, Shri Radhahal
 Wadhwa, Shri
 Yadab, Shri N.P.

NOES

Alvares, Shri
 Bade, Shri
 Badrudduja, Shri
 Barua, Shri Hem
 Bheel, Shri P.H.
 Chakravarty, Shrimati Renu
 Daji, Shri
 Dandekar, Shri N.
 Dwivedy, Shri Surendranath
 Himmatsinhji, Shri

Kapur Singh, Shri
 Koya, Shri
 Krishnapal Singh, Shri
 Mahananda, Shri
 Masani, Shri M.R.
 Mirra, Dr. U.
 Muhammad Ismail, Shri
 Muzaffar Hussain, Shri
 Nair, Shri Vasudevan
 Ram Singh, Shri

Ranga, Shri
 Sen, Dr. Hanen
 Shastri, Shri Prakash Vir
 Singh, Shri Y. D.
 Solanki, Shri
 Tan Singh, Shri
 Trivedi, Shri U.M.
 Uttiya, Shri
 Warior, Shri
 Yashpal Sin

Mr. Deputy-Speaker: The result of the Division is Ayes 101; Noes 30.

The motion was adopted.

Shri Narasimha Reddy (Rajampet): I have committed a mistake. It should be No.

Shri T. T. Krishnamachari: He cannot vote against the Bill. He is a classmate of mine!

Shri Ranga: It shows that the Congress Party itself has disowned it. Only 100 people have vote] for it.

Shri Daji: It does not get the majority of the House.

Shri Ranga: Nor of the ruling party itself. The majority among themselves are not in favour of this Bill.

Mr. Deputy-Speaker: There are 101.

Shri Ranga: But they are 370. Shame on them.

14.40 hrs.

STATUTORY RESOLUTION RE:
 ALIGARH MUSLIM UNIVERSITY
 (AMENDMENT) ORDINANCE AND
 ALIGARH MUSLIM UNIVERSITY
 (AMENDMENT) BILL—contd.

Mr. Deputy-Speaker: Including the time extended, we have got 4 hours and 15 minutes, of which we can have 3 hours for the first reading and the balance for the second and third readings.

The Minister of Education (Shri M. C. Chagla): When would I be expected to reply?

Mr. Deputy-Speaker: Tomorrow.