

we try to see that the distress is spread uniformly. I will give an example. In the case of wool from Rs. 18 crores we had to cut down the import to Rs. 2 crores. It is a drastic and cruel cut. But the exigencies of the situation made us do that. We have no other alternative. Therefore, to the smaller units we cut a little less and to the larger units we cut a little more. That is how we try to do it. In some cases where we find that the private importer will take advantage of the small user, we bring in the State Corporation to import such raw materials. This is a subject on which I would like to remain enlightened by the experience of hon. Member from time to time, and wherever improvements can be made. I am at their disposal.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947 be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments to any of the clauses. I shall put them together. The question is:

"That clauses 2, 3 and 4 stand part of the Bill."

The motion was adopted.

Clauses 2,3 and 4 were added to the Bill.

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

Shri Manubhai Shah: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

13.16 hrs.

GENERAL BUDGET—GENERAL DISCUSSION

Shri M. E. Masani (Rajkot): **Mr. Deputy-Speaker,** Sir, in assessing the nature and worth of this budget, a quick look at our present conditions might be a good starting point. Sir, today, our economy is in a stagnant condition. The rate of growth of our economy has been described as being the lowest even among the countries of Asia. During the current year, the Economic Survey admits there has been no increase in the national income. This, Sir, with a growing population, means an actual set back.

Industrial progress has been dropping now for two years in quick succession. In 1963-64, it was at the rate of 8.5 per cent, during 1964-65 it was only 7 per cent; and during this year we are told it will be only 6 per cent, according to the Economic Survey. The capital market is as good as dead. Equity shares have gone down during the past year—1965—according to the Economic Survey, by 15.3 per cent. Our food debacle is notorious and I do not wish to take the time of the House with it at this moment.

Prices are constantly rising. In 1963-64 wholesale prices rose by 9 per cent, in 1964-65 by 8.7 per cent and during the 9½ months of the current year they rose by 12.3 per cent. As on 15th January, 1966, the level of prices was 5.6 per cent higher, according to the Economic Survey, than a year ago.

Our currency is debased. It is only worth ten cents of the U.S. dollar against its professed price of twenty cents. Therefore, India today is a smugglers' paradise for contraband watches, transistor sets and gold, selling at four to five times prices in the world market.

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Our exports, despite the brave protestations of the Commerce Minister just now are stagnant and are not rising. Our balance of trade is adverse. We have rising trade deficits from year to year. From an average of Rs. 467 crores during the Second Five Year Plan, our adverse balance of trade has gone up to Rs. 570 crores last year. The Economic Survey makes a most pathetic admission, on page 4, that the "balance available for deployment is hardly sufficient to pay for half a month's imports".

India, today, is a bankrupt country, thanks to the policies of the Government, unable to meet its obligations in the councils of the nations. Two possibilities alone remain, according to an official spokesman, for us to save our face and to avoid having our nose cut in public. One is described in technical jargon as "rescheduling debt payments", which means we defer payments and ask for a moratorium. The second possibility is called "re-financing of new loans to absorb payments due on old loans". According to an answer given in the Lok Sabha on 24th February to a question regarding the Fourth Plan, this is the alternative the gentlemen in office propose to try and follow. According to the Fourth Plan document approved by the National Development Council in September 1965, they hope to get an aggregate of Rs. 4,000 crores of external assistance during the next five-year period. Out of this, says the answer, interest payments and capital repayments, would account for Rs. 1350 crores. In other words, 33.75 per cent of the foreign aid for which we are trying for our Fourth Plan will go to repay the obligations already undertaken by us. That is how the future of this country is being mortgaged by the improvidence of this Government.

Is it surprising that the world should look upon us today as bankrupt? Paul Baresan, a well-known

British financial commentator who recently came to India on a visit, according to Statesman of 14th February, said:

"The fear of inconvertibility—in plain language, the situation where India finds itself without foreign exchange to allow normal repatriation of capital and profits—was holding back much useful investment."

The Japanese Economic Mission, from our own Continent, gave India a bad chit when they were here last month. Mr. Adachi, the Leader of the Delegation said:

"The capacity of India to permit repatriation of capital invested and dividends is not quite clear to us"

The Mission expressed its grave concern whether India "could successfully do this in future".

This is a picture of the situation with which we are faced and the question that we have to consider is: how does this budget propose to remedy it?

Listening to the Finance Minister's speech, Part A of his speech, one felt that there was an increasing awareness of reality in official circles. The same conclusion can be drawn from a reading of the Economic Survey. Both these documents contain a great deal of welcome self-criticism and a fresh assessment which I for one welcome. It also shows the beginning of Liberal economic theory which has been missing from official documents unfortunately for the last decade. Take, for instance, page 2 of the Economic Survey where it is said:

"The need to stimulate production and exports by offering the right incentive will remain greater than ever."

On page 23 of the Economic Survey, it is said:

"A major policy objective is to maximise returns from the large government investments made in the various commercial and industrial undertakings."

The Finance Minister, on pages 8 and 9 of Part A of his Budget speech, said:

"There cannot be any doubt that the revival of the capital market and a greater flow of private savings to industry in the form of equity investment are desirable in the larger social interest"

a sentiment which I heartily echo. In regard to the nature of priorities of investments also, the Economic Survey and the Finance Minister's speech are on sound lines in their conclusions. The Survey says at page 8:

"A major task is to secure the maximum output in the short-run from investments already made."

The Finance Minister said on page 10:

"Every effort has to be made to restrain Government expenditure, particularly on general administration and on new schemes of development with a long gestation period."

In regard to preventing further inflation, the Economic Survey recommends:

"Promotion of competition on the basis of price and quality to the maximum extent possible".

It goes on to say:

"Fiscal and monetary discipline will need to be reinforced in order to stay further price increases".

The Finance Minister says:

"Developments during the current year are a matter of concern and call for a greater degree of realism in budget-making as well as a greater sense of determination in restraining expenditures, whether revenue or capital, whether Plan or non-Plan, whether by the Centre or by the States".

He further says:

"It becomes more necessary than ever to restrict the expansionary impact of Government expenditure in general".

Excellent sentiments, indeed. But now we must go on to consider to what extent they are reflected in the concrete budget proposals of my hon. friend opposite.

As we know, the budget shows a revenue surplus, at current levels of taxation, of Rs. 210 crores. The Finance Minister has given some much-needed relief in personal taxes and corporate taxes of a very minor nature—Rs. 3 crores in personal taxes and Rs. 7 crores in corporate taxes—giving in all tax relief of Rs. 10 crores. Therefore, even after the tax relief we are still left with a net surplus budget of Rs. 200 crores on the revenue side. If the capital receipts amounting to Rs. 1,625 crores could have been left to take care of the capital expenditure to be incurred during the coming year, with perhaps some loans to raise further capital, the Finance Minister could have reduced taxes, particularly the vicious excise duties from which the poor people in our country are suffering quite drastically. It was in his power, if he had chosen, to give Rs. 200 crores of relief to the indirect tax-payer, the consumer, the poor man if he had only followed the sound budgetary principle that the current year's taxes should not be diverted to capital expenditure, but that capital expenditure must come out of capital receipts, loans and borrowing, a sound principle of budgeting acknowledged all over the world.

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But for some reason that I fail to divine, he went out of his way gratuitously to convert this Rs. 200 crores surplus into a deficit of Rs. 127 crores. He did it by acceding without any resistance to the demands for expenditure on the civil side, the defence side and the planning side. I am sorry to have to make this criticism because the Finance Minister is an esteemed friend of mine. I have regard for him and I frankly had some hopes that this budget would be different from that ugly series of predecessors on which it follows:

Let us consider the kind of expenditure which this budget seeks to sanctify. First, there is the civil non-developmental expenditure, the civil service, the police expenditure or the wasteful expenditure of the State. What was required here was a uniform cut of something like 5 per cent. If the Minister of Finance had shown courage and if he had said to his officials, "I do not care how you do it but you will have to introduce a cut of 5 per cent over last year's expenditure" the bureaucrats would have gone to work upon it. Unfortunately, the non-productive expenditure on the civil side has been allowed to go up by several crores. As far as I could find out, the figure is Rs. 24 crores—maybe I am wrong; I would be glad to be corrected on this point—I could not find out the sum total of the additional civil expenditure, but from the kind of figures that are given to us in the official papers I think it is Rs. 24 crores over what it was last year. With fifteen years of operation of Parkinson's law, our bureaucracy has been consistently proliferating. It has been constantly engaged in finding more ways of taking fewer decisions, more men to do less work, more expenditure for less and less efficiency. Let me give just a few figures to show the ridiculous amount of nonsense which successive Finance Ministers and this House have been standing.

Let me give you the figures of members of the Secretariat at the official level in the Union Government, in 1947, at the time of transfer of power, and last year. The number of Secretaries of Departments of Government, when the British left us, was 18. Last year it was 46. Additional Secretaries, who were 10 in number in 1947, had doubled to 20 in 1965. Joint Secretaries were 34 in 1947, now they have gone up to 115. Deputy Secretaries were 70, they have gone up to as many as 235. Under Secretaries, the lesser breed had gone up from 167 to 429. The result is that even at the Secretariat level, in the non-productive departments of our Union Secretariat, as against 299 well-paid officials we today have 845 officials.

Shri Sham Lal Saraf (Jammu and Kashmir): The workload has increased.

Shri M. R. Masani: The workload has not increased. They are not doing anything more than what the Britishers were doing when they left. The workload or functions of the Union Home Ministry have diminished. Sir Reginald Maxwell had a much heavier workload than Mr. Nanda can ever hope to have.

How I will come to the Home Department or the Home Ministry, which has declined to be a subsidiary of the Home Ministries at the State level. In 1947, there were 15 Secretaries, Under Secretaries, etc. Now there are 150, ten times the number of Secretaries for the utterly unproductive police Ministry that we have.

Evidently, I am sorry to find the Finance Minister does not seem to think that enough damage has been done. So, instead of cutting this down he has agreed to another Rs. 24 crores of additional wasteful expenditure. He has agreed, in other words to a further increase in the army of drones which this country has to carry on its back.

Among others who do well for themselves are of course the planners. According to the Demands for Grants of the Planning Commission, from the revised estimate of Rs. 1.39 crores spent by them in 1965-66, this year the cost is going up to Rs. 1.63 crores. They made such a mess of the Third Plan and they are now going to be given another Rs. 24 lakhs as a reward for the coming twelve months.

In Britain also there is a planning body. It is called the National Economic Development Council, popularly called "Neddy". It is interesting to compare the expenditure of one Planning Commission, which is a pretty useless one, with the rather well functioning Neddy of Britain. In Britain the figure is £250,000 or Rs. 33.33 lakhs, which is exactly one-fifth of what our own precious Planning Commission costs. In April 1964 Neddy had a staff of only 114 full-time members. I shall be glad if the Finance Minister enlightens us as to what is the number of the full-time staff of those gentlemen who sit in Yojana Bhawan today proliferating at a rate exceeding even the population growth of India.

This is in regard to civil, non-productive expenditure. Now, we come to defence expenditure. So far as defence expenditure is concerned, I would concede that it is relatively reasonable in this year's Budget. The figure for defence is Rs. 918 crores out of a total of Rs. 4,000 crores. There is an increase of Rs. 29 crores. I for one would not quarrel with that amount. If the security of this country in defending it from Communist China and other threats warrants it, let us pay this amount cheerfully, though I still believe that on the defence production side there is a great deal of room for saving and a lot of waste can be eliminated.

Then, we come to Plan expenditure—the third part of our Budget. This is Rs. 1,155 crores at the Centre and Rs. 926 crores at the State level, making a grand total of Rs. 2,081

crores during the coming year. While I welcome the slight shift—it is only slight—in favour of agriculture in the current year's plans, there are still many items of wasteful top heavy expenditure which fly directly in the face of the Finance Minister's dictum that long gestation projects should be eschewed. I give only one example at this stage and that is the Bokaro Steel plant, which is the worst of these industrial Taj Mahals which our present Moghuls are building as a memorial to themselves. The first phase is of 1.7 million ingot tonnes and the second phase is of 4 million tonnes when the plant will be complete. The cost of the first phase is Rs. 626 crores. It is interesting to know that when the Soviets first made their proposals, not long ago, the cost was Rs. 550 crores. It has shot up by Rs. 76 crores. When the whole thing is completed, that is, the 4 million tonne plant, the total cost now is going to be Rs. 923 crores as against an original estimate not long ago of Rs. 770 crores. Just a slight error of about Rs. 153 crores at the expense of our miserable tax payers.

Shri T. N. Singh, the Minister concerned, said in the Rajya Sabha on 3rd March that the cost was "*Prima facie* somewhat high". The British are a great nation for understatement. I think, we should export Shri T. N. Singh to England because this is the greatest understatement of the year. It is not slightly or somewhat high; it is ridiculously and criminally high.

The Government had two other estimates offered to them. There were three tenders. One was the Soviet tender for Rs. 923 crores; the second was by Dastur and Company for Rs. 638 crores for the same plant, and the third was a United States estimate of Rs. 703 crores. The Government of India, contrary to all practice chose the highest bidder. The cost as a result comes to Rs. 2,300 per ingot tonne or \$485. It is well-known that throughout the world United States and other steel companies are putting

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up plants at an average cost of \$350 to \$360 per tonne. Calcutta the colossal loss to this nation. Rs. 120 crores thrown away as the initial capital cost with steel that will be continually uneconomical: Because of the high cost it will be difficult to sell.

I want to know why this disastrous choice is being made. Are we obliging the Russians? If we are obliging them, why are we obliging them, and what are we getting in return?

And this at a time when the demand for steel is going down, when there is a glut in the world market and in India for steel!

Let me first deal with the glut in the world market. According to the *United States News and World Report* of 31st January, there is "too much steel in the World". The *Economist* of London of 29th January says:—

"German steel producers face a year of depression. Prices fall precipitately over the last few months."

30,000 German steel workers have been put on short-term work. Nearly all steel companies report losses. There is pressure on steel producers all over the world to find export markets.

The glut of steel also exists in India. According to the *Indian Express*, of 9th February, "the Indian steel plants face a crisis of glut." According to the *Statesman* of 14th February, excess steel poses a problem." The correspondent goes on to say:—

"The three public sector plants are confronted with an altogether unexpected problem, that of over-production and underutilisation of capacity."

The *Times of India* of 4th March says that "export prospects are being explored and there is accumulation of

steel products". It goes on to say:—

"The Union Government is exploring the possibility of exporting accumulated stocks of certain categories of steel products in the public sector plants."

This is a quotation from Shri T. N. Singh, Minister, to the Consultative Committee of Parliament.

Shri Ranga (Chittoor): Our cost of production is the highest.

Shri M. R. Masani: It is in this context of world prices dropping of steel being available more and more economically, a glut in the world market and a glut in the Indian market that this criminal waste of public resources is now being proposed. I believe that a steel plant of these proportions can safely be postponed for another five years. Otherwise, all this talk of the Finance Minister of "quick gestation projects" being favoured must be considered sheer moonshine.

We come lastly to the fourth part of our expenditure, and that is the States. As we know, the Governor of the Reserve Bank condemned overdrawing by the States on the Reserve Bank on 16th February, and the Finance Minister in paragraph 9 of his speech makes a similar statement deploring the indiscipline of the States who go on drawing money to which they are not entitled. But the surprising thing is that in the Budget proposals there is not a single suggestion of how this indiscipline is to be stopped. On the contrary, hon. Members will be surprised to be told that they would be rewarded for this behaviour. The amount of funds to be advanced by the Centre to the States during this coming year is Rs. 666 crores. If this were all Plan expenditure, even this might be considered somewhat forgivable. But out of this amount only Rs. 505 crores are going to be advanced to the States by the Centre for Plan expenditure and Rs. 161 crores are going to be ad-

vanced to the States by the Centre for non-Plan, non-productive expenditure. Why? I want to ask the Finance Minister and I hope he will answer that in his reply: What has happened to the protest in paragraph 9 of his speech? Why are the States being rewarded in this manner for unproductive expenditure of this proportion? Is it supposed to be an abject surrender to political jobbery at the lower levels?

The point is: If this 161 crores was not to be given to the States for non-Plan expenditure, there would be no deficit and there would be no additional taxation. The Finance Minister has chosen to impose another Rs. 100 crores of additional taxation at a time when this could have been avoided by a simple device of not giving to the States more than what they needed for plan expenditure. If only the Capital receipts had been left to cover the Capital expenditure, plus loans and advances he could have gone in for a remission of taxation to the extent of Rs. 200 crores. I would have suggested that all of this should go to the poor people in the way of remission of excise duties on the needs of life of the poor. If that had been done, the productive forces would have looked up in this country, savings could have accumulated and tax revenues also would have begun to rise again.

It is a fallacy that if you cut down the rate of tax, your revenues drop. They do not do anything of the sort to the same extent. Tax cuts have a therapeutic healing value, and the law of increasing returns sets in. Just to give an example, if my income were to be Rs. 1.5 lakhs and the tax was 40 per cent, that would yield more to the revenues than if my income was Rs. 1 lakh and the tax was 50 per cent. In other words a smaller slice of a big cake is bigger than a bigger slice of a small cake.

Now, this is concretely proved by the example of the tax cuts in

America initiated by the great progressive, President Kennedy, and carried out by his successor Mr. Lyndon Johnson. I quote a paragraph from the Economic Report of the U.S. President to the Congress in January, 1966:

"From the close of 1963 to the final quarter of 1965 Federal revenues advanced by about \$ 9 billion; yet during this period, tax reductions of \$ 16 billion had taken effect through the Revenue Act of 1964 and the Excise Tax Reductions Act of 1965."

Tax collections for calendar year 1964 (the year the cut was applied but before it took full effect) amounted to \$169.1 billion; tax collections in calendar year 1965 (with the cut fully in effect) amounted to \$181.8 billion. The Finance Minister could have, if he had shown the same imagination, cut the taxes and yet could have come to us and said: "My treasuries are equally full." But that requires imagination of a kind which this Government has never shown. Even assuming that tax cuts are too daring, too bold, too progressive, for this constipated Government, at least we could have been spared further, additional taxation. A sum of Rs. 100 crores has been dumped on the shoulders of the tax-payers. There were three separate ways in which this additional taxation could have been avoided.

The first, as I said, was an "across the board" average cut of 3 per cent on non-Defence expenditure—I am not touching Defence—of Rs. 3,100 crores. If only 3 per cent had been cut on the non-Defence expenditure, all the additional taxation could have been spared. Or secondly, if they had restricted advances to States only for Plan expenditure, again there would have been no need for additional taxation. Or thirdly, if they had only assiduously and efficiently collected the crores and crores of arrears of tax that they are incompetent enough not to collect, even that would

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have been enough to cover additional taxation. But evidently this Government looks upon the necessity of getting their pound of flesh and squeezing the people as more important than saving the entire economy from disaster, which is now going to follow in the next twelve months.

Sir, that brings me to my understanding of the consequences of this Budget. The claim that this Budget is production-oriented is false. This is a depression-oriented Budget and, as sure as day follows night, the depression is going to descend further on this country in the next few months. I am not insensible of the small reliefs that have been given, the raising of the exemption limit for the small section of the lower middle class—we welcome that—the removal of expenditure tax, the lowering of rates of gift tax and the modifications in the accrual of the tax on dividends and on bonus shares. But, as I mentioned earlier, the total relief is Rs. 10 crores and the effect of this is more than wiped out by additional taxation. As regards personal taxes, in spite of this relief there is a net additional burden of Rs. 22.15 crores and on corporate taxation there is a net additional burden of Rs. 36 crores. This will not fall on Big Businessmen. Every bit of this tax will be passed to the shoulders of the poor consumer because it is part of the law of economics. Similarly people think that a 5 per cent additional tax on L.I.C. will only fall on the L.I.C. But they are making a mistake. That extra tax will fall on the shoulders of the millions of poor policy-holders of the L.I.C. That is how the whole of this burden of taxation is going to fall on the shoulders of the poor.

Consider the effect of his on production and investment. Already, during the last year, Rs. 200 crores of additional taxes were levied by Mr. T. T. Krishnamachari. I venture to say that this additional amount of Rs. 100 crores will break the back of our

economy and the same Government will have to come to us again, as they have already done in their current documents, saying: "All our expectations last year went wrong." I forecast that the expectations of the Finance Minister are going to fail, because they must fail. That is inevitable in the light of this Budget.

Consider what this means. Will it help the capital market which the Finance Minister says he is keen to do? No. Even if, for a few days because of the bonus shares relief some little rise takes place on a few scripts, I venture to submit and forecast that the capital market is not going to revive during the next twelve months. If it was ever the Finance Minister's intention—I am prepared to believe that it was when he introduced the Budget—that the capital market should revive, then I would plead with him that he has been egregiously misled by his official advisers. Let him retrace his steps even now. The capital market is the heart of a modern economy. It is not a plutocrats' club or a gamblers' den. Let him think again.

Consider the effect on foreign investment. It will be just as bad. The Secretary of the Finance Ministry said in Bombay a few days ago that foreign investor was not interested in the levy of taxation in India. I am amazed at that statement coming from a senior official with that gentleman's record. It is complete nonsense. The foreign investors are very much interested both in the levy of taxation and what they can get by way of profit. Are we to believe Mr. Boothalingam or shall we believe Sir Norman Kipping who came to this country representing the Federation of British Industries a few weeks ago? He said:

"The climate for foreign investment in India at present is not good". The prospects for investment are "pretty bad in the short term future."

Shri Indrajit Gupta (Calcutta South West): Today he has said something different.

Shri M. E. Masani: Are we to believe him or Mr. Boothalingam? In fact the Finance Minister, in his statement in the Lok Sabha on the 23rd February, 1966 admitted as such:

"There has been* a fall in the number of foreign collaboration and investment cases approved by Government during July-September, 1965 as compared to the two preceding quarters."

Another thing about the Budget is that it will be inflationary and will raise prices further. The excise duty on light diesel oil is a most reckless adventure. At a time when the farmer needs an incentive to produce more food, this diesel oil which he uses for pumps and motors for agricultural purposes is sought to be taxed higher. I am very glad that the Congress Party in the Gujarat Legislative Assembly has rebelled and has demanded that this duty should be dropped. I hope the Congress Members from Gujarat who, along with me, represent that State in Parliament will raise their voice in supporting me in saying that this excise duty on diesel oil must go.

Then, there is the duty on sugar, which is a common man's necessity. Even khandsari sugar and unrefined sugar have been taxed more. Now, on good authority, I learn that large stocks of sugar have accumulated in this country and that if sugar was decontrolled today, the industry would be compelled to unload the stocks and the prices can be brought down right now. That would be a very beneficial step. It will be anti-inflationary, it will reduce the tremendous strain on the availability of credit, and the industry would be in a position to pay the arrears which it has not done. I am told there are Rs. 18 crores due from the industry to the

poor sugarcane grower who is waiting for his money. What has the Government done? Instead of decontrolling sugar and forcing the industry to bring the stocks on the market which will drop below the controlled price, they have added further to the price of sugar by an additional excise.

The additional excise duties on sugar, tobacco, cloth, cigarettes and light diesel oil impose a burden on the poorest classes of our people to the extent of Rs. 52.86 crores. The effect of this is bound to be to send up prices as it has done in the past. It has been so during the last three years. For the last three years, I have been predicting that excise duties will add to prices. The Finance Ministers with a very straight face assure the House that this Budget will be anti-inflationary and then come and admit that the last Budget was inflationary. This is what the Economic Survey says. On Page 1, it says:

"The Central Budget for 1965-66 sought to avoid deficit financing while offering further incentives for exports and higher production within the country. In the event, many of these expectations have been belied during the current year which has been one of great strain all round."

Then, on Page 4, it says that "initial expectations" are "not likely to be realised" and on page 7, it says that these expectations were falsified. This act of innocent surprise, year after year, at the natural consequences of their own acts, is rather hard to take! Speaking on the previous Budget, on 2nd March, 1965, I had said:

"The Finance Minister has ventured to hope in his speech that now prices will fall. I wish I could agree with him—we all would—but it is wishful thinking. I venture to make a statement here—I made it during the past two years and I was proved right—

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that prices will not fall and that this budget is an inflationary budget. . . ."

"This is an inflationary budget. In the next twelve months, prices will rise not through accident but because the Finance Minister, for demagogic purposes, has resorted to a budget that will raise prices".

I repeat every word of what I said last year and I warn the Finance Minister that it is no good, during his reply saying: "I assure the House that prices will not rise." Every normal man must intend the natural consequences of his act. He is an eminent lawyer and knows it. Any one who brings in this budget is asking for inflation in this country.

Coming to deficit financing, the Budget has left uncovered a gap of Rs. 25 crores. That is not the only deficit financing in this budget. The deficit financing in this budget is of greater proportions. It is Rs. 375 crores, because the remaining Rs. 350 crores of deficit financing represents the loans and P.L. 480 funds which are pumping money into our economy without a corresponding increase in the goods and services produced here. Therefore, the deficit financing in this budget is Rs. 375 crores. It is for this reason that prices are going to rise.

Lastly, this budget is altogether over-dependent on foreign aid. The extent of reliance on foreign aid expected this year is Rs. 800 crores. This is a great increase on Rs. 680 crores last year and Rs. 460 crores in the previous year. The question is: will they get it? Will the world respond?

The omens are not auspicious. According to the London Times of 14th February, America and Britain are facing a dilemma in their relations with India—"how to combine

understanding with realism, sympathy with home truths." You will recall that President Lyndon Johnson in the beginning of February said:

"We intend to help only those who help themselves." Can it be seriously argued that by this budget we help ourselves? Could we not have put our house in order? Could we not have cut our coat according to our cloth? Could we not have agreed to spend what we have and what we possess? I am afraid this budget is going to make the task of those who ask for economic aid in Washington and elsewhere much more difficult.

This is what the U.S. Delegation which visited India, led by Senator Wayne Morse, say in their report:

"The delegation seriously questions whether American tax payers should continue unstinting support of Governments whose philosophy negates full utilisation of available private capital and initiative. The delegation doubts whether the long range national interests of the U.S.A. and recipient nations are served by foreign aid which encourages Government enterprise in areas of economic activity where private enterprise has proven its value."

We all wish the Prime Minister, when she goes, success in her visit. We hope that her visit will prove fruitful. We may keep our fingers crossed, but we cannot help realising that this budget has not made her task easier.

The question would be asked: "Why has the Finance Minister, who is a reasonable person, who understands these things, failed to carry out his own statement on Para 1, Part A of his speech where he said:

"It is imperative that budgetary and indeed all economic policies are framed with a view to reversing these adverse trends."

I fear he has succumbed to a combination of three vested interests: the Bureaucracy, which never accepts any cut cheerfully the States who have to be rewarded, no doubt, for putting the new Prime Minister and Government in office; and finally, the National Planning Commission.

About the National Planning Commission, we can judge best its influence on this budget and the Government by the latest Papal Bull or Fatwa, whatever you may call it, to emanate from it High Priest, the Vice Chairman. I refer to the Saugar speech of my friend, Mr. Asoka Mehta.

Shri Vasudevan Nair: He has repudiated it.

Shri M. R. Masani: I do not think he has repudiated nor will he because he is an honest man; these are his views and he will stand by them. He is a great friend of mine and I would not allow such a libel on him to be cast.

In that speech, Mr. Asoka Mehta raised three or four points. The first was that he called for "a reversal of policies which broadly favoured the better-placed agriculturists." He regretted that "there did not appear to be any trend towards making ownership of over ten acres of irrigated land uneconomic by levying heavy imposts upon such holdings." In other words, the Planning Minister thinks that the ceiling of 30 acres of land, which gives a farmer with a family of five a maximum income of Rs. 300, to be too high and he wants to bring the lot of the farmer down to 10 acres, to one-third of the income. Coming from a great socialist like him, it is an amazing statement. The present ceilings are low enough; they keep the peasants permanently depressed, but the Planning Minister says that he wants the ceiling to be brought down to 10 acres, so that all the effective, efficient farms to which the country looks for its food supplies can

be destroyed. There can be no prescription for an immediate famine in India better than the one advocated by Mr. Asoka Mehta.

Similarly, he wants to "unionise tenants compulsorily." A few days later, in another speech, he said that agricultural tenants should be forced to "compulsory unionisation." Perhaps he will explain this wonderful thought to us some time. Of course, he believes in Nationalisation and for that purpose, as he has said, "the Constitutional guarantees about the right in and to property make it difficult for the forces of socialism to operate at the level of a change in the structure of private property." The Planning Minister is welcome to his views, but unfortunately now he is a member of Government and the country would have to suffer if his views were accepted.

This advocacy of nationalisation is completely out of date; it is obsolete, it is not socialism as the second half of the 20th Century understands it. If I had time, I would have gone into more detail. Leave aside British, German and other socialists who repudiate this doctrine. Let us consider what people in Russia are saying today. Let him read Prof. Lieberman. It will be still better if he reads what the Yugoslav Ambassador to our country, Dr. Uvalic, himself a very noted economist, said in Bombay on February 19. I am quoting from the newspaper of the 20th February. Dr. Uvalic said this:

"In the socialist economy of his country....

That is, Yugoslavia.

"...a free market functioned both in industry and agriculture. It was only through the market where factors of demand and supply operated that the problem of what to produce more and what less, and whether production was efficient or not could be determined, and production, productivity and competitiveness could be increased."

[Shri M. R. Masani]

He went on to say; I am quoting him:

"I do not think the existence of a free market and operation of competitive forces of production is against socialist theory."

I commend this, thinking to Mr. Asoka Mehta. I would wish even now that he catches up over this gap of thirty years by which he is lagging behind so that he could be in the mainstream of progressive and liberal socialist thought throughout the world. Unfortunately, he has been following a consistent line which is to declare war on the peasants, to ask for more taxes on the peasantry and to declare war on the Indian people.

If I may remind the House, speaking in Calcutta two years ago, on the 21st March, 1964, he said—he was addressing the West Bengal Business Convention; I am quoting from *The Times of India* of the following day:

"Mr. Mehta warned the people that there was no escape from an annual increase of Rs. 100 crores in taxation"

Is that why the Finance Minister is trying to get Rs. 100 crores as additional tax? Is he the Brahmin to whom the Kshatriyas on the Treasury Benches are looking for Marxist Vedic support? Mr. Mehta warned the people that there was no escape from an annual increase of Rs. 100 crores in taxation. That is exactly the additional taxation this year.

"... The severest curbs on consumption would be necessary to ensure surpluses. The present generation...."

That is, all of us, our wives and children,

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

If I may say so, this is an arrogation of Divinity. It is saying: "I am God and I will decide what is good for the people and what is not".

May I remind the Planning Commission and its leaders that "one cannot do good without first making good". You cannot distribute anything unless you first make a profit. This is one thing which the Planning Commission has signally failed to do. Thanks to them, Planning itself has become a mock word, a "God that failed". Which is a bad thing, because I believe in democratic planning, I believe in indicative, advisory planning of the French and British pattern.

14 hrs.

I come now to the end of my speech. During the life of this Parliament, there have been four successive bad budgets. One was brought in by Shri Morarji Desai in 1963, and during the last two years we had two wicked budgets from Shri T. T. Krishnamachari. I regret I have to say this, but I regard this budget as just one more in that horrible series of Morarji Desai-Krishnamachari budgets.

There is nothing new or fresh about this budget. It has no relevance to the needs of our country. It can neither stop inflation, nor depression, nor over-dependence on foreign aid. It cannot rectify the balance of trade; it cannot stabilise our currency; it cannot do any single one of these things. It is completely irrelevant to what this country needs. It just goes on following the old habits.

The people of India have a limit to their capacity for patience. As the poet said:

"Hope too oft deferred,
Makyth the heart sick."

This thought was echoed by the leader of the Indonesian Communist

Party, who according to reports, has paid with his life for his perversities Aidit. Some time before the *coup d'état* which ended his life or which is believed to have ended his life, Mr. Aidit gave expression to a remark which showed great insight, because he was a clever and a brilliant man. He said about his country in a rare moment of insight:

"Politics move to the left, but stomachs move to the right."

And because stomachs move to the right, that man has had his head chopped off or had been shot at by angry people who turned against him and his fellow conspirators who had oppressed the Indonesian people for the last ten years in the name of socialism.

Shri K. D. Malaviya (Basti): What is my hon. friend? The stomach or the body?

Shri M. R. Masani: The wrath of the Indian people also will one day make itself felt. But we are democrats and we do not want the wrath of the Indian people to fall on their oppressors in the way that the Indonesian people have killed thousands and thousands of those who came in the way of their prosperity and happiness. We deplore that. But there are alternative ways in our Constitution by which the wrath of the people can be expressed. That opportunity will be coming to them and, when that comes, that wrath may be expressed peacefully but it will be very terrible and very stern.

Shrimati Tarkeshwari Sinha (Barh): I am grateful to you for calling me immediately after Shri M. R. Masani has spoken. I have great respect for Shri M. R. Masani. He is studious. He is a great economist, as he calls himself, and I agree that he takes his job very seriously. He has tried to give a sincere analysis as he wants to give about the economy of this country. There are many things which he has spoken which need consideration and attention, not only from the

House but from the Government also. But the misfortune of this House is that, as he himself has rightly pointed out, during the last few years since I have seen him speak in the House, his speech on the budget comes as a beautiful hardy annual. Of course, I also speak on the budget most of the time when I am not in Government; of course, when I was in Government, I could not do so, but nowadays I do get the privilege to speak on the budget. If you really analyse the debates and see the speeches which he has made over the years when he participated in the discussion of the budget, right from the stage of its introduction, you will find that his arguments, his analysis, his conclusion, his summaries and also the lovely stories that he tells us have more or less been the same.

Shri Ravindra Varma (Thiruvella): And the quotations also.

Shri K. C. Sharma (Sardhana): He is the same man all through.

Shri Bhagwat Jha Azad (Bhagalpur): He is not the same man. He was a socialist previously.

Shrimati Tarkeshwari Sinha: He is the same man. But that is the trouble. A man's words and ideas have to change according to the atmosphere, the climate, the environment, limitations and the needs. If wishes would have been horses, everybody would have ridden, including persons who do not know how to ride. That is our difficulty. We would like to do certain things, but because of certain limitations in the economic development, we cannot do them. Some of the arguments which he has advanced are really worth consideration, but as I said before, the sum total of his speech, as I understand it and judge it, and I am sure many Members of the House would agree with me on this, does not indicate that kind of constructive approach which is required. This kind of argument is like an annual exhibition of flowers. It is very flowery indeed. There is no

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doubt about it, and it is very colourful indeed, but I would like to ask him through you whether it is going to help us. We see that the share market is going down, we see that foreign exchange difficulties are there, and the food crisis is also there; so let us join together and see what we can do to improve the position. Shri M. R. Masani is an intellectual. When he was with us he was such a useful member. I still invite him to come to us. His own approach to the problem would be changed. And that is what is required. I am not referring to the argument. I do not disagree with his arguments. A person who talks from a certain angle would certainly talk from that angle. I criticise his angle; I criticise his mode; I criticise his method.

Shri S. M. Banerjee (Kanpur): What does she appreciate then?

Shrimati Tarkeshwari Sinha: I admire the man... (Laughter)—The House should bear with me—for his intelligence. The House should bear with me, and I wish that the House had shown me that patience and indulgence to hear me complete the sentence. I was saying that I liked the man for his intelligence. That is why I want that he should join this organisation and we shall all work for his joining this organisation, if good sense prevails on him. We shall see that his coming into this organisation is facilitated and then his mode, his method and the way of working will change; his approach will change, and he will realise that there are certain basic needs of this nation which have to be fulfilled, and those needs cannot be fulfilled only by the indexing of the share market; he will be a better person, a better thinker and a better organiser and a great asset for our party.

Shri Indrajit Gupta: But what incentives is she offering him for joining the party?

Shrimati Tarkeshwari Sinha: If Shri M. R. Masani comes on this side, the incentive that will be offered to him would be very tempting for him. Let me not divulge the secrets about the incentives. Shri Manubhai Shah would bear me out when I say this. I should not divulge all the secrets about the incentives, because again it would affect the share market.

Shri U. M. Trivedi (Mandsaur): What is it? Is it secret or confidential?

Shrimati Tarkeshwari Sinha: It is not confidential; in case he joins it will be made public.

The Minister of Commerce (Shri Manubhai Shah): It is a trade secret.

Shrimati Tarkeshwari Sinha: I agree with Shri M. R. Masani that there should be a great check on the expenditure. I think the Finance Minister ought to agree with him when he says that every Finance Minister gives a new hope, though I do not agree that all the remedies are in the bag of any particular Finance Minister. It is not possible for any one individual to bring all the remedies. But then the Finance Minister has been fortunate or unfortunate, I should say, to come and take the responsibility of this country at a time when the situation is going from bad to worse, because of the situation, because of certain conditions, and because of certain developments which have taken place in the Indian economy.

I do not understand Shri M. R. Masani's argument that there has been a constant bungling on the part of Government. Because he is very fond of quoting the American economic giants on that matter, I would ask him what happened to the American economic giants when the Wall Street crash came and everybody tried to avert that crash? What happened when England went off the

gold standard? My hon. friend has been quoting also the English economists . . .

Shri M. R. Masani: I have quoted the Japanese economists also.

Shrimati Tarkeshwari Sinha: He quoted the English economist also. But I would like to ask him one thing. With the potential there was and with the thinking that English economist had and the British financial giants that were there, with all the boom of the economy that they had at their command after the Second World War, what happened to that economy? That had crashed, and England had to come down from the gold standard because they could not sustain the pressures of the economic growth. It is a fact, as the Prime Minister said very casually—and I think there is a lot of sense in what she said—that this is the price we have to pay for a boom in economic growth. There was a boom in the industrial growth, in the economy and therefore, there was bound to be some of these pressures and pangs which we are facing in the Indian economy today.

The hon. Member knows that industrial production went up to more than 150 per cent, it was somewhere between 150 and 165 per cent, while the growth in other sectors, the targets in other sectors, lagged behind. In power, there was not fulfilment of the target; in transport, the target was not hit; in export, there was not a fulfilment of the target. Naturally, when it is one link combined with another, and when three links do not sustain the industrial growth—the industrial output, there is bound to be an imbalance in the economy. It is the job of the Finance Minister, no doubt, constantly to check this imbalance and bring about a balanced economy. But these are the phenomena, the symptoms which any industrial growth will have inherent in its stomach; because the economy has to go on on a balanced keel, link by link, so that the chain works in a stable manner.

That is what has happened to our Indian economy because in the Second Five Year Plan period, there was so much growth of industrial capacity, that the problem of pains and pressures, the problem of worsening foreign exchange has all become a symptom of this Indian economy. Therefore, the point that he mentioned, that the job of the Finance Minister, the responsibility of the Finance Minister—I am sorry for the cough—I hope Shri Masani is not cursing me?

Shri U. M. Trivedi: She is only emulating him. He had a glass of water; now she is having the same.

Shrimati Tarkeshwari Sinha: Because the other links did not sustain the industrial growth, this has happened. But it is the responsibility of the Finance Minister—it was his responsibility—to show and indicate in this Budget that he seriously means to correct the economy by cutting down expenditure so that we could create additional resources for filling up the gaps in so many other sectors of the economy.

If you compare the rise of the national income at current prices, you will be surprised at the amount and proportion of non-developmental expenditure which has increased in this country. If you take 1950-51 whence non-developmental expenditure has increased annually, expenditure both of the Centre and the States, in the capital and revenue account, it has risen from 544 crores to Rs. 2,775 crores. That means an annual increase of as much as 27 per cent. Then come to the developmental expenditure. It was the beginning of the Plan; therefore, it was bound to be very low. It was lower than even the non-developmental expenditure at that time. It was Rs. 393 crores in 1950-51 and now it is Rs. 2,298 crores—again,

पानी बहुत पिलाते हैं मौके मौके पर प्राय लोग ।

The increase of developmental expenditure has been only 32 per cent. Now, look at the comparison. On the

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one hand, developmental expenditure, which is a vital need of this economy, has risen upto 32 per cent while the demon of non-developmental expenditure has risen by 27 per cent. This is where I wanted the Finance Minister to come boldly and announce to the House what he proposes to do about it, because this cannot go on; it has now reached the saturation point, beyond which non-developmental expenditure cannot be allowed to go.

If you compare this with the national income at current prices, you find that the national income has risen by 8 per cent, that is the annual rise. This is as against increase in governmental expenditure of 30 per cent. Where is the balance? On the one hand, you say that it is not only an administrative economy, this is not an administrative stage, this is not a state whose primary responsibility is to discharge her civil service obligations; on the other, we find that administrative expenditure has been rising annually by 30 per cent while the national income has been rising by a mere 8 per cent. This leads us away completely from the path to which this country is committed, namely, that the concept of the economy is that of a welfare state. Where can the welfare of the country come where there is so much imbalance between governmental expenditure and the national income? The governmental expenditure should be proportionate to the income of this country.

We are living beyond our means. No less a person than the former Finance Minister himself agreed, in a note circulated in the Bangalore session, that we are living beyond our means. Shri Kamraj, the Congress President, has reiterated in the Jaipur session that we are living beyond our means. Shri Bhattacharya, Governor of the Reserve Bank, reiterated this only a few days ago in his speech—I believe he must have consulted the

Finance Minister before making that statement . . .

An hon. Member: Normally.

Shrimati Tarkeshwari Sinha: Normally that is done. He has himself said that this country has started living beyond its means, because the inflationary pressures in this country have become so much that in whatever way you finance this country's expenditure, it is bound to be inflationary.

We have come to that stage. Why? Because it is a reciprocal thing. On the one hand, you do not decrease expenditure. It creates a vicious circle, a chain reaction. You do not check expenditure. Then there is a shortage of foreign exchange, there is a shortage of technical know-how, there is a shortage of so many other necessary things to be done—because a very large chunk of the income is consumed on non-developmental expenditure, Government's civil expenditure, apart from defence expenditure. Defence expenditure is of course vital and nobody grudges any increase in that; but his own budget has shown a very modest increase in defence expenditure—in fact, he has not shown much increase. Therefore, that point need not be mentioned at all here.

What is the capacity of the industry today? Let us take the period from 1960. We have been having some kind of foreign exchange stringency even four years ago. The situation was not better so far as the aspect of utilisation of resources was concerned. When we created resources for our economy, it was our responsibility, our moral obligation, to utilise those resources which are very precious, because this country is very poor and we have to see that the maximum utilisation of resources takes place.

Now, what is the assessment of utilisation? The figures are reveal-

ing. I would like to cite some vital industries in the country. First the metal industry. The utilisation of capacity is even less than 50 per cent; the unutilised capacity is more. Under-utilisation of capacity comes to 54—56 per cent. In machinery—excluding electrical machinery—the non-utilisation of capacity comes to 30—60 per cent. In electrical machinery, unutilised capacity is as much as 43—45 per cent. In transport, it comes to 42.25—45 per cent; in chemical and chemical products, the figure is 56 per cent.

This is the average unutilised capacity. If you take this as an indicator—these are all vital industries—it will be no exaggeration to say that 50 per cent of capacity in the country is going unutilised. I want to ask the Finance Minister how this country can ever accept and tolerate such a situation. That on the one hand resources are so scarce and on the other hand such a vast chunk of our resources should be unutilised and go to waste is a national calamity and a national disaster. If nothing happens, Mr. Masani's words will not be doomed words, but they will become true, and we do not want Mr. Masani's statistical abstraction about the destruction of the economy to come true. I would appeal to the Government to realise this serious economic factor and do something. Unfortunately, Mr. Chaudhuri's budget did not indicate anything. He did not have enough time, I agree, but then who is going to take the responsibility Sir? You are not, but he is going to take the responsibility. It may be a very unpleasant task, a very difficult task, but he cannot shirk the credit as well as the blame of the economic mirror.

I do not want really to begin a debate about it, but there are some vital things in food which are still being overlooked by Mr. Subramaniam which pains this country. I would like to mention some of these things. Again, I come to the same point of non-utilisation. When so much hue

and cry is made, when reports come to us from other countries in the world that children of the other countries of the world have stopped their midday meals to supply food to India, not only our heart goes to them, but it also creates a sense of humiliation in us. It is a peculiar psychology of this country that on the one hand we have to express our gratitude to the persons who are aiding us, and at the same time it is also humiliating to us. This is an indication of the debate that goes on in the Congressional Committees of the USA. The Agricultural Committee, presided over by Mr. Ellendir, has charged that India has not been willing to seek emergency aid from other countries, that she is consciously and intentionally trying to lean only on the heavy burdens of America. When we put our hand in the pocket of a country, we find that it is not velveted; we find that there are a lot of thorns which hurt our fingers, which hurt our self-respect, and yet we cannot sustain our economy without putting our fingers into the pocket, which is embedded with so many thorns.

I agree with Mr. Subramaniam that he is not going to sell this country. I know this. I have faith in him. It is only because of the situation in the country that he had to go to America for seeking such aid. Yet, how can he make us digest these humiliating facts which come to us every day in the newspapers?

श्री मधु लिमये (मुंबेर) : माननीय सदस्या इधर आ जायें । वह बड़े जोरों से विरोध में बोल रही हैं । उन्होंने मसानी साहब को दावत दी है । उनको भी यहाँ काफी इन्स्टेन्टिव मिलेगा ! हम उनको दखाने की दावत देते हैं ।

श्रीमती तारकेश्वरी सिन्हा : मेरा खयाल है कि माननीय सदस्य अंग्रेजी समझते तो जरूर हैं, लेकिन अपने कान बन्द

[श्रीमती तारकेश्वरी सिन्हा]

कये हुए हैं। मैं ने एक्सपर्ट/चर के बारे में मसानी साहब के आर्ग्युमेंट की दाद दी थी ।

श्री मधु लिमये : इसी लिए तो हम उन को दावत दे रहे हैं ।

Shrimati Tarkeshwari Sinha: I would like to take some of the figures. What is the figure of Punjab and Rajasthan which are surplus States today? I do not mind that in view of the shortage of food, he is supplementing food momentarily from other countries, because it is a *fait accompli* now. We cannot do without that. But what is the situation now?

Probably you would bear with me when I say that in Rajasthan 30 lakhs bags of gram, are lying unutilised and there is 20 per cent wastage in that stock of grams. What is the price that the Rajasthan farmer gets for it? The argument is being given that by zonal controls we are giving an incentive price to the farmers. This is a complete fallacy. Traders were buying from the farmers, not only from the farmers but from the market also, at Rs. 85 per quintal, but they were forced by the Rajasthan Government to sell it to the Rajasthan Government at Rs. 40.50 a quintal. How was it compensated? Naturally, the trader cannot pay Rs. 85 and give it back to Government at Rs. 40.50. So, he was permitted to export 50 per cent of his gram to Gujarat, Maharashtra and Madras, where he was selling his gram at prices varying from Rs. 110 to Rs. 120 a quintal. The Rajasthan Government was having the satisfaction that they have been able to give a little more price to their own farmers, while buying very cheaply themselves, while selling that commodity in other States at Rs. 110 to Rs. 120. But are not poor people living in Gujarat and other States? If the Rajasthan farmer or consumer has no capacity to purchase gram at

Rs. 80 or Rs. 90 a quintal, should we say that the farmer or consumer of Maharashtra, Gujarat or Madras has got capacity to purchase this gram at Rs. 120 a quintal? This is what has happened.

Besides, out of that gram, 30 lakhs bags of gram are lying unutilised with the Rajasthan Government, and the traders themselves say that there has been a loss of 20 per cent.

And now such a hue and cry is being raised in Punjab and Rajasthan that new crops are coming in, and therefore Government should take all these stocks from the godowns, because the new crop will be completely damaged by being put in the same godowns where these weevilled and adulterated wheat and gram are kept.

We are now getting in Delhi Punjab wheat. Members of Parliament are themselves there. They should go to the ration shops and see how this Punjab wheat looks like and how it tastes like. The Punjab wheat that is given in rations here, called desi wheat, is completely rotten.

Then, there is a peculiar concept in the Food Ministry of giving storage loss to the trader. Six to seven per cent storage loss is given to the trader, and the Government also, in stock-taking, gives this six to seven per cent concession, but another department of the Government, i.e., the Finance Ministry, the Income-tax Department, gives only half to one per cent loss for the same stock of foodgrains to the businessman or trader. When the stock-taking is done, there is an average loss of seven per cent allowed, and therefore a decrease of seven to eight per cent after recalculation. I think I have made myself understood to the House.

Then, about rice. We were originally producing 40 million tons, and last year when we had a bumper crop

of 88 million tons, I think it must have been approximately 45 to 48 million tons. Do you know that out of this 45 to 48 million tons, because of the faulty milling of rice, nearly 2 to 3½ million tons are lost? It is because of the very out-dated manner in which it is being milled. This rice-milling has not been given attention. It is all right to condemn rice-milling traders or anybody, but then 75 per cent of rice is handpounded by the farmer because there is no improvement in the technique. There is so much improvement in the industrialisation of this country, but these little things, which are causing a waste of 2 to 3 million tons of rice, are not attended to.

I would like to say that this is quite a dismal picture, and I hope Mr. Subramaniam will devote his attention to this economic aspect of saving waste in the foodgrains in this country.

Last but not the least, I would appeal to the Finance Ministry to say something about this rupee devaluation. In a Congressional Committee, the Under Secretary of the United States says that they have advised the Indian Government to devalue the rupee. He also creates an impression that the Indian Government is in constant consultation with the American Government and other bodies about the devaluation of the rupee because the rupee is overvalued. The Finance Minister did not utter a word about this in his speech. It is high time that the Finance Minister took it very seriously. It is not a small matter. We shall be ruined if we devalue the rupee, because our import bill is still very large. Mr. Manubhai Shah is looking at me. He knows that there is already a big adverse balance of payment. Therefore, it will ruin us. The import balance is very much adverse, and therefore, whatever we are expecting to gain through devaluation in export, which will not come, I am sure, because there are so many other bottlenecks in export, it will certainly

ruin our import, and it is going to lead this economy to a completely insolvent state. Therefore, I would appeal to him once again to clarify what he means by this, and say whether he should not keep the value of the rupee intact.

Shri H. N. Mukerjee (Calcutta Central): Mr. Deputy-Speaker, Sir, the Deputy Leader of the Swatantra party in this House has made a speech which very well deserved the siron blandishments from the charming lady who has just sat down, and I am not astonished, because read between the lines, his speech is a pat on the back for the Finance Minister. If he is grateful for such scant comforts he is very welcome.

The Finance Minister, as we know, is noted in this House for his politeness, the kind of pleasant individual that he is, and to me he has been a friend of long standing. But in public life, he has been, I am sorry to have to say, pitchforked in peculiar circumstances into his present position. And because he has been known for a long time by the company which he kept, the company of tycoons, Indian as well as foreign, it has not been unexpected that in the budget which he presented the other day, he has sung in dull and dismal tones dirgo to planning and to all that Government has proclaimed so far howsoever hypocritically, about its objective of socialism.

I do not know how our good friend, the Minister of Planning, who can look after himself as far as parrying the thrusts of his old-time friend, Shri Masani, is concerned, feels, as he takes his seat in the wings, when the Finance Minister occupies the centre of the stage. The Minister of Planning said at Sagar—where we spoke of nationalisation of banking, and on that account has been whipped by his bosses very soundly and today by Shri Masani also into the bargain—something which was very unexceptionable. I am quoting his words:

[Shri H. N. Mukerjee]

"Our economic and social foundations are straining at the leash, to be metamorphosed into something which they are not at present, namely, institutions of a socialist order."

It is a basic statement, and Government, if not entirely hypocritical, which I am afraid it is, about its professions of socialism, should do something about making sure that institutions which at least pertain to a certain extent to the socialist order, would be there, so that some progress, real sizable progress, could be made. But disregarding all that kind of basic assumption, which is the only redeeming feature of Congress philosophy, disregarding all that, the Finance Minister has presented the budget, a budget welcome only by the people whom his predecessor had described in a picturesque phrase, as man-eaters who stalk our economy, a budget which is thoroughly reactionary, which does nothing more than merely perform a very temporary holding operation, a budget which is entirely out of keeping with the spirit which has to be injected into the mind of the people, for otherwise we cannot survive in this world of conflict and difficulties.

This is a budget which is not only conservative and drab, but it is a defeatist budget which brags of production-orientation, but forgets the people who are our greatest capital, and it makes concession after concession to the topdogs in our economy.

In this budget, I find not the slightest suggestion of succour to an agonised and angry people, not even the most meagre of hopes for holding the price-line; even Shri Masani has to talk about it, because our people are in such a mood that whatever politics is professed, Swatantra or paratantra, you have got to do your duty by the people. In the budget, whatever indications are available show that

there is virtual abandonment of development, a decision in the convenient disguise of pragmatism, which may mean all things to all men and nothing in essence, to give up serious efforts to build the growth potential of our economy. Moreover, there is in the budget not the remotest hint of any democratic social change about which the heart of Shri Asoka Mehta really aches but he can do nothing about it, being in the company which he has chosen to keep. There is no remotest hint of any democratic social change, but clear indications of persistence in the ugly process of assisting the advance of Indian capitalism which is topheavy in structure, which has behaved in the most immoral fashion which is always ready to sacrifice India's interests for the sake of its own profit.

More than 10 years ago, Prof. D. R. Gadgil, in his note to the Panel of Economists, said about the fundamental inconsistency of our industrial policy which had been that it had sought on the one hand to lean on modern private enterprise for capital formation and, on the other, to set its goal of preventing concentration of wealth and economic power. This is something which cannot be done. You cannot ride two boats at the same time, when they might veer away in different directions. I know the ruling party has a massive majority in this House. But the country will curse this budget. If this budget indicates the shape of things to come; than good-bye to all that the country has been hoping for.

As I said a little while ago about pragmatism, it is the fashion these days in Congress circles to be pragmatists. The silly fad of ideology, in which Shri Asoka Mehta rejoices according to his very good friends, must go; a break with socialism must take place. Indications have been given by the Finance Minister in that direction. Which is why, in his own sophisticated way.

Shri Masani has patted him on the back. To symbolise this, he has taken a serious step. The expenditure tax has been abolished, and gift tax is further attenuated. True, given the blackguardly character of class forces in operation, the yield from expenditure tax has declined in recent years, but the Finance Minister has thought fit to kill it outright. Business tycoons at home and the World Bank abroad—questions that the Finance Minister answered during Question Hour this morning—made it quite clear that the world in this country as far as its financial authorities are concerned, is the World Bank! And the World Bank has to be satisfied that we are reforming ourselves, that we have to get rid of the ghost of Nicholas Kaldor; that we go in, not even for what the former United States Ambassador, Prof. Galbraith, has decried as India's most negligible post-office socialism. We are forgetting even that and we are resiling even from that and naturally the hearts of the like of Shri Masani are very happy.

It is egregious that the tax on bonus shares has been killed along with the capital gains tax on bonus shares.

Shri M. R. Masani: Was it raining or was he dreaming when I spoke? I am surprised. (*Interruption*).

Shri H. N. Mukerjee: I am afraid we speak very different languages. I learnt the language perhaps in the wrongest way. I am very sorry. It is egregious that the tax on bonus shares has been killed along with the capital gains tax on bonus shares. Already, The Economic Times of the 4th March speaks of the spurt in bonus issues and there are a large number of companies with free reserves and surpluses disproportionately high in relation to the paid-up capital. They are going to have a very merry time, because of the advantages which the Finance Minister has chosen to offer them. To gladden the heart of the money-bags, the tax on equity div-

dends has been modified, on account of the susceptibilities of those who hate being bothered by what they call these miserable psychological irritations." Our tycoons are irritated! The people might be angry; they might take recourse to all kinds activity and they would be suppressed and condemned in the House by Government. But when the tycoons are irritated, the "psychological irritations" must go, because the future of our economy is to be moulded and fashioned by these people who have betrayed the deepest interest of the country and who, over the last 15 years, when the Plans have been in operation, have behaved in a manner which has disabled any kind of progress and their whip-hand on Government has brought about this very sorry state of affairs.

An amount equal to 10 per cent of the paid-up capital has been exempted from the tax and what would remain would be chicken-feed as far as they are concerned. The rate of surtax on company profits has been brought down from 40 to 35 per cent, a most unusually generous treatment. A development rebate scheme is proposed for tea, newsprint and printing machinery. Private shipbuilding also finds its share of the Finance Minister's bounty.

Only in order to modify slightly the shameless glare of such a surrender to private business, marginal upward adjustments are mentioned in the rates of tax on corporate incomes. But this could hardly be avoided, given the parallel increase in tax rates on individual incomes. Even this mild little blow has been softened. For example, the definition of closely held companies has been tinkered with in order to provide relief to some more injured tycoons, whose "psychological irritations" create so much worry in the minds of the Finance Minister and his friends.

Except for a slight concession to a section of the lower middle-class, namely, the raising by Rs. 500 of the

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existing limit of personal incomes not chargeable to tax, there is nothing whatever in the budget for which a good word can be said. This gesture has cost the Finance Minister an infinitesimally small amount and let not my friends on the other side, the Congress Members, make a song and dance about this particular concession! This trivial little benefit will be more than wiped out by the rise in prices of sugar, tobacco, cloth and other essential commodities and a flat surcharge of 10 per cent, a device which will hit the budget of lower-income groups much more sharply while for the higher brackets, they are a flea-bite, and they are specialists in evasion. Mr. Masani was asking about money being found by collecting the arrears of income-tax and other taxes. We know very well who are the people who evade taxes, who do not pay even when the ascertainment of the tax due from them is made. They know the ins and outs of the matter, and on top of it they are getting all these concessions.

Of the total sum of a little more than Rs. 101 crores which the Finance Minister has proposed as additional taxation, more than half will be from indirect taxes which hurt the people. These aggregate proposals have a repressive character, which must be roundly condemned. By such imposts which I can only call cruel as the duty even on khandsari, the Finance Minister has made excise duties the biggest source of additional revenue. It is ridiculous for him to claim piously that inflation was a major threat to the economy. Government is not sure if it can for long avoid decontrolling sugar, and changes in excise rates threaten escalation of prices, which a sorely aggrieved people can hardly suffer.

The Finance Minister has said in his speech that he wishes to make the excises as economic regulator on consumption on the model of purchase tax in the UK. Apart from an increase

in inter-State sales-tax—perhaps because the Centre is doing the taxing for the State Congress bosses in a pre-election year—he has empowered himself to impose a regulatory duty upto 15 per cent by Gazette notification. The inevitable result of all these will be a general rise in commodity prices and not merely of those subjected to increased duties. A case in point is the enhanced tax on finer fabrics, as a result of which not only finer fabrics, but all kinds of fabrics are going to have their price rise. Another instance is light diesel oil, to which reference was made by Mr. Masani also.

While the suffering of the people is ignored, the Finance Minister boldly makes concessions to his friends and patrons. In the financial year 1965-66, big business was able to bring down the tax revenue expected from them to Rs. 330 crores against the estimated Rs. 372 crores. This was a sort of "tax strike" by big money interests and this "tax strike" has been largely effective. The Finance Minister expects now in his latest budget the natural increase in tax revenue from them to be only Rs. 10 crores! From those who have brought down the collection by a sort of tax strike by more than Rs. 40 crores, he expects an increase of only Rs. 10 crores and by accustomed tactics they will nullify much of the expected accrual from additional taxation.

The Finance Minister's heart bleeds for what he calls the "malaise in the capital market", but not once in his budget speech he makes a reference to the Mahalanobis Committee's report nor even to the report of the Monopolies Commission. They have no relevance, as if the economic situation in a budget speech like this could be described without reference to the findings of these committees! He does not mention the fact that two big houses control 44 per cent of the total shares in the corporate sector and three top producers control more

than 75 per cent of the total production in certain sectors. All this kind of thing has no relevance for him! He favours, of course, as he is naturally expected to do, new concessions to foreign monopolists. The British-dominated tea industry, for example, will be given a larger developmental allowance. In deference to the wishes of US big business, the World Bank, the IMF and such other contraptions he launches what he calls a "more liberal import policy". So, import restraints will be reduced, when our foreign debts are already in the neighbourhood of Rs. 3000 crores and interest charges on them amount for Rs. 1500 crores in the next five years! This is the kind of melancholy picture which emerges out of the Finance Minister's statement.

The Finance Minister is almost apologetic that he could not further chop plan expenditure, for which Mr. Asoka Mehta possibly had pleaded, but ultimately he had to be satisfied with certain things; but it was quite clear from the way the Finance Minister talked that he wanted to chop plan expenditure a great deal more than he has done. He says in sorrow:

"Expenditure on continuing schemes have to be provided for in the interest of speedy implementation."

They have to be provided for; there is no way-out and I am very unwillingly allotting something as far as plan expenditure is concerned—that is what he says. As it is, he has taken enough care to ensure that not much remains of planning and the plan. I would like to hear the Minister of Planning later in the course of the debate, because whenever my friend Mr. Bhagat has given some answers about planning, I feel the whole picture of the plan is going to be not only distorted but destroyed altogether. It is very necessary that the Country is reassured on this point. But if the Finance Minister's budget, which is the basic thing, the most important statement made on behalf of

the government in this regard, is any indicator, the position is very dismal indeed. As I said, he has taken enough care to ensure that not much remains of planning and the plan.

In contrast to increase in defence expenditure, the total capital outlay in 1966-67 will be only Rs. 1952 crores, less by Rs. 296 crores as compared with the current year. In so far as the plan outlay goes, the proposed figure is Rs. 2081 crores, Rs. 144 crores less than the current year's budgeted plan outlay of Rs. 2225 crores. The Finance Minister should rejoice that after 16 years of planning, this will be the first year when the plan outlay in a subsequent year has been deliberately pushed below the actual outlays of previous years! Even this truncated figure seems somewhat doubtful. The magnitude of expenditure on the plan during 1966-67 will be contingent on the availability of external aid of the order of Rs. 490 crores. This is apart from PL 480 accretions which have flown into the budget structure. This is something which has never happened before. This should be specifically investigated by a parliamentary committee or some body like that, because an enquiry into the impact of PL 480 transactions has been called for a long time now. And, now the PL 480 accretions are being made part of the budgetary structure of our country. It is a very dangerous symptom and we ought to have satisfaction in this regard.

Apart from this Rs. 490 crores foreign aid, a sum for which the Finance Minister takes credit, if in spite of our docility, in spite of our Prime Minister going to Washington, in whatever mood they want her to go there like, if in spite of our Minister of food imports, Shri Subramaniam, running with his begging bowl from one place to another, in spite of old America hands like Shri S. K. Patil, this aid, suppose it does not come through or it does not come through in the stipulated quantity, there

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would be corresponding curtailment in the plan operations. Can it be, therefore, that in the name of "difficulty"—the situation is difficult and if there is difficulty it has to be faced and overcome—the battle for the annihilation of all our efforts for economic and social progress has finally been joined? Is it that in the name of holding the economic structure somehow, because otherwise it might collapse, we should say, oh! we are in such a bad way, we do not have food, our industries are collapsing and all that sort of things, we are entirely dependent on foreign support, by exaggerating this picture of dependence which is not true, which most of our economists consider to be an utter exaggeration and a most purposeful exaggeration? But I fear in this kind of way an effort is being made to wipe off whatever, even in a very humble way, was sought to be done in the last few years.

At a time when the idea of self-reliance was very much before the country, the idea of a new swadeshi movement was before the country, the idea that the patriotic feelings of the people could be mobilised, when you could tell the people that we were going to have a self-reliant economy and for that purpose, since sacrifice will be equal, we shall be even ready for self-denial, at a time when we could go to our people and tell them, show them, how foreign aid implied all kinds of most objectionable concomitants, at that point of time, specially after the experience which we had in the last year when the Indo-Pakistan confrontation took place, when our difficulties became so terribly acute, it was at that point of time that we could start a new Swadeshi movement.

But, instead of that, what do we find? Shri Masani talked about American aid, how they would examine everything and all that. Even this morning the Finance Minister said that the World Bank if it is to give

us a loan, after all they are creditors and they would examine what are the projects we are asking the loan for. When I ask a loan from somebody, if that somebody insists that he should examine whether I spend it in drinks or anything, I would not have that loan from him, I would go to somebody else. It is not that our hands are not clean. Our hands are clean. You may feel that we can show everything to the world. But we are a sovereign country. We know how the United States operates. We know how the Central Intelligence Agency and other instruments operate from the United States. We know how they say that they make and unmake governments. We know how they are suspected to be behind what is happening in Indonesia, in Ghana and God knows in what other country. We know how these people can operate. And, if apart from the grip which they have in the normal course of things, they have an additional grip over our own country, they have the power of supervision over the projects which they are so magnanimously assisting in their own way, then good-bye to all hopes not only of a self-reliant economy but good-bye even to honour.

I know I shall be attacked as a person who is exaggerating things, but this is the kind of behaviour on the part of the Government typified by the latest budget which says that the government of this country is almost shutting up shop as far as our independent economic development is concerned and it is behaving in a manner which no self-respecting people can tolerate.

I am sorry, my hon. friend, Shri Manubhai Shah is not here. He said a little earlier, defending imports and exports, that last year only Rs. 200 worth of cosmetics came to this country. But look at the way things have gone on. I am quoting from the bulletin of the Controller of Trade (Imports and Exports). In 1963-64,

after the emergency, after the Chinese incident, chemicalised soaps and medicinised cosmetics of the value of Rs. 8.8 crores were imported into this country. Luxurious cars of the value of Rs. 2.80 crores were brought into this country. Food commodities of the value of Rs. 66.96 crores were imported into this country. Radiograms and cameras of the value of Rs. 12.06 crores were brought into this country. Now we are going to have television and God knows on what other contraptions we are going to spend money. We are going to spend money on these and things are to be brought from abroad affecting the entire economic structure of this country. Is this Gandhi's country? Is this the country where we can appeal to the patriotism of our people and ask them to put out whatever they can for the sake of the country? At a time when the new exigency came into the picture, though at one point of time some of our Congress friends said that we should go ahead with the swadeshi movement, nothing was done.

Shri K. D. Malaviya: Is he sure of the figures that he gave about imports of cosmetics?

Shri H. N. Mukerjee: Medicinised cosmetics.

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): Is it Rs. 8.8 crores?

Shri H. N. Mukerjee: Anyhow, that would be subject to correction.

We have heard repeated promises about foodgrain self-sufficiency and all that kind of thing. Of course, I need not go into that; there will be hardly any time. In regard to foreign investments, Shri Masani was saying how foreign investors are very shy of coming into this country because this country has very rigid restrictions and regulations. But it is seen that apart from the foreign investments which is in this country, which is coming, apart from the fact that Sir Norman Kipping, the British representative to whom he referred has said in a report today that Indian conditions are

very good for foreign investments to come in, the fact is that against the average investment of about Rs. 30 crores from abroad per year in the Third Plan, remittances abroad in the shape of profits, dividends, royalties and technical fees in the period 1959-1965 came to Rs. 281.3 crores. The break-up of figures is also there, but I cannot quote them. They have the run of the land. They get all the honey out of it and in spite of it they talk about restrictive regulations. You can go ahead, restrictive regulations notwithstanding. If we really and truly stand on our feet and face the world, they would come because they have to come. It is in their own interest to come and help us. They help us not for the good of our souls but for the benefit of their own pockets. And, this is the kind of thing to which this country's government does not seem to give much attention.

This morning there was a question about foreign exchange transactions of a most dubious order by private tycoons who were going abroad. Nearly Rs. 1.83 crores in foreign exchange were given. Do we calculate the amount of benefit which we get as a result of the peregrinations of these globe-trotting tycoons of our country? Foreign exchange leaks to the order of Rs. 93 crores have taken place. But we do nothing about it. What have we done to secure from Indian nationals abroad remittances of foreign currency? We can do it. Even from Hongkong we have got a very sizeable amount—a petty little spot on the map. But we have Indians all over the world who can, if their patriotic feelings were appealed to, send us money in order to help us. How can an honest appeal be made? There is a fig-leaf of morality on the activities of the Government. But corruption is rampant everywhere. In regard to such things as prohibition, for instance, it is a fig-leaf of morality sought to be thrown upon Government and its policies. There is no dearth of people who thrive on what they call "a spot of Tek Chand" or what the Tek Chand report itself calls

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rather endearingly, "Battle of Waterloo". All this goes on merrily. We cannot collect money for the country and in the meantime corruption and inefficiency is the order of the day. This inefficiency and insensitivity to decorum is seen in such things as the gubernatorial lapses as when Shri A. P. Jain continued his membership of the AICC and functioned as the voting instrument in Congress elections, while remaining Governor of a State. There is the case of the Governor of Rajasthan who in the presence of the Speaker of the Legislative Assembly asked members of the House to be pushed out by the Marshal! This kind of incident takes place only because of the prevailing atmosphere of indecorum. Do not please blame only the people for some time running amuck. The Government has run amuck. The ruling party has run amuck and the ruling party depends on such things as the DIR and the operation of the emergency. The result is corruption, which is an inevitable consequence of degeneration of power in the hands of Government, as is happening in our country.

15 hrs.

[SHRI SHAM LAL SARAF in the Chair]

I will finish in a couple of minutes. Today the conditions are such, particularly after Tashkent the conditions are such that there might very conceivably be settlement with our bordering countries. We could on that basis proceed even in regard to the settlement of the question of Kashmir, as far as Pakistan is concerned. We could try, as the President himself suggested some possible methods—it is not for me to say what those methods are to be—for a settlement with China. On the basis of the hopes engendered by the Tashkent agreement, we could go ahead and secure for ourselves a certain respite and during that period we could proceed with economic development much more efficiently. We could also make a better assessment of the possibilities of trade with the Socialist countries.

I need not mention it in detail, but I consider it a scandal that a country like the German Democratic Republic, which has stood by us in every crisis, is still treated by us almost in a manner which from the point of view of international courtesy should be very sternly condemned. We do not even have a Consul in the GDR and the GDR Missions have made at least some kind of opening so that the kind of economic co-operation which she wishes to have with us is made possible.

From the point of view of rightful economic policy, land reforms are not pursued and the appeasement of big money interests, foreign and native, continues merrily. But I must stop.

Therefore, I say in conclusion that this is a pernicious budget with the stigma of despair writ large on it a budget which makes a fairly unashamed surrender to money bags and vested interests, which utterly repudiates the publicly proclaimed Congress policies. But, on the other hand, the people are on the move, in West Bengal, in Maharashtra, in Kerala and elsewhere out of a sense of defeat and desperation. These are the things that disfigure the budget. I am very sorry that the Finance Minister, for whom personally I have great regard as a long-standing friend, has thought fit to bring before this country a budget of such a dismal and sordid character.

Shri K. D. Malaviya: Mr. Chairman, Sir, I do not propose to act like a debating acrobat in the examination of the Finance Minister's proposals, because that will perhaps take me away from certain basic trends which I wish to examine. I must congratulate the Finance Minister for the lucid and simple manner in which he has placed before the House the budget for the year 1966-67. I would also congratulate him for mentioning unhesitatingly, perhaps in the first part of his speech, that the budget has to

be a major instrument for implementing the plans and policies of the Government of India.

Our Government, as you know, is guided for its plans and policies by the political party to which I and he has the honour to belong. No other guide-line is possible for us. As a matter of fact, none of the members of the Cabinet can dare to deviate from the guide-lines that have been laid down for us by the Congress Party. So, I shall see later as to how he has conducted himself in implementing those policies to which he has drawn our attention.

But let me state that our sympathies are with him for facing the most difficult times in recent history as far as economic development is concerned. No one should, therefore, under-estimate his difficulties. I for one personally dare not do so, because his abilities are two well-known to us treat his discourses lightly. Further, we cannot forget that he had to face the most difficult budget only a few days after he took charge of the Ministry of Finance in the Government of India. Therefore, I must be as impersonal in the examination of his conduct as Finance Minister as it is humanly possible for me to do.

Shri Masani has dwelt at great length with the exercise of adjustment between revenue and expenditure and has taken care to elaborate and confirm his previous statement that this budget is going to result in inflation. Many of us on this side know that it is an axiomatic fact for us to face that in this transitional period of our economy inflation is absolutely unavoidable and that any political party which is afraid of inflation in our society does not deserve to stay in power at the present time. Therefore, I am not interested in the exercise of adjustment between revenue and expenditure.

There are certain basic trends that I would like to see and locate to find out whether we are succeeding in taking our economy in the right direction.

Of course, there has been shortfall in the current year in our income, both national and international and there has also been an extra burden on account of the Indo-Pakistan conflict. Above all, there has been the shortage of food production this year, which is more than usual. These difficulties are there and we have got to reckon with them and recognise those facts.

But, frankly speaking, these difficulties do not upset me as much as the mechanical and pragmatic approach, mind and behaviour of some of our mature statesmen in the Government. They try to solve our problems of economic difficulties through a pragmatic approach which, I think, will make our economy more stagnant and confusing. Therefore, I thought that one of the essential concomitants of our beliefs is not to deviate from the political philosophy to which we are already dedicated. Once we start deviating, in a hurry, in confusion, under pressure of stresses and strains, from the basic concepts of our political ideology, we are sure to get lost and then we will be neither here nor there.

Let me, therefore, briefly and hurriedly refer to certain aspects of the budget presented by the Finance Minister. I regret to say that he has made no efforts to implement the plans and policies of the Congress Party through the exercises of this budget. In this connection, it is my duty to remind the Finance Minister what the Bhubaneswar decision of the Indian National Congress was. What does it say? The Bhubaneswar Resolution of the Indian National Congress, which is binding both on the Finance Minister as well as on men like me, everybody in the Congress Party, clearly directs the elimination of privileges, disparities and exploitation. I would like to know from the Finance Minister what single step he has proposed which will obviate and to a certain extent lessen the privileges, disparities and exploitation. Further, the Resolution directs to bring about a limitation of income and properties in private hands. Has any step been initiated in this budget to help us in limiting

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the income and properties in private hands?

Further, the Resolution directs the Finance Minister to adopt such policies as would give the Government right to control and direct the means of credit and the investible resources of the country along the lines of national priorities and our social purposes. He has not done anything of the sort; on the contrary, he has done something else to which I will just now refer. We had to make credit-worthiness depend on capacity for production and not entirely on the ownership of assets and complete the whole programme of land reforms within the next two years and also to re-organize the administration so that it can implement the socialist policies of our five year Plans democratically and patriotically. None of these things have been taken note of. This Resolution had been completely ignored while these proposals of the Finance Minister were drafted, I must say that I have to charge the Finance Minister of completely ignoring the Bhubaneswar Resolution.

No attempt has been made to implement those decisions. Even an apology is lacking which makes me more sorrowful than anything else. Therefore I warn the Congress High Command to which we are all dedicated to pursue our policies and the Prime Minister to make a note of it that in the year 1966-67, when we have just entered the General Elections period, when we have to clarify the issues, there has been total ignorance, total negligence of those basic values to which we are dedicated and towards which not an inch of progress is proposed to be made.

The Congress organisation is not a dead one; it is still a kicking one and the rank and file would like to demand from the Government as to why those basic pledges which have been given to them and to the people of India are being ignored through these routine Budgets year in and year out that are produced before us.

Now let me specifically refer to some of the distortions and deviations that have been noticed in this Budget. Paragraph 51 of the Finance Minister's Part B speech openly encourages big houses to take away their capital outside in order to give India an evil image of an imperialist nation. Some of these big houses—our Finance Minister perhaps knows it too well—have filled their pockets and the pockets are bulging with licences in foreign countries. I would like them to inquire as to who those big houses are. The licences have been kept in the pocket only to be sparingly used at a time when they can conveniently make a lot of profit and bring a bad name to our nation.

I think, this concession in tax from 25 per cent to 10 per cent is an open but undesirable encouragement for our capital to flow from India and, at the same time, to bring us a bad name. I would personally want a firm and determined control of our Government on such collaboration schemes in order to build the correct image of India as a genuine friend of the developing countries. This concession is certainly not in keeping with the spirit of our policies and the present critical situation of capital availability. I personally feel that no encouragement should have been given in this manner for our capital to flow out particularly at this critical time and under such conditions where people are free to use their licences as they like, to build simple things like textile mills about which the words "technical know-how" and all these things have been used in the Budget proposals of the Finance Minister.

Let us examine another proposal of the Finance Minister made in paragraph 57. By this the Finance Minister gives concession to some industrial financiers to create new banks—he calls it, small corporations—in order to do business among themselves. While the demand of the Congress is growing more and more to control banks and nationalise them, our

Finance Minister proposes to give income tax relief to rich people in order to create more banks under their control with a view to manipulate cornering of industry within a small group. The rich will grow richer by the creation of these small banks and the control of the State will disappear from these banks. It is contrary to the growing demand of the Indian National Congress which rules the heart both of the Finance Minister and ourselves.

I would now like to give very briefly certain important facts of our economic condition and would only draw the attention of the House to those aspects. I believe that the pricing of our essential commodities should be evolved in a new way. The entire pricing system of essential commodities, whether they are kerosene or diesel or sugar or fertilisers, has to be evolved on a new pattern; similarly, a new economy for employment has to be evolved by us. This backlog in employment will go on increasing if we were to follow the conventional method of finding out some money and some work for the millions and millions of people that are unemployed. If this unemployment were allowed to grow unchecked and if prices were allowed to soar higher and higher unchecked by following the conventional pattern of economy of supply and demand, as was indicated by my hon. friend, Shri Masani, we will never be able to control either the phenomenon of unemployment or the phenomenon of soaring prices. We have got to deviate from the conventional pattern of thinking of our economy today.

It is a comedy that those who are restlessly striving to import extra private capital in the country for capital activities talk in the same breath of self-reliance. Why should we practice this confusion in India? This game cannot be played undiscovered. The more we try to increase our prosperity through injection of easy money and following a philosophy of get-rich-quick, the more we create difficulties for attaining conditions of social justice

I want to submit before you for the consideration of the House that in our peculiar conditions of society, prosperity and social justice cannot go together. Prosperity will have to follow only one pattern, the vertical pattern, and the more we import foreign money, the more we are anxious to grab technical know-how in this manner, the more we will create vertical heights in our society and the more we will deviate from a concept of social justice to which policy we are committed. I can only draw your attention to these things hurriedly.

An hon. Member: What is the new pattern?

Shri K. D. Malaviya: The new pattern is where the entire fiscal policy has to attain a new picture, where we are not afraid of inflation, where work has got to be put against the money that we print, where a work system has got to be evolved which has to be accepted by the people, where proper incentive has to be created for the man, where the man should know that with social justice assured he gets the security and confidence and works hard. If he goes on suffering and prices go on soaring high, you cannot control the economy and if he has to pay higher and higher prices, he will not get that confidence and will never work as he wants to. Therefore, we have got to follow socialistic principles, and a fiscal pattern which will satisfy the needs of the people.

Mr. Chairman: Please conclude in two minutes.

Shri K. D. Malaviya: I will only speak about one aspect of the food problem that faces us. I do not wish to criticize the present food policies of my hon. friend, the Minister, because he is facing difficult times and it is a delicate matter.

I would only refer to the fertiliser deal that was recently reported to have been finalised between the Government of India and certain international companies. This fertiliser deal, in my opinion, is very harmful and will not be in the interest of our

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country. It will repeat the history of the tragedy of marketing of oil. If you will allow fixation of prices and the marketing organisation in the hands of foreign manufacturers, then you will never be able to control the price or the distribution of fertiliser in the vastly changing conditions of technology. If I had the time, I would have tried to explain as to how the great international oil companies and several other international chemical companies are trying to stage a comeback through the fertiliser deal just as they came here with oil about 40 years back. They came here with rights of fixing prices of crude oil assured and made plenty and untold profits. They created the marketing organisation which is even now most difficult for the public sector Indian Oil Corporation to resist. They undersell oil in big cities and make good the loss from profits of the interior country. Similarly, they will do it here because there was high cost of manufacture of our public sector fertiliser in the country which began about 10 years back. They are outdated now. We will never be able to compete with them. We might invite them to come and manufacture fertiliser—although it is not needed in such a great quantity—and we must assure them a reasonable return on their investment. It is not at all acceptable to us to give them the right to fix their own price under vastly changing conditions of technology and economy and keen competition and also to give them the right to organise marketing system in India. There are many dangerous aspects of this deal.

I would request the Government, the Finance Minister, to create expert committees and also I would suggest to the House to create a parliamentary committee to go into details as to how this system of surrendering of prices and organisation of marketing to foreigners who might come here to help will adversely affect the future economy in the long run. That is all that I wanted to submit.

Shri D. D. Puri (Kaithal): Mr. Chairman, Sir, the two learned speeches that have been made from the Opposition Benches, one by Mr. Masani and the other by Prof. Mukerjee from Calcutta, really cancel each other. Those speeches brought loaded minds to bear upon the budget. They have pre-conceived notions and they work the exercise backwards. They start with the conclusions and then they look for reasons to justify those conclusions.

I would first of all, briefly, deal with Mr. Masani. It is very difficult to find a common ground so as to be able to deal with him. He is against the establishment of steel plants. He does not want Bokaro Steel Plants to be established. As regards that part of his argument, where he says we can establish or we could have established Bokaro Steel Plant cheaper than we are going to do, that is a matter for examination and I would not find fault with him without going into the details. But his concept, the basic approach to the problem is that he does not want the steel industry in this country. The House was spared this time of that oft-repeated gimmick the Swatantra Party saying, "We would rather import steel than wheat." Really, this is a Providential escape that it has not been repeated this time. It is often repeated parrot-like, in season and out of season. There is really no conflict between the two. We are not importing wheat because we have stopped importing steel. It is a misfortune that we have to import wheat. It has got nothing to do with steel. Some of our programmes have gone wrong and the nature has been unkind to us, etc etc. I will not deal with it in all its details. But supposing we were driven to that unenviable position of choosing between whether we would import wheat or steel as an alternative—I do not admit them as alternatives at all; the Swatantra Party says that they would rather import steel than wheat. Is there any source, is there any country in the world, which will make steel

available to us on the same terms that may be comparable to the terms on which we get wheat under P.L.-480 and so on? Again and again, the Swatantra Party finds fault with the establishment of the steel industry. There can be no establishment of any industry in this country unless the mother industry of steel is established.

Then, he finds fault with the control on sugar. I could have understood his saying that we have reached a stage where we can, at any rate, for the time being do away with the statutory price control. There may be a difference of opinion as to whether that is desirable at this stage or not. But he says that even releases of sugar should be completely decontrolled, leaving the sugar industry, where the weakest link in the chain is the cane grower—he has to sell his cane which is a perishable commodity within a specified period—to the ups and downs of *laissez faire* economy is not going to take us anywhere at all. I do not think anybody connected with the industry, who understands the industry, is prepared to recommend decontrol of all the aspects of the sugar industry including the minimum price of cane, etc. etc. The result will be violent fluctuations in production. Really, there is no common ground with that kind of approach to our economic problems.

The learned Prof. Mukerjee has waxed eloquent on the great concessions that the Finance Minister has given to the industrial tycoons and so on, namely, the very limited relief on the bonus issues and the dividend tax. I will not deal with that at this stage. But he has conveniently forgotten that after taking into account the reliefs that the Finance Minister has given to the corporate sector, the additional taxes that he has levied, minus the relief that he has given, are going to result in an additional taxation of Rs. 36.5 crores in one year. He has conveniently forgotten that. That is immaterial for him but those concessions are important for him and the

Finance Minister has done all this to help tycoons etc. He has conveniently forgotten the fact that it is a very interesting phenomenon that the income from the corporate taxes, the realisations, is to the tune of Rs. 73 crores, lower than expected, even though the excess revenues are Rs. 16 crores in excess of the budgeted figures. It points only to one fact that basically more has been produced than expected but the profits have been lower. What does it show? That he conveniently ignores. He is more concerned with the personality of the Finance Minister and what company he keeps. That is a very unfortunate approach. We should be concerned with what is being said and not who is saying it, leave alone what company he keeps. It is an entirely wrong approach.

In regard to foreign aid again, the approach is the same. Criticism is levelled against foreign aid coming from particular sources only, irrespective of the terms or irrespective of the need of the country. Certain foreign aid is bad under all circumstances. That is the approach to the problem. That kind of a thing can be understood and it was anticipated that he would say like that.

Now, I will make my own observations in regard to the Budget. There are three great problems. The three great difficulties that loom large on our economic horizon are inflation, the lifeless capital market and the problem of foreign exchange. These are the three problems that the Finance Minister has to face and we have to judge the Budget by these yardsticks as to how he gets the fiscal resources to bear upon the solution of these three problems.

Let me take the problem of inflation first. Run-away inflation is on the gallop. This is a very serious matter. In a very slow and pains-taking manner, we try to improve the standard of living which inches itself forward gradually.

Then comes the rise in prices and the whole inter-state economy. All

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the efforts are neutralised and the net result is that we go down. That is the most serious problem that the Finance Minister is faced with.

What does the budget do about cost of living? I will not go into the details. Shri Patil yesterday waxed eloquent about the reliefs he has given in the freight rates, by a little manipulation of figures—they are called marginal adjustments—a little here and a little there. The net result is that the revenue, on account of freight, will be Rs. 18 crores more than that of last year.

An hon. Member: That is sugar-quoted.

Shri D. D. Puri: The term 'marginal adjustments' is a very convenient vocabulary. But every pie of this Rs. 18 crores in going to be passed on to the consumer; it is going to be added to the cost of living and it is going to push up prices to that extent. What has the present budget done? The inter-state sales-tax is being raised by 50 per cent. This inter-State sales-tax is going to effect the developing States more than the developed States because developed States have got a steady local market for their products—big cities like Bombay, Calcutta, etc. The developing States have to sell their goods outside their States and they will have to pay 50 per cent more of inter-State sales-tax than what they were paying before and every penny of it is going to be added to the cost of living.

Then come excise duties. Sugar is going to cost more. Diesel oil which is essential for agricultural operations is going to cost more. The rate of lending is going up. The Bank Rate is 6 per cent and borrowing from the Bank is not possible below 9 or 10 per cent. I might observe here that the cost of credit, the cost of borrowing, is an essential ingredient of the cost of production, in every aspect of our economy. There cannot be any industry, any trade, which can function without borrowing. That is also

adding to the cost of production. Every little thing in every aspect of life is adding to the cost of living.

In regard to States, they are on a free spending spree. In all the State budgets you will find that there is deficit financing at the end, Rs. 3 or 13 crores or 25 crores depending upon which State it is. "It is proposed to leave the deficit uncovered" is what they say. We know what this "leaving the deficit uncovered" means. It means overdrafts from the Reserve Bank; it means that printing presses that are turning out money will be working overtime so that the States can meet their deficits which are conveniently left uncovered. With all this, the greatest paradox—I would call it the greatest tragedy—is that we levy all the taxes in the name of reducing prices. Every one of them is going to increase the prices. I do not see how it is not going to increase the prices. But it is all being done in the name of reducing prices.

Mr. Chairman: He may conclude now.

Shri D. D. Puri: I speak about once in a year . . .

Shri K. D. Malaviya: This is not at all fair in my opinion that when a member gets into his strides and wants to make a point, he is just stopped and gagged so that he may not be allowed to speak. There should be an equitable distribution of time. Will you please reconsider this.

Mr. Chairman: The Chair has no difficulty. In his name I have considered it.

Shri K. D. Malaviya: Please accept my formal protest.

Shri D. D. Puri: I speak about once in a year. I speak principally on the budget.

The only way out of this difficulty is to cut down the expenditure. I will not deal with that matter in detail. There is practically unanimity in this House that the expenditure has to be reduced. But it is somewhat surpri-

sing that non-Plan, non-developmental expenditure has gone up to the extent of 11 per cent in one single year. I am not going into the details, but that itself is its own condemnation.

I have certain suggestions to make. In regard to reducing prices, Government should make a start itself. Government should choose certain industries which are controlled industries and which can satisfy Government that any relief given to them will be passed on to the consumer one hundred per cent and then they can make credit cheaper to those industries and also give them the benefit of a lowered railway freight; then they will really make a beginning in reducing prices. I have worked out the cost to the revenue. It will not be of any sizable nature so as to create any difficulty.

Then the other aspect of the matter in this: having reduced the expenditure, you should side by side increase production.

The budget gives relief in surtax. I have not been able to follow the logic of it. Surtax is applicable to higher slabs of earning and not to lower slabs of earning. Relief should first have been given to the lower slab of earnings. It seems to me, though it is not clear in the speech, that this is meant as an incentive to larger production. If that is so, I would urge that incentive to larger production should be tied up with physical production of goods and not with profits realised thereon. I recommend to the Finance Minister the excellent start made by his predecessor by giving excise duty rebate to those who produce more. You produce more and you get the rebate. That will be an inducement to produce even at a loss. If you only give a rebate in surtax only on the profits that you make on production, that is neither right nor is it going to bring about any result in reducing the prices.

I now come to the second problem. That is, the capital market. The ca-

pital market is dead, dead as door nail. Broadbased equity holding is desirable and it is in the larger interest of the country that a larger number of people should be holding equity shares in industries . . .

Mr. Chairman: He will conclude within three minutes.

Shri D. D. Puri: It is impossible. I am making this speech after about 1½ years.

The dividend and bonus tax reliefs which are given are welcome, but the additional taxation, as I have said before, even after taking into account the reliefs given upto Rs. 36.7 crores., is not going to put any life in the market.

I have two suggestions to make. In regard to the basis of company taxation, the old system was that the company used to pay income-tax on behalf of the shareholders and certain deductions used to be made at the source. The poorer shareholders used to get a refund from the Government. The richer shareholders used to pay the difference between their individual rates and the rate at which the company had paid for them. Now that has been taken away. This is a wrong approach. The old system operated for the benefit of the poorer shareholders. Similarly, looking at the same thing from another point of view, the new 10 percent tax that you have levied is going to hurt the richer and the poorer shareholders alike whereas in the old system poorer shareholders probably were not to bear any part of it at all. I recommend that the old system be restored.

The other suggestion that I have to make is this. The distinction between the closely held industrial companies, i.e., what we used to call 26A and now 104 companies, and the public companies has been narrowed down, but it should be done away with completely because previously the distinction was justified by the fact that companies were forced to declare dividends so that Government could tax them in the hands of the

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rich shareholders. Now that Government recognise the necessity of the companies' ploughing back profits for larger production, the distinction has to be done away with; the entire distinction between section 104 companies and the other companies should be finished. In any case, they should be exempted from the dividend tax.

I now deal with the last point and that is about the difficulties of foreign exchange. It is true that large imports, mainly on capital account, and the squeeze applied by the friendly nations in the recent past, have created a very difficult situation for us. Similarly, our exports, the notoriously inelastic demand for our traditional exports have suffered because of the import tariffs imposed by even some of the developed nations. Our Commerce Minister has shown what a vigorous approach can do. Nevertheless, those efforts have to be backed by fiscal policy. Here, I make a very unconventional and untraditional and unexpected suggestion. I recommend a further dose of increase in import duties and the utilisation of that money for further incentives on exports, because that, to my mind, would give us all the benefits of devaluation without any of its ill-effects.

Finally, I just want to put in a word for the Punjab. The Punjab has bled white in this conflict with Pakistan. The economy there is completely uprooted. We do expect that the Government of India in this budget would do something specially for the Punjab, and pay a special subvention grant of about Rs. 15 to 20 crores so as to be able to put the Punjab on its feet again.

Shri U. M. Trivedi: Very recently, while reading a magazine on economics, I read a heading entitled 'Dear, Dearer and Dearest'. I thought that the gentleman who wrote that article must be an optimist. He has presumed that we have now reached the pinnacle of dearness. But the way

our plans are going, and the way our budgets are framed, I cannot for a moment believe that we have now reached a stage when we can easily say that we have reached the limit of dearness. The dearness will go on increasing, and still go on increasing, and we do not know to what extent, unless and someone makes up his mind to check the inflation which is now no longer latent; it is visible to us already, and each one of us now feels it; it does not require a student of economics to tell us that we are now in the period of inflation and the increase in the dearness allowance to Government servants will only create further inflation. Unless a giant effort is, therefore, made to check this inflation, the country is not going to prosper nor would the common man's standard of life be improved.

It is true, as is very customary, that the Finance Minister puts in his speech good words for the budget which he presents. The Finance Minister attaches importance to strengthening and maintaining the confidence of the private sector as also to the more efficient working and management of the country's growing family of public enterprise. In short, he says that there should be a rising level of productivity both in agriculture and in industry, greater efficiency, restraints in Government expenditure, higher savings, revival of the capital market, more wide-spread equity participation and the strengthening and maintenance of the private sector; these are his wishful thinkings. Can these be achieved in the way in which we are proceeding?

Shri Tyagi (Dehra Dun): Shall we not try them?

Shri U. M. Trivedi: Yes, certainly, we must try. But first with your plans, you create such a big hole that even the bottom is not visible; you may throw all the gold in the world into it and even then nothing would be visible in it. It is this that has

created problems for our country. It is this that we have got to check. These wishful thinkings are very good. We all like them. But are we going in that direction with a will? I say that we are not. The way our budgets are being prepared year after year indicates only one thing namely that it is the budget of a bankrupt who has made up his mind to file his insolvency petition. That is the only thing that we can find. Of course, there is no place where that petition can be filed. But then the patent fact still remains that it is an insolvency budget.

Let us take in to consideration the various aspects of our public sector. What happens with our public sector is that whenever a thing is made or an article is manufactured in the public sector, it costs more. Why does it cost more? Have we applied our minds to it? Have we ever considered the reasons behind it? Have we ever analysed why it is so? Very recently, I had the occasion to listen to an officer describing the running of a dairy farm; he was honest enough to admit before me that the cost of production of one litre of milk was Rs. 3.84 in the city of Agra where milk is available at only Rs. 0.55 per litre today; I am giving you the present rate. How are we going to run that dairy farm? Another officer of the commerce branch admitted before me in the course of cross-examination that a dealwood box for packing cartridges which an ordinary carpenter would supply for Rs. 9 was made at the Government workshop only for Rs. 40. These kinds of instances can be multiplied to indicate that wherever the public sector has put its hand, the costs have gone up. Are we going to analyse this or are we going to run into this show-blandfolded with the theme of socialism and socialistic pattern or whatever other name you want to give it? One of my hon. friends told me on the last occasion when I was speaking here, that that would bring in more

employment. I gave him this illustration by way of a reply and said 'Let us pull down this Lok Sabha building; that will give us some employment, and then let us start rebuilding it, and that would again give further employment. If that is the object of socialism, God forbid. May God help us; If the object of socialism is only to bring the society to a higher level of living and to a higher standard of life, then it is a thing worth-while attempting.'

In this budget it is true that an attempt has been made to show some grace and some kindness to the ordinary man in the street; the lower middle classes have been granted a sort of exemption in income-tax by the limit being raised to Rs. 4800. But immediately thereafter, what has happened? If you look into it you will see that the difficulty just begins.

I have not been able to understand this levy of further duty on sugar. From Rs. 28, the sugar duty including the excise duty has been raised to Rs. 37 per quintal. When I read the note regarding this, I found, although it was not specified in the speech that there would result a corresponding increase in the duty on khandasari also. The system of levying duty on khandasari is what is known as the weekly compounded duty. In 1959, if you take a centrifugal of the size of 9x18, the duty was only Rs. 220 that was increased in 1964 to Rs. 300. But now under this new arrangement the duty will go up to Rs. 420; whereas the duty on crystal sugar would rise only by about 25 to 28 per cent, that on khandasari would go up by about 40 per cent.

You must be aware of the fact that khandasari is not allowed to be moved from one state to another; there is a restriction on the movement of khandasari. With the net result that the small producer, the man for whom we are tomtoming and saying that we have got small scale industries and

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we want to help those small scale industries it is these people we are trying to put down. We do not allow him to earn well; we have checkmated all his progress and we further tell him, 'You are not allowed to sell your product'. What has been the result? Hundreds of maunds, no thousands of maunds, no lakhs of maunds of sugar are lying in the UP bazaars, unsaleable and getting rotten. People are clamouring for sugar. We do not allow them to have this khandsari sugar. This khandsari sugar, which is not treated to the sulfitation process, gets bad in colour and is not saleable after a particular number of months.

Why this bottleneck created in the trade of khandsari by levying a duty of this type? Is this the budget—because I take this as an illustration—is this the budget meant for helping the poor man? Has this a pattern—I am putting it as a practical man—of socialism? Is it socialism to crush down this man?

श्री हुकम चन्द कछवाय (देवास) :
सभापति महोदय, मेरा व्यवस्था का प्रश्न है। हमारे नेता का इतना अच्छा वक्तव्य हो रहा है और सदन में गणपूर्ति नहीं है।

Mr. Chairman: The bell is being rung—Now there is quorum. Shri Trivedi.

Shri U. M. Trivedi: As I was saying, if we cast our eyes on diesel oil taxation also, it is the same story. I have not understood the sentence that the hon. Finance Minister has added to his speech saying that this will prevent admixture. How is it going to prevent it? I do not know what explanation he will give. Mixture with a commodity is always made when that commodity is dearer rather than when it is cheaper. The *dudwalas* add water to milk because

water does not cost; but if water also costs something, if it is costly, nobody is going to add water to milk. Therefore, I feel that even in levying this taxation and in making these taxation proposals, the only thing kept in view is greater squeezing of larger amounts of money from the public. That has been the only object in view.

There has been a sentence used by the Finance that economy in expenditure will be a necessity. Let us see what this economy in expenditure is. It is said that directives have been sent out by the Finance Minister, as it was felt to be necessary, but to no avail. It is realised that at the present juncture, defence requirements cannot be curtailed, and no one would make a suggestion to that effect, but there are certain types of governmental expenditure which could be reduced. I was last time talking with the previous Minister of Finance, Mr. T. T. Krishnamachari, and he told me that he had sent out a directive to the various government offices that expenditure must be curtailed. We could have easily saved Rs. 100 crores, but in the course of the last 15 years the expenditure of the Union and State Governments has increased as much as 500 per cent. This is normal increase. State Governments have, year after year, resorted to unauthorised overdraft on the Reserve Bank. The Finance Ministers in previous years have recognised this weakness in the financial position, and yet nothing is being done to stop these overdrafts. You can become angry, you can write letters to them, but they do not pay any attention. Probably that was the reason which forced this Congress Party to discard Mr. Morarji Desai. They were afraid that this strong man would not tolerate this thing. The Chief Ministers became greater than Members of Parliament; when seven of them are elected, one Member is elected. And a man like me who has always defeated Chief Ministers knows what

a Chief Minister is. I count him to be nothing. It is these Chief Ministers who have controlled this whole thing, and because of their fear of a strong man, who have joined hands to put him down.

Often we have heard of the need to impose a greater measure of discipline on the States with regard to their spending habits, with what results we do not know. The tax payer has a right to demand that before he is called upon to pay more taxes, the State Governments should be disciplined to live within their means, and that the Union Government, too, should enforce strict economy in their administrative expenses and plug all avenues of wasteful expenditure.

There is need also for a radical change in the framing of the Union and State Budgets. What is happening at the moment is that the Governments first fix their targets of expenditure and then start finding resources to finance the same. A nation with limited means cannot afford to do this unless it wants to run into insolvency. My hon. friend, the present Finance Minister, is a very learned lawyer, and I know that he is an expert in insolvency cases, besides company law. So, he must realise this. As the Finance Minister has stated:

"The developments during the current year are a matter of concern and call for a greater degree of realism in budget making as well as greater sense of determination in restraining expenditures, whether revenue or capital, whether Plan or non-Plan, whether by the Centre or by the States."

This realism, however, does not appear to be the guiding factor in the budget-making this year, as otherwise we would not have seen such a heavy load of taxation imposed on the tax payer.

Look at the debt. How much is it today? Rs. 8,920 crores. And from 1961-65, how has it increased? By Rs. 881 crores. For every child, woman and man in India, the per capita increase in debt is Rs. 20, and if we take into consideration the total debt of Rs. 8,920 crores, it is a debt of nearly Rs. 202 on the head of every person living on the surface of India.

Shri Ranga: One year's income.

16 hrs.

Shri U. M. Trivedi: One the one hand, people like Dr. Lohia hold out to us what is our income. I do not want to repeat his argument. What is this? What is this pittance that we get? As against this, there is such a heavy debt on our head. This habit of borrowing or increasing the debt without resources to pay it back, is a very bad habit. In ordinary parlance we know:

ऋणकर्ता पिता शब्दः

These friend, sitting on the Treasury Benches, the rulers of our State, are what सपिता पिताश्रेयां केवलं जन्म द्वैतवः. They are our pitrus; they are the fathers. These fathers are running us into debt, and they are therefore our shatrus. (*Interruption*). Logically, therefore, I say that it is these people who have become our enemies. I bow before them; I fold my hands and pray to them, "For God's sake, as our fathers, do not become indebted, and do not create debts on our heads, on the heads of our children who are to follow and do not become the enemies of the nation".

Shri Ranga: They have already become that.

Shri U. M. Trivedi: The picture that is presented by the budget is a dismal one; it is dismal in the sense that the progress that ought to be shown to the country is nowhere to be seen. Cast your eyes anywhere you like—south, north, west or east. We have not got a good picture. We have the picture of Kerala, where

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a good friend of ours, Shri A. P. Jain, the Governor, was there. I do not know what made him run from his post of Governorship and come over here and canvass for the Prime Minister. Why? Then we have the picture of Rajasthan, where the Governor takes upon his head to kick out members of the Assembly. From there, we jump to the east and into West Bengal where the dismal picture of all people fighting, the MLAs fighting with each other and biting each other, is seen. Now, very recently, what kind of picture we are emanating—God knows where it will and—I refer to this question of Punjabi Suba. The picture of India, and of the whole country, is such that it is not a picture which will encourage people for the future progress of our country.

The fault does not lie, I can say, with the present Finance Minister, because he has merely inherited. But this inheritance is of 18 years. Even if he were a giant or even if he has a magic wand, I do not know whether he will be able to shake it and shake it off. It is not possible. The conditions in which the country has been put by these Plans, Plans and Plans, without understanding, are so deplorable that the affairs of the country cannot be picked up, picked out and placed on a sound footing. Yet, I will say that a great effort on our part is necessary. A great effort on the part of the country is necessary to bring in a situation whereby we can save the country from falling into further insolvency. We cannot always count upon the loans that are coming from various countries. How many countries are giving us loans? I was counting the number which is given in the Explanatory Note. We are indebted to 18 countries. Whenever the Government wants to borrow, it borrows. Whosoever gives it, even if a beggar gives, we will take it! Now we go to Kuwait, a small patch of a country and borrow money from them. There is another patch

of a country—Bahrein—and we go and borrow money from Bahrein. What is this? Have we got no dignity left? Has all our dignity disappeared? This is a big country, a huge country, with a biggest, proudest nation, which has become very proud from the last war of 22 days. It is this country which wants to hold its head aloft in the world that goes about begging.

Mr. Chairman: We will pay interest on the loans.

Shri U. M. Trivedi: Yes, we will pay interest and make our children unhappy. My municipality is suffering from the loan-taking business. All the money of the municipality is taken away by the Government by way of interest and we are left without proper roads and adequate water. This business of borrowing from an-

other and spending—ऋणं कृत्वा घृतं पिवेत्—is the motto only of the fools. I cannot understand this mentality of borrowing, borrowing and borrowing and earning nothing.

I find we are running 30 corporations and invested Rs. 1,700 crores on them. The yield is less than Rs. 1.9 crores. What type of investment is it? Would any sane, prudent man in his senses tolerate such a state of affairs? Even if he puts the money in the post office—the safest investment possible—he will get 3 or 4 per cent. But from these corporations we get only 1.9 per cent,—I am sorry; it is Rs. 1.9 crores, not 1.9 per cent. It is this thing which irritates us.

We know how the government has bungled in the food situation. People are suffering on account of the watertight compartments created by the zones. One State is set up against another and the result is that people at one end are eating away all the gram that is available and Bengal is starving. Rice is being smuggled into Pakistan—1700 bags have gone away and people in Rajasthan are starving. Urad is demanded in Bengal, but

nothing is available.

16.07 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

This government has entered trade and become a baniya. This baniya government must not be there; it is useless for the country. Government must be there for ruling and not for capturing the trade of the country. Government's entry into trade has spoiled the traders and made them dishonest; government itself has become dishonest and by the various controls imposed all over the country, the morals of the people have gone down.

I will conclude with this remark that even in this fifth year of the Lok Sabha efforts have not been made so that the morals of the people may rise. The people should receive the benefits of the plan, but no efforts have been made to relieve the people from the misery of food shortage. The food scarcity has increased and inflation is getting on and on. It is high time there is a proper appreciation of the exact situation of the country on the economic front and those efforts must come as a source of national pride, guided by national principles and not by any isms. I know the government is criticised by my friends on this side, who always want you to nationalise everything and then go bunkum, creating trouble for all. But you should not fall into that pit. You must steer clear of that, make up your mind and take the proper course and action whereby the country may steady its feet and march towards the progress which you and I both desire for this country.

Shri Himatsingka (Godda): Mr. Deputy-Speaker, Sir, before I come to the proposals in the budget, I would like to say a few words on what the hon. Member, Shri Mukerjee said about the Finance Minister. He criticised him for having given relief to, what he called, big business. He also criticised him for that and,

rather, he criticised big business for having been able to reduce the taxes by about Rs. 40 crores. He forgets that the relief given, if you can call it a relief, to the big business is the reduction by way of converting the dividend tax into an excess dividend tax—that is to say, there is no tax up to 10 per cent—and the other is the relief on bonus shares—there will be no tax on bonus shares or on national capital gains. They are negligible. They would not be even Rs. 1 crore. That also used to go to the companies. But the additional taxation that has been imposed is far more and it not only nullifies or neutralises the concessions but imposes a very heavy burden.

Another thing he mentioned was that the big business have managed to reduce the taxes. But he forgets that the taxes, excise duties, taxes from income or corporation taxes can only come if there is income or more business, if new industries are established. But because of the sluggishness in the market and because there have been very few new industries that have come up on account of the capital market being so bad, which has been very correctly set out in the Economic Survey and which has also been referred to in the speech of the hon. Finance Minister, gradually we are having a diminishing return. It was for that reason that the previous Finance Minister, Shri T. T. Krishnamachari, in his last budget tried to reduce—in fact, he reduced—the personal taxes as also corporate taxes in order that the market may revive and there might be some more incentive to business being established. But in spite of the concessions, because the condition of the market was so bad, it did not revive. Very few industries, unless they were helped by the Government financial institutions, could be established, especially because there was no capital available from the ordinary persons who used to invest in industries. They did not invest because the return by making deposits in banks much more

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than a person can expect by investing money in industries. As you know, Sir, if a new industry is started, it generally takes 4 to 5 years to enable the company to be in a position to give any dividend. In five years, if a person deposits money in the banks he gets about 7.5 per cent at the present rates and that means 37.5 per cent before he can expect a single paisa from the industry. Therefore, the tax is naturally going down. He has twisted the whole thing and said that the business people have been able to reduce the taxes forgetting altogether that this is the natural effect of the taxes being high and no new industries coming up. Then he referred to the Monopoly Inquiry Commission and there again he wanted to blame the Government, as if the Commission has castigated big business. I will refer to only one paragraph of the Report of the Monopoly Inquiry Commission at page 136, the last paragraph. I will read extracts from it.

The Commission has accepted that big business has done much for the country's economic betterment and, as a consequence, for the alleviation of the poor man's misery; the concentration of economic power has been responsible for the greater part of the capital formation in the country; Big business, is done by the people, has supplied over the years considerable amount of managerial skill of high quality so that production has been high, profits have been good and failures comparatively few in number; big business have been able to attract foreign collaboration and such collaboration has helped the starting of many new industries, supply of essential machinery and technical know-how; hence the inevitable conclusion to which the Monopoly Inquiry Commission has come to is, it is reasonable to expect that concentration of economic power should be relied upon to make an important contribution to the industrial development in the crucial years to come. This is the

trend of the findings of the Commission after a thorough inquiry into the question.

Then I come to another point referred to by Shri Malaviya. I think he has misunderstood the intention of what is mentioned in paragraph 51. The Finance Minister has suggested concessional rates of taxes of 25 per cent on royalties and commissions received by the Indian company from a foreign company for supply of technical know-how and technical services. There will be some reduction in the income but he forgets that Indian businessmen are being invited by foreign countries, specially African countries, to set up industries there. The only condition which has been laid down by the Government of India is that you can send machinery from this country; that will be a way of export promotion. The capital is being furnished by those countries and our people are going to get employment. So far as the technical side is concerned, there also they are getting royalties and other income. I do not know what is wrong if Government tries to encourage the setting up of industries in foreign countries which want to take help of the Indian know-how and Indian managerial skill.

Shri Ranga: You will be nationalised there.

Shri Himatsingka: It may be nationalised. But so long as it is not nationalised, we are benefited. The capital is being furnished by those countries. If they nationalise, I think they will pay for the machinery that is going there.

Shri Ranga: What did you get from Burma?

Shri Himatsingka: No concession is given to any businessmen by this provision. He appears to have misunderstood the intention of the hon. Finance Minister.

Coming to the financial proposals of the Finance Minister, the objectives that have been set forth by him in his speech are very welcome. Really, those are the objectives which one has got to keep in view. It has been very clearly stated that the budget should be production-oriented, investment-oriented and export-oriented and the price-line should be held. We have to see whether these objectives will be achieved.

The concessions which have been announced by the Finance Minister in the shape of removing some of the taxes can be called only removal of psychological irritants which were not yielding much of revenue. Naturally, if he had left the position at that, I think the market would have shown some kind of improvement. But the additional 10 per cent surcharge on personal income as also 5 per cent on the taxes of the corporate sector has not only neutralised the thing but will perhaps act as a damper on the enthusiasm and on the capital market. I am afraid that production cannot be increased unless new industries come up.

Moreover, on account of the very low position of our foreign exchange, you cannot import the intermediates and the maintenance requirements of the existing industries; as a result production is falling. The production in the current year has been not as was expected. Production in the last six months of the year will be much less than what it was in the first six months. Therefore unless we can find out some ways whereby raw materials and other intermediates that are required for the existing industries, it will be very difficult to increase production. Unless we can increase production, it will be absolutely impossible to hold the price line. After all, money is being spent on non-development expenditure without increase of any production. The moment you spend money without correspondingly increasing production, prices are bound to go up and that is what is happening. In spite of the

best intentions of the Finance Minister and the Government, it will be almost impossible to hold the price line. You will see that in the last twelve months the price index has gone up very considerably, much more than what it had gone up in the previous years. Therefore I feel that some definite steps which are required to bring about an improvement in the climate must be thought of.

I cannot call the Budget investment oriented also because personal taxes have been increased and, therefore, it will leave practically nothing to invest in the hands of persons. Even with the existing taxes there have not been sufficient investments and if you withdraw about Rs. 100 crores more from the market, you can easily imagine what the position will be and whether there is any chance of new investment coming forward.

The Finance Minister also expected that it should be widespread, that investment should come from a larger number of persons. Quite right. Unless that is the position, you cannot have sufficient amount of money for new industries and new factories coming up. But, as I said, nothing will be left in the hands of investors. Similarly, companies also having been taxed 5 per cent more, there will not be much left with them to plough back in industries or to set up other industries.

Therefore, I feel that the Finance Minister must try to find out ways and means whereby he can give up this increased taxation on companies. If the non-Plan expenditure be reduced, if the States not be given the amount of money that is being proposed to be given for non-Plan expenditure, this additional taxation may not be necessary. I feel, it is a point which needs consideration. Some other methods, for example, increasing the number of industries which can be put in the special class of industries receiving certain amount of concessional rate of taxation or that list may be increased, may be found. Of course,

[Shri Himatsingka]

in such cases only the industries which will be included in the list will get the benefit and not industries in general.

I want to make one or two suggestions. If the public sector undertakings begin to give a return that they should, I think, there would be no necessity for this additional taxation. Undertakings should not be financed by taxation. I feel what should be done is that just as other companies borrow capital either by shares or by floating debentures, etc., that policy should also be followed by Government for their public sector undertakings. The Oil India Corporation has done that. They have raised about Rs. 100 crores through their debentures. If that policy is followed, if the public sector undertakings are expected to carry on with the borrowed capital as also from their retained profits, there will also be a certain amount of responsibility on the public sector undertakings to behave properly, to run them economically and to prevent waste.

Similarly, non-development expenditure should be reduced and, I think, if steps are taken, a reduction of 3 per cent or 4 per cent should not be difficult. The former Finance Minister had indicated that he would take steps to reduce the expenditure by about Rs. 70 crores. But not only the expenditure has not been reduced but, I think, it has gone up by a few crores and this year also the expenditure is going up. Therefore, unless we can stop this kind of non-development expenditure, it will be very difficult to carry on efficiently or to improve the conditions of the economy. I feel that some serious thought should be given to this line, specially to improve the working conditions of the Government undertakings so that with the investment we have put in, if they give proper return, as they should, I think, the taxation that has been proposed would be absolutely necessary. I hope the Finance Minister will apply his mind to this line.

श्री राधेलाल व्यास (उज्जैन) :
उपाध्यक्ष महोदय, फ़िनांस मिनिस्टर साहब ने अपने बजट-भाषण में यह कहा है कि यह बजट हमारे प्लान्ज और पालिसीज को कार्यान्वित करने का एक साधन है। उन्होंने यह बात बिल्कुल ठीक कही है। यह भी सही है कि पिछले अठारह वर्षों में हमारे देश में जो काम हुए हैं, वे हमें प्रगति की ओर ले गए हैं। यह भी सही है कि कहीं कुछ कमियाँ या ख़ामियाँ रही हैं, कहीं ग़लतियाँ भी हुई हैं, लेकिन इस से कोई इन्कार नहीं कर सकता कि देश ने काफी प्रगति की है और हम अपने लक्ष्य की ओर आगे बढ़ते चले जा रहे हैं।

हमारी पालिसी का मुख्य उद्देश्य यह है कि हम समाजवाद की ओर अग्रसर हों और हमारे देश में जो प्रदेश तथा वर्ग ज्यादा पिछड़े हुए हैं, वे अधिक पीछे न रह जायें : प्लानिंग कमीशन के द्वारा प्लान्ज में इस की ओर विशेष तौर से जोर दिया गया है। इस लिये हम को यह देखना है कि जहाँ हम प्रगति की ओर आगे बढ़ते चले जा रहे हैं और तरक्की कर रहे हैं, वहाँ कहीं हम यह ग़लती तो नहीं कर रहे हैं कि हमारे देश के कुछ हिस्सों या वर्गों की उपेक्षा की जा रही है।

यदि हम इस दृष्टि से विचार करें, तो हमें यह पता लगेगा कि हमारे देश में कहीं कहीं तो प्रगति बड़ी तेज़ी से हुई है और कहीं कहीं हम काफी पीछे रह गये हैं। उदाहरण के तौर पर मैं निवेदन करना चाहता हूँ कि क्षेत्रफल की दृष्टि से मध्य प्रदेश हमारे देश में सब से बड़ा राज्य है। देश के विकास का मुख्य साधन है कृषि और उद्योग, जिन के द्वारा हम देश की आर्थिक स्थिति को सुधारना चाहते हैं। यद्यपि मध्य प्रदेश सब से बड़ा प्रदेश है और फ़ूड के विषय में

सरप्लस स्टेट है, लेकिन उस में यील्ड, प्रति एकड़ उत्पादन, देश में सब से कम है। क्या कारण है कि इरिगेशन, सिंचाई का साधन नहीं है, खाद नहीं है और किसान की हालत बहुत पिछड़ी हुई है। इस के लिए जब कि हम देखते हैं कि अनाज की कमी है और बाहर से काफ़ी मंगाने की कोशिश करते हैं, अरबों रुपया खर्च होता है और प्रयत्न चल रहे हैं कि इस में जल्द से जल्द सेल्फ सफिशन्ट हो जाय, आत्म-निर्भर हो जाय, मैं पूछना चाहता हूँ कि मध्य प्रदेश में जहाँ कि काफ़ी गुंजाइश है अनाज के उत्पादन को बढ़ाने की, अभी तक क्या किया है ?

श्री श्रीकार लाल बेरवा (कोटा) : शर्म की बात है।

श्री राधेलाल व्यास : आप इरिगेशन को ही ले लीजिये, आज जरूरत यह है कि इरिगेशन होना चाहिए, लेकिन भारतवर्ष में सब से कम इरिगेशन है तो मध्य प्रदेश में है जो केवल 6-7 परसेन्ट है। क्या उत्पादन इस से बढ़ सकता है ? आज देखा यह जाता है कि हमारे प्लान बढ़ते जा रहे हैं।

श्री काशी राम गुप्त (अलवर) : माननीय सदस्य मध्य प्रदेश की सरकार से कहें यह बात।

श्री राधेलाल व्यास : आज जिस तरह से भारत सरकार अपने साधनों से पूरा नहीं कर पा रही है और उसे पूरा करने के लिए अमरीका से लेना पड़ रहा है, ईस्ट-जर्मनी से लेना पड़ रहा है, और दूसरे साधनों से लेना पड़ रहा है, तो यह कैसे हो सकता है कि मध्य प्रदेश अपने ही साधनों से पूरा करे। हिन्दोस्तान को अनाज चाहिए, उसके लिए मध्य प्रदेश केवल अपने

ही साधनों से पूरा करे, यह असम्भव है।

मेरे दोस्त ने मेजर इरिगेशन प्राजेक्ट्स के बारे में कहा। मध्य प्रदेश में 100 मेजर इरिगेशन प्राजेक्ट्स बाकी हैं, क्या किसी स्टेट में इतने हैं ? क्या केरल में कोई इरिगेशन प्राजेक्ट बाकी रहा है, मद्रास में कितने बाकी हैं, बिहार और उत्तर प्रदेश में कितने बाकी हैं, मध्य प्रदेश में कम से कम 100 मेजर इरिगेशन प्राजेक्ट्स हैं, जो पूरे नहीं हो सके हैं, अगर एक एक प्लान में एक एक प्राजेक्ट लेंगे तो सौ प्लान चाहियें जब ये प्राजेक्ट पूरे हो सकेंगे। जो प्राजेक्ट्स आज बन रहे हैं, उनके लिए पैसा नहीं मिल रहा है, इन्द्रावती प्राजेक्ट कब से चल रहा है, लेकिन रुपया नहीं है।

फर्टीलाइजर की बात मेरे मित्र ने कही है। मैं आपसे निवेदन करना चाहता हूँ कि मेजर इरिगेशन प्राजेक्ट्स को तो छोड़ दीजिये, यहाँ माइनर के लिए भी पैसा नहीं मिल रहा है। हमारे छत्तीसगढ़ के इलाके में अकाल पड़ा हुआ है। मैं अभी वहाँ गया था और मैंने योजना भेजी है कि वहाँ पर बहुत अच्छे तालाब हैं, जिनसे सिंचाई हो सकती है, पानी मिल सकता है अगर चार करोड़ रुपया खर्च हो जाय तो उस से 1600 तालाब बन सकते हैं और फिर उससे उत्पादन बढ़ सकता है, फौरन एक्सचेन्ज बच सकता है, बाहर से भीख मांगना बच सकता है। ऐसे प्राजेक्ट्स हैं जो फौरन फल देने वाले हो सकते हैं। मध्य प्रदेश सरकार से यह उम्मीद करें कि वह इस के लिए फंड्स इकट्ठा करें, तो मैं आपको बता देना चाहता हूँ कि वहाँ पर टैक्सेशन सेचुरेशन प्वाइन्ट पर पहुँच चुके हैं, अब उस से ज्यादा हम उसको नहीं कर सकते हैं। अगर आप समझते हैं कि कुछ और बसूल किये जा सकते हैं तो आप हमें बताइये, भारत

[श्री राधेलाल व्यास]

सरकार हमें बताये कि इस पर और टेक्सेज लग सकते हैं तो हम लगाने को तैयार हैं। लेकिन अगर इस से ज्यादा नहीं बढ़ सकते हैं तो विकास के लिए भारत सरकार को अधिक पैसा देना होगा।

इसी तरह से फर्टीलाइजर प्लांट्स के बारे में कहना चाहता हूँ। मध्य प्रदेश में एक भी फर्टीलाइजर प्लांट नहीं दिया गया, सब इधर-उधर दिये गये हैं। हमारे यहां कोरबा में एक फर्टीलाइजर फ़ैक्टरी मंजूर हुई, एक करोड़ रुपया बिल्डिंग पर खर्च आया, लेकिन अब कहते हैं कि कोल-बेस्ड प्लांट नहीं हो सकता, नेपथा बेस्ड बनेगा। हिन्दुस्तान में कितने फर्टीलाइजर की जरूरत है और कितने नेपथा-बेस्ड बने हैं? एक करोड़ रुपया बिल्डिंग पर खर्च कर के अब यह कहना कि वहां नेपथा-बेस्ड फर्टीलाइजर फ़ैक्टरी काम करेगी काल बेस्ड नहीं करेगी, इस का अर्थ है कि वह हमारे यहां बनाना नहीं चाहते हैं। मेरा निवेदन यह है कि मध्य प्रदेश में नेपथा-बेस्ड देना है तो नेपथा-बेस्ड दें और कोल-बेस्ड देना है तो कोल-बेस्ड दें, लेकिन वहां पर फर्टीलाइजर फ़ैक्टरी जरूर दें। हमारे यहां आप फ़ॉस्फ़ैटिक फर्टीलाइजर की फ़ैक्टरी दीजिये, हमारे यहां मूंगफली और गन्ना फ़ाफ़ी पैदा होता है, लेकिन दुख है कि हमारे यहां कोई भी फर्टीलाइजर की फ़ैक्टरी देने के लिए तैयार नहीं है जब कि हमारा प्रदेश काफ़ी पीछे पड़ा हुआ है।

हमारे यहां कितने प्राकृतिक साधन हैं, मिनरल रिसोर्स हैं। आयरन है, आयरन-ओर है, जहां पर स्टील काफ़ी बड़ी तादाद में पैदा हो सकता है, पिग-आयरन है, लेकिन उसकी कोई फ़ैक्टरी बनाने को तैयार नहीं है। हमारी स्टेट ने एक लाइसेंस मांगा लेकिन उसको रिजेक्ट कर दिया गया, जब कि 2.5 मिलियन टन के दूसरे

सब राज्यों को दिये, प्राइवेट पार्टीज को दिये। सतना और कटनी में आइरन फ़ैक्टरी के लिए स्टेट ने लाइसेंस मांगा, लेकिन उसको नामंजूर कर दिया गया। ऐसी हालत में इस प्रदेश में इण्डस्ट्रियलाइजेशन कैसे होगा। यह प्रदेश कैसे आगे बढ़ेगा, जब कि दूसरे प्रदेशों ने काफ़ी प्रगति की है।

हमारे यहां स्पिनग मिल के लिए अनुमति नहीं दी जा रही है। कहते हैं कि प्लानिंग कमीशन से विलयेश लाभो बाद में प्लानिंग कमीशन ने स्पिनस मिल के लिए अनुमति दे दी, लेकिन फिर भी वह अपनी तरफ से अडंगा अडाये जा रहे हैं। आज मुझे बड़े दुख के साथ, अध्यक्ष महोदय, कहना पड़ता है कि केन्द्रीय मंत्री मंडल में मध्य प्रदेश का कोई प्रतिनिधित्व नहीं है।

श्री काशी राम गुप्त : दो डिप्टी मिनिस्टर हैं।

श्री राधेलाल व्यास : दो डिप्टी मिनिस्टर जरूर हैं, लेकिन उसे केन्द्रीय मंत्री मंडल में प्रतिनिधित्व नहीं कहा जा सकता। जब कि दूसरे स्टेटों से दो-दो, तीन-तीन मिनिस्टर हैं और काफ़ी प्रभावशाली विभाग उनके पास हैं, जो जिधर से कुछ ले सकता है ले जाता है, लेकिन मध्य प्रदेश उपेक्षित रहता है, उसके साथ जो न्याय होना चाहिए, उससे वह वंचित रह जाता है।

Shrimati Renuka Ray (Malda): Will he share the food equality with us, on an equal basis?

श्री राधे लाल व्यास : मैं फूड के बारे में आता हूँ। मैं निवेदन करना चाहता हूँ कि आज हमारे देश में हर जगह यही एक चर्चा का विषय है। आपकी मालूम है और मेरे मित्र भी जानते हैं कि फूड के बारे में हमेशा

अपने विचार रखता रहा हूँ, खास तौर से फूड कन्ट्रोल का मैं हमेशा समर्थन करता रहा हूँ। मैंने जोन्ज का समर्थन किया है, इतना ही नहीं अग़र रिकार्ड्स को देखा जाय, तो मैं सब से पहला आदर्श था जिसने मुझाव दिया था कि जोन्ज बनाये जाने चाहिये और उसके बाद जोन्ज बने—चार-पाँच साल पहले। मैं यह विश्वास करता हूँ कि हमारे पास जितना सरप्लस फूड है, आप सब ले लीजिये। मैं यह मुझाव देना चाहता हूँ कि अग़र फूड प्राबलम हल करनी है तो उसका प्रोक्योरमेन्ट, एग्रो-गवर्नमेन्ट डेवेलपमेंट, उसका स्टोरेज, उसका डिस्ट्रीब्यूशन, सब का सब स्टेट से गवर्नमेंट आफ इंडिया अपने हाथ में ले ले। मोनोपोली प्रोक्योरमेन्ट की बात की जाती है। कुछ भाई कहते हैं कि मोनोपोली प्रोक्योरमेन्ट करना है तो जोन नहीं, डिस्ट्रिक्ट नहीं, गांव-गांव में करना होगा ताकि वे एक जगह से दूसरी जगह नहीं भेज सकें। उग के बिना मोनोपोली प्रोक्योरमेन्ट नहीं हो सकता। इस प्राबलम को अग़र ठीक तरह से हल करना है तो ठीक ढंग से करना चाहिये। मुझे दुख है कि कन्ट्रोल जमा होना चाहिये, वैसा नहीं हो रहा है। उसका परिणाम यह होता है कि यह तमाम खराबियों का जड़ पैदा होता है। हमारे यहाँ एक एक दाना सरप्लस है तो ले लीजिये। गवर्नमेंट आफ इंडिया को हमने पिछले साल जो भी चावल हमारे यहाँ था हमने दे दिया, डाइरेक्टली उन्होंने हमारे सारे चावल को खरीद लिया था। गेहूँ की मात्रा हमारे यहाँ सरप्लस नहीं है। हमने छत्तिस गढ़ के इलाके में 3-2, 4-4, लाख टन पेंडा और राइस की खरीदफरोहत का है तथा भारत सरकार ने की है, स्टेट सरकार ने नहीं की है, उसको रोका नहीं है, जितना उन्होंने सरप्लस बतलाया, उतना उन्होंने दे दिया।

मैं मानता हूँ कि सारे प्रदेश में भाव एक रहना चाहिये। यह तभी सम्भव होगा जब सब राज्य सरकारें इस में सहयोग करें और उसके साथ जो पालिसी ले-डाउन की जाय, जो

पालिसी चलाई जाय, उसका साथ दें। लेकिन हर स्टेट में भाव अलग अलग है। महाराष्ट्र में ज्वार 58 रु० क्विंटल है, तो मध्य प्रदेश में 42-45 रु० क्विंटल है, ईशू प्राइस में फर्क है। इसी तरह से गेहूँ की कीमत में फर्क है। यह चीज नहीं चल सकती, इसलिये वही अग़र प्रोक्योरमेन्ट हो तो पैसा बराबर नहीं मिलता है किसानों को देने के लिये। ज्वार खरीद लें तो रखने का चिन्ता होती है, गेहूँ की फसल आ रही है, उस के लिये करोड़ों रुपये चाहिये, उसकी व्यवस्था नहीं है। मैं निवेदन करता हूँ कि भारत सरकार को इस पर बड़ी गम्भीरता से विचार करना चाहिये और ऐसी व्यवस्था करनी चाहिये कि इस काम को सरकारी अफसरों के सुपुर्द करने के बजाय, जो सेक्रेटरिएट में आफिसर्स काम करते हैं या डायरेक्टरेट आफ फूड में काम करते हैं, उनके सुपुर्द करने के बजाय, एक अलग कारपोरेशन के सुपुर्द इस काम को किया जाए। एक कारपोरेशन अभी बनाई हुई है और उसको वाइड पादर्स दी जा सकती है, प्रोक्योरमेंट की, डिस्ट्रीब्यूशन वगैरह की। वह कारपोरेशन बिजिनेस लाइज पर रन कर सकती है। ऐसा नहीं होना चाहिये कि एक ही चीज के भावों में अलग अलग जगह पर पन्द्रह पन्द्रह रुपये क्विंटल का फर्क हो, प्रोक्योरमेन्ट और इशू प्राइस में पन्द्रह पन्द्रह रुपये का अन्तर हो। यह नहीं होना चाहिये। ये सब जो चीजें हैं ये असन्तोष का कारण होती हैं। अनाज कहीं सड़ना नहीं चाहिये। अभी विवेदी जी ने कहा और तारकेश्वरी सिन्हा जी ने कहा है कि अनाज सड़ रहा है। मैं भी जानता हूँ कि मेरे यहाँ भी चना सड़ रहा है। इस चीज को देख कर मुझे बड़ा दुख होता है। इस अनाज की बर्बाद के जमाने में अनाज को सड़ने देना

श्री ए० रं० पटेल (पाटन) : आपकी गवर्नमेंट इसको रोक क्यों नहीं सकती है।

श्री राधेलाल व्यास : आपकी गवर्नमेंट भी रोक नहीं सकती है। आपकी गवर्नमेंट

[श्री राघेलाल व्यास]

भी तेल को रोके रखती है और मेरे यहां भी उसने चने को रोके रखा है। जिसके पास जो होता है, वह सब उसके बारे में ऐंग करता है। इस वास्ते मैं कहना चाहता हूं कि राज्यों के हाथ में यह चीज नहीं होनी चाहिये। अगर हम इस चीज को संतोषप्रद ढंग से हल करना चाहते हैं तो उनके हाथ में इसको हमें नहीं रहने देना चाहिये। भारत सरकार को बोल्ट स्टेप लेना चाहिए। फूड की प्रोबलम को देख कर केन्द्रीय सरकार इसको अपने हाथ में ले और अपनी तरफ से वह हर राज्य में व्यवस्था करे। इसका डिस्ट्रीब्यूशन, स्टोरेज, प्रोबयोरमेन्ट वगैरह सब भारत सरकार को करना चाहिये।

मैं पिछड़ेपन की बात कर रहा था। मैं एक मिसाल देना चाहता हूं। आप जानते ही हैं कि हमारे यहां मध्य प्रदेश में 34 प्रतिशत आदिवासी और हरिजन हैं। भारत में सबसे ज्यादा आदिवासी हमारे क्षेत्र में हैं और सब से पिछड़ा हुआ प्रदेश हमारा है। विध्याचल और सतपुड़ा की तलहटी में और बस्तर वगैरह के उधर छत्तीसगढ़ के क्षेत्र में क्या हाल है? अभी सर्वे किया गया है जिससे यह पता चला है कि 7415 गांव ऐसे हैं और 5814 साइजबल हैमलेट्स ऐसे हैं जहां संतोषप्रद पानी पीने को नहीं मिलता है।

श्री श्रींकार लाल बेरवा : शर्म की बात है।

श्री राघेलाल व्यास : इसके अलावा 4075 गांव और 2592 गांव या छोटे छोटे झोंपड़े वाले गांव ऐसे हैं जहां पर पूरा पीने का पानी नहीं मिलता है। मैं निवेदन करना चाहता हूं.....

Shri D. C. Sharma (Gurdaspur): Is this the Lok Sabha or the Madhya Pradesh Assembly?

श्री राघेलाल व्यास : मेरे मित्र को मालूम नहीं है कि शैड्यूल्ड ट्राइब्ज के बारे में स्पेशल रिसर्पासिबिलिटी गवर्नमेंट आफ इंडिया की है, स्टेट की नहीं है। शायद मौजूदा फाइनेंस मिनिस्टर साहब को मालूम नहीं है चूंकि वह अभी आए हैं कि हमारी स्टेट गवर्नमेंट ने एक स्पेशल प्राजैक्ट, स्पेशल स्कीम भेजी है फाइनेंस मिनिस्टर के पास। श्री कृष्णमाचारी से मध्य प्रदेश के जो मेम्बर पार्लामेंट हैं, मिले थे और उन्होंने कहा था कि अगर शैड्यूल्ड एरियाज के लिए कोई विशेष प्राजैक्ट्स उनके डिबेलेपमेंट के लिए वहां की तकलीफों को दूर करने के लिए भेजे जायेंगे, कोई स्कीम्ज भेजी जायेंगी तो उन पर वे स्पेशल कंसिड्रेशन देंगे, कुछ खास मद करेंगे। वहां से स्कीम्ज भेजी गई लेकिन सवाल पैदा हुआ कि मशीनरी चाहिये। काफी ऐसे क्षेत्र हैं जोकि पहाड़ी क्षेत्र हैं और उनके लिए टेक्नीकल हैड्रज चाहियें। तो हमारी उस स्कीम को गवर्नमेंट आफ इंडिया ने नामंजूर कर दिया। स्कूलों की योजना बनाई गई और उसको भेजा गया, उसको भी नामंजूर कर दिया। अगर इस तरह से स्कीम्ज को नामंजूर आप करते गये तो हमारे प्रदेश का विकास कैसे होगा।

अपने प्रदेश के मीज आफ कम्युनिकेशंज को मैं लेता हूं। रोडज को आप लें। अभी हमारे लिए इस नए साल में पीने दो करोड़ रुपये मंजूर हुए हैं कम्युनिकेशन के लिए जोकि पिछले साल का केवल आठ प्रतिशत है। हमारे यहां पुल इतने बनने हैं कि उन पर करोड़ों रुपया खर्च के लिए हमें चाहिये। थर्ड प्लान में एक भी सड़क नहीं बन सकी है। सड़कों के मामले में हमारा प्रदेश बहुत पीछे है। इतना बड़ा प्रदेश है और अभी भी वह इतना ज्यादा पिछड़ा हुआ है। अभी इंद्रावती बेसन में एक सर्वे गवर्नमेंट आफ इंडिया ने करवाया है। उस सर्वे रिपोर्ट के मुताबिक वहां पर काफी रोडज बननी चाहिये।

लेकिन . . . पैसा नहीं दिया जाएगा तो कैसे बनेंगी ये सब रोज़। जो भी आपने उद्देश्य बजट में बताया है उस में विशेष ध्यान इस ओर देने की जरूरत है कि पिछले सालों में जो कुछ हुआ है उसके परिणाम के तौर पर कौन कौन से प्रदेश ऐसे हैं जोकि पीछे रह गये हैं और कितने पीछे रह गये हैं और कौन कौन से क्षेत्रों में वे पीछे रह गए हैं। आया एग्जिकलचरल डिबेलेपमेंट के क्षेत्र में पीछे रह गये हैं तो कौन से प्रदेश हैं और कितना पीछे रह गये हैं, एजुकेशन में कोई प्रदेश पीछे है तो कितना पीछे है, कम्युनिकेशन के मामले में भी पीछे हैं तो कितना अधिक पीछे हैं, इंडस्ट्रियल डिबेलेपमेंट के मामले में कोई प्रदेश अगर पीछे है तो कितना पीछे है। हर वर्ष इस का सर्वे होना चाहिये। उस सर्वे के मुताबिक कुछ ऐसे कदम उठाये जाने चाहियें ताकि वे प्रदेश उन मामलों में आगे बढ़ सकें। ऐसा न हो कि जहां कुछ प्रदेश काफी आगे बढ़ जायें वहां मध्य प्रदेश जैसा प्रदेश पीछे रह जाये, बिल्कुल ही पिछड़ा हुआ रह जाए। बीच का और बहुत अच्छा यह प्रदेश है। वहां साधन भी काफी हैं। वहां विकास की गुंजाइश भी काफी है। वह पीछे रह जाए, ऐसा नहीं होना चाहिये। उसको भी आपको चाहिये कि आप आगे लायें।

इन शब्दों के साथ मैं आपको धन्यवाद देते हुए समाप्त करता हूँ।

Shri C. K. Bhattacharyya (Rai-ganj): I want to congratulate the Finance Minister on the budget that he has presented. Called upon suddenly and unexpectedly to take charge of the finances of the country, he has given a most creditable account of himself. The circumstances in which he took charge of the country's finances were further accentuated by a crisis of the immediately followed leading to a change in the Ministry and almost a reconstitution of the government. Even through these vicissitudes he has maintained the stability and economic improve-

ment of the country as demonstrated in the budget proposals that he has presented before us. With his well-known ability and experience in finances, he has not only succeeded, he has succeeded well,—that must be said and acknowledge—in putting the finances of the country in order. That he has done.

But the Finance Minister has an unenviable task. He cannot please everybody. He has to face criticism. Criticisms come whatever he may do. Some section or some portions, in spite of his very best and sincerest efforts, will remain dissatisfied. If he satisfies Mr. Masani, Mr. Mukerjee gets angry; if he satisfies Mr. Mukerjee, Mr. Masani gets angry. What is the poor Finance Minister to do. He has to steer his course clear from all this Scylla and Charybdis in the political ocean of the country. And that he has been doing very successfully, and with an amount of sauvity which I admire.

But some of these criticisms have been of such a type that they surprise me. The budget proposals have been viewed and examined not on their own merits, but in the light of the pre-conceived notions of the critics themselves. That is rather sad when it has to be considered that on this the economy of the country and the future course in reconstruction and planning are going to be based. In fact, when I heard these criticisms I was thinking that the critics either did not follow the proposals themselves or they had no mind to do that. This Trend of criticism reminded me of a Sanskrit saying which concludes with the line which I am quoting:

“अस्थाने पतताम् अनीब महताम्
एतादृशी दग्तिः”

When I found the Finance Minister getting raw deals at the hands of some of the Members, I was reminded of this, that a very worthy person has to suffer like this when falling in unworthy hands. This is perhaps one

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of the best cases in which this quotation applies.

There is a mentality which is in the habit of saying no to everything. Whenever something is sad to them positively they will at once say no. In order to get them to agree to something, the matter has to be presented negatively, and then they will say yes. But the Finance Minister, of course, cannot frame his budget proposals in a negative form. He has to put in positive statements, and these friends of mine who are in the habit of looking upon things negatively of saying no to everything stated positively, have said no. That is also not surprising, but I felt sorry that the proposals were not viewed constructively. I was scanning very carefully all the criticisms that I have heard from some of the Members. I expected some constructive suggestions from them. I am afraid there has been none, beginning from Shri Masani. Shri Masani has been trying to prove that he is a prophet and prophet, as you know, is not honoured in his own country. So, that is the position of Shri Masani. He says things have been happening in 1966 just as he had stated in 1961. It may be so or may not be so. Shri Masani may have the satisfaction of being a prophet, not having the honour that he thinks he should deserve.

Shri Mukerjee was saying that we should rather have some self-denying ordinance, than accept this PL 480 aid. I should have said ditto to him if I have the assurance from him that if the Government propose to the people of this country to accept this self-denying ordinance, his party will not continue to do the things which they are doing in West Bengal today. If that assurance is given by the political parties in the Opposition I believe the Finance Minister and our Prime Minister will not have the least hesitation in asking the people rather to accept the self-denying ordinance than to go to the people

outside and the countries outside to beg for food.

Shri Indrajit Gupta: Who is he to ask for an assurance? What is his authority to ask for the assurance? Has the PCC authorised him to ask for such an assurance?

Shri C. K. Bhattacharyya: I do it on my own behalf, and I do it on behalf of the Government which is ruling the country.

Mr. Deputy-Speaker: He represents the same party.

Shri C. K. Bhattacharyya: So, nothing should be viewed in that light. Unless that policy is adopted, there can be no proposal which will not be found to be open to criticism. In fact, we live in a mundane world. Whatever we do suffers from some defect or other. Nothing is perfect in this world and nothing can be perfect. The proposals of the Finance Minister have got to be taken with that amount of consideration. Shall I quote again? सवरिम्माः हि दोषेन् घूमेनाग्निरिवा वृत्तः ।”

Whenever you light a fire, there is some smoke; if you are determined that there will be no smoke, there will be no fire. That is the position. So, with some sense of proportion and with that proposition in mind, these budget proposals should be looked upon and considered and criticised in a constructive fashion. That is what, I found, is not being done.

Shri Kashi Ram Gupta: What are your constructive proposals? Give them to the House.

Shri C. K. Bhattacharyya: We will have them. The test for approval is, whether what has been done has been done with the sincerest intention, and to the best of the ability of the person doing it. Tested on both these grounds the hon. Finance Minister has eminently succeeded and deserves well of all of us. That is my first point. Judged by this, the Finance Minister has succeeded, and

as I have said, succeeded eminently. Even the worst critics could not say that all the proposals were bad. I have scrutinised all the comments and criticisms that have appeared in the press since the budget proposals were announced. I found that even the worst critics could not say that the proposals were all bad. They had admitted that, whatever their objections to certain proposals, certain parts of the proposals are good and there are certain proposals which deserve support and which, according to the critics themselves, will be to the good of the country.

Shri Kashi Ram Gupta: What about the critics from your own Benches?

Shri C. K. Bhattacharyya: If the Finance Minister has not been able to do as much as was expected of him, the fault lies not with him but it is inherent in the circumstances in which he finds himself. It is inherent in the limitations within which he has to work. That has also to be recognised.

I would have dittoed Mr. Mukerjee if there was a possibility of appealing to the people, without that appeal being misunderstood, misused and misinterpreted in any way, that we should rather have a self-denying ordinance than go to other places begging for food. If my communist friends there do not get offended with me, I am prepared to go to Banaras, stand before the Annapoorna temple, and say.

भिक्षां देहि कृपावल-बनकारी मातान्नपूर्णाशिवरी
I am prepared to do that rather than go with a begging bowl to other countries, but they have no faith in Matha Annapoorna and they will not appreciate this sentiment of mine. So, I do not offer that to them. The position is, this could have been done had the circumstances been different from what they are. That has to be appreciated.

Touching some of the budget proposals I should say the Finance Minister's efforts to give relief to the

low-income group have been much appreciated. The raising of the income-tax assessment limit and raising of the exemption limit for annuity deposits have come as a great relief to the comparatively poorer sections. To say that the budget proposals encourage the rich to become richer appears like a slogan. It is nothing more than a slogan for persons who have not scrutinised the proposals with the care and scrutiny they deserve. If this apprehension ever comes to pass, it will come to pass not because of the budget that has been placed before us, but because of other reasons against which this government is always watchful and careful and has been taking all possible precautions.

About one criticism, I should like to say a few words, i.e. maintenance of control on sugar. A demand has been made for its abolition. I shall tell my experience of such abolition which I had seen before. Some years back, control of sugar was temporarily lifted. There was a report to the government that sugar has accumulated in the production centres and unless export was sanctioned, there would be a slump. A committee was appointed—Export Promotion Committee—which came to the conclusion that control must be raised and sugar must be allowed to be exported. Strangely the day the control was raised, sugar disappeared from the market. I myself had to stand on the road to secure half a seer of sugar. This happened on the eve of the Pujas in Bengal. Whenever a suggestion is made that control of sugar should be raised, that experience comes to my mind and I feel rather hesitant to approve of it.

There is one thing which is oppressing me today, i.e. the maintenance of the integrity of India. That is one dominating problem on which attention of all members and of the people should be concentrated. At times, I feel that the picture of the

[Shri C. K. Bhattacharyya]

18th century India is repainting itself before our eyes. The same tendencies appear at places. The same tendencies try to manifest themselves through different sections and different places. I feel apprehensive at times, and this is the occasion and this is the time at which we should take all precautions that this thing may not further develop and what we saw in the 18th century may not be repeated in any form or in any way in the present century we are living in.

17 hrs.

Sir, there are major proposals in the budget. I have generally commented upon the budget as a whole. I reserve to myself to offer my remarks on the proposals when these are placed before us in the form of Demands for Grants. On the whole, I should say, the Finance Minister has given a creditable account of himself. He deserves well of us, of all the Members of this House and on all sides.

Shri N. Sreekantan Nair (Quilon): Mr. Deputy-Speaker, Sir, our senior Congress colleague, Shri Bhattacharyya was the only solitary voice in this House till now to support unconditionally our Finance Minister's new budget proposals. His proposal have come at a time when our country is passing through a crisis. It has come immediately in the wake of the short but very costly war with Pakistan. During this war we found that this great Republic of India does not have a single solitary friend anywhere in the world except perhaps with the exception of the small and tottering State of Malaysia.

Sir, during that war we found that all those people we claim to be our friends are friends only when we are useful to them. It has been proved that the country which claims itself to be the cradle of democracy, Great Britain, favours more the militarists, the theocratist Pakistan than India. It has been found that the coun-

try which claims to be anti-Communist, the leader of the anti-Communist movement in the world, the country which is claimed to be the originating fountain-head of free enterprise, the country which claims to be Lineon's motherland, that country prefers militarist Pakistan to the Republic of India. Even the Soviet Union, the fatherland of socialism tries to come to our aid not because this country has accepted the principle of the socialist pattern of society, not because they want to accelerate our progress towards the socialistic goal, but because they want to keep us, on the onehand, away from the capitalist bloc and, on the other, as a counter-check to the disobedient, rebellious China. But for the Kashmir factor even the Soviet Union would not have given us any substantial aid. Even when they have given it, what is the result. If we flout their decision, if we refuse to sign a declaration, we will be hauled up and told that next time when the Kashmir question comes up before the United Nations they would not use their veto. I am speaking out a fundamental truth a very basic fundamental incident which happened in the negotiations, which we tom tom throughout India today, as the Tashkent Declaration. But for that gruesome threat, perhaps the decision of the Government of India would have been different. But for that frightening threat we would not have allowed Rs. 100 crores of our property to be held by Pakistan as against only a few crores of rupees worth of Pakistan property with us. So, this country is friendless.

Though this country is friendless, we have got many of masters because we have borrowed from every country. My hon. friend, Shri Trivedi, was referring to it. The list of priorities of our creditor countries is very interesting. It is naturally topped by the richest country in the world, the United States of America. I may just give the list in the order of priority.

From the United States of America the Government loans amount to Rs. 1,770.82 crores and bank loans Rs. 112.86 crores, making a total of Rs. 1,883.68 crores. Then comes UK with Government loans amounting to Rs. 282.57 crores. Third is USSR with Government loans amounting to Rs. 235.15 crores. Then the other countries and amounts respectively are West Germany Rs. 202.08 crores, Japan, Rs. 79.94 crores, Canada Rs. 25.52 crores, Kuwait, of which our Jan Sangh friends were speaking in contemptuous tones and were scoffing at, Rs. 16.08 crores, Czechoslovakia Rs. 13.47 crores, Switzerland Rs. 12.24 crores, Yugoslavia Rs. 11.26 crores, Netherlands Rs. 10.45 crores, Poland Rs. 5.69 crores, Austria Rs. 3.71 crores, Sweden Rs. 2.18 crores, Denmark Rs. 1.16 crores and New Zealand Rs. 0.19 crores. We have begged and borrowed from every country, whether developed or undeveloped. In addition, we have borrowed from the International Development Association Rs. 273.80 crores, International Bank Rs. 210.80 crores, miscellaneous creditors Rs. 3.34 crores and Defence Certificates Rs. 0.09 crores. The overall foreign loans taken by us comes to Rs. 3,293.44 crores and internal loans Rs. 3,509.87 crores, bringing our total indebtedness to Rs. 6,803.31 crores. With this indebtedness, which comes to more than Rs. 200 for every man, woman and child born in this country, what is our overall revenue income? It is estimated at Rs. 2,617 crores. What is the expenditure from this income? It is Rs. 2,407 crores, leaving a balance of Rs. 210 crores. This Rs. 210 crores is not sufficient only to meet the interest charges on our debts at 3%, whereas the current rate of interest is 6 per cent. So, we would not be able to dream of returning, even by instalments, any portion of our debts in the next few centuries. Even if we abjure all our internal demands, we refuse to pay all our Government servants, we refuse to pay for every activity in our Central and State Governmental sphere, we would not be able to repay these debts in two years.

Yet, it is impossible to ask the Government employees or any section of the employees to work without wages. So, that approach is impossible.

In spite of all these loans, what is our capital estimate? That is still more wonderful. Our revenue surplus is Rs. 210 crores. The second item is internal and external loans which comes to Rs. 744 crores. PL 480 loans amount to Rs. 230 crores. Loans from small savings come to Rs. 135 crores, loans from annuity deposits Rs. 44 crores, miscellaneous debts and deposits Rs. 102 crores, repayment of loans Rs. 370 crores, fresh taxes Rs. 92 crores, budget gap Rs. 25 crores, bringing the overall amount to Rs. 1,952 crores.

Of these, items 2 to 6 are loans and they come to a total of Rs. 1,255 crores. What is our capital outlay for the next year? Rs. 627 crores which is less than just 50 per cent of the total loans we are taking for the next year.

17 hrs.

Our Finance Minister may put forth the argument that we are also having our developmental schemes in the States. I would request the hon. Finance Minister to hear this one question. I would request the Finance Minister to stop his conference. If he does not want to hear, I would request the hon. Finance Minister not to have the conference when I am talking. If he does not want to hear, he can go out of the House and remain there. I do not want a conference here. It is insulting to the House.

Mr. Deputy-Speaker: He is hearing you.

Shri N. Sreekantan Nair: No, they were conferring. I attempted to call his attention thrice.

Shri D. N. Tiwary (Gopalganj): It was no conference. I was asking a point.

श्री हुकम चन्द कछवाय : जो भाषण हो रहा है उसे उन्हें ध्यान से सुनना चाहिए।

Shri N. Sreekantan Nair: Please sit down. I am talking.

Shri D. N. Tiwary: He is hearing. We were not in a conference. I was simply asking a point.

Shrimati Lakshmikanthamma (Khammam): Are they going to dictate to the Minister as to what to do and what not to do?

Shri N. Sreekantan Nair: I challenge the Finance Minister to show that if the entire assets of the Centre and State Governments are pooled together, if our industrial undertakings are liquidated today, they can pay off all these loans that we have taken both internally and externally. They cannot. I will challenge him to prove this. Then, what does it mean? We are a bankrupt country.

Shri C. K. Bhattacharyya: The hon. Member is so loud even without help of the loudspeaker. Why is he straining his voice? The Finance Minister . . .

Shri N. Sreekantan Nair: It is my heritage, and you and I cannot change it.

Shri Badrudduja (Murshidabad): Because it is jarring on his ears, he cannot stand it.

Shri N. Sreekantan Nair: He is so fond of his Finance Minister. He lauds him so much. Mr. Bhattacharyya considers him so high that my criticism may not be palatable to him; but in the name of the country and in the name of the people I have got to voice forth my feelings.

The Minister of Finance (Shri Sachindra Chaudhuri): Speaking for myself, all criticism is welcome to me. I welcome every criticism.

Shri N. Sreekantan Nair: He was intervening in the debate and I just replied to that. How does it concern you?

Shri Sachindra Chaudhuri: I thought, you may be addressing me through him.

Shri N. Sreekantan Nair: This country is bankrupt; yet, we want just to raise slogans like aid without strings, independence in international affairs. What are these but hollow words? When we have pawned our everything to foreign countries, specially to American imperialists, when your own budgetary imperialists, when your own without PL 480 funds, when you cannot feed the people without PL 480 wheat and even with PL 480 the country goes up in flames, what is your independence? What is your dignity? How can you stand up, against the nations of the world and say, "We are independent people". Sir, it is no wonder that the American Government kicks us about, that the American President told us to our face that until and unless we assure the American Government that at least during the next five years we will make ourselves self-sufficient in the matter of food, they would never give us any aid during this hour of crisis. He has the audacity to say this and we had the meekness, the humility to accept it. We had to accept food from him at this condition. Even beyond that, the financial administrator had even the impertinence to put forth the proposition that we had to cut 50 per cent of the land that we are now using for cotton cultivation if they are to give \$50 million loan for fertilisers. Look at this. What does it mean? It means that they can dictate to us as to what should be our attitude towards the most fundamental question, the largest industry that exists in India. They want our textile mills to be at the beck and call of the American capitalists. They want our textile mills to run on American cotton. Naturally, it will be an imitation of American

quality. What else would it be? I don't understand all this diplomacy. Our Government has agreed to all these terms.

Regarding the setting up of foreign fertiliser companies, the Congress friends have already criticised this. Mr. Malaviya has criticised all this. Of course, Mr. Malaviya knows much more about these oil companies and their tricks than what you and I know about them. He did not get enough time to explain how in the shape of these fertiliser companies, these oil companies want to stage a come-back and sabotage our oil companies, especially the Indian Oil Company. That is going to be a very serious problem. The future of the country is being pawned away without a thought and without a care. How care-free they are in doing it is something most astonishing.

The Finance Minister is a very eminent lawyer, a Company and Corporation lawyer. I am proud that one of our Indian lawyers has got his office in London, that he is being accepted as one of the authorities in international legal circles. But, Sir, the leopard cannot change its spots all of a sudden. He was born with a silver spoon in his mouth. He has all along been serving the vested interests, especially the British vested interests, the White vested interests. Naturally, when he is all of a sudden raised to the pedestal of the post of the Finance Minister of the so-called Socialist-oriented Congress Government of India, he cannot, all of a sudden, forget his past heritage, his line of thinking, his mode of approach to every problem and his budgetary proposals.

An hon. Member: He is a farmer.

Shri N. Sreekantan Nair: He is a lawyer. Don't talk of the things which you do not know.

At least on 14 counts in his budgetary measures, his proposals are against the interest of the common man of this country. They are in favour of

the vested interests. They are in favour of the monopolistic capitalists and most of all they are in favour of the planters who were his patrons. I may go into them, one by one, those which, I think, go against the interest of the common people of this country.

He has imposed the duty on sugar. That is the first thing. Not only he has increased the duty on cigars which he uses and on cigarettes which I use, but he has again increased the duty on raw tobacco. That affects even the unfortunate poor people in this country who use a bidi when the stomach is empty. He has increased duty on cotton cloth and oil.

The abolition of the Expenditure Tax is a basically wrong step as is admitted at p. 4 of Part B of the Budget Speech. Then who do it? It is because he wanted to placate some interests. As to who are they, we do not know. They may be international magnates, and the financial magnates of this country.

Shri C. K. Bhattacharyya: Perhaps, Shri Sreekantan Nair.

Shri N. Sreekantan Nair: By reducing the rates on Gifts Tax, by abolishing Income-tax on Bonus Shares, by discontinuing the 12.5 per cent tax on Bonus Issues of Domestic companies and by abolishing the 7.5 per cent Dividend Tax upto 10 per cent of the Equity Capital, by the reduction of the Rate of Surtax from 40 per cent to 30 per cent, the Finance Minister has proved that he is an agent of the vested interests. As a friend of the industrialists, he has extended the list of Priority Industries for the purpose of receiving Development Rebate to the manufacturers of tea—again, tea comes in for favours later on—along with newsprint and printing machinery.

Then, the Finance Minister has increased the rate of Development Allowance for new planting from 10 per cent to 50 per cent and that for re-planting from 20 per cent to 30 per

[Shri N. Sreekantan Nair]

cent. He has also conferred on the Planters the additional concession of receiving the allowance in two stages, the first being immediately after preparing the land for planting operations. This proves how he knows the demands of the industry and the demands of the industrialists. And cleverly he has served his purpose. Then there is full depreciation in one year for all small units, of plant and machinery costing upto Rs. 750, so that every industry can split up its requirements into hundreds of units every year. Then 20% depreciation on the housing for higher income employees. Then parity of treatment to foreign companies in the matter of allowing development rebate for merger of subsidiaries. Then the percentage of total income to be deducted from the computation of profit of corporations. There are, in all, 14 cases. I do not want to point out all those since there is no time, except stress upon the undue concessions given to ship-building industry.

Last but not least in raising from 2% to 3% not only of inter-state sales tax but also of the sales tax on goods which are considered to be of great importance in the inter-state business; these two duties cut at the root of the present price structure and naturally increase the cost of every article that will come into the market. Life has become unbearable. That is why we find that people are discontented all over this country; not only because there is shortage of food but also because there is unequal development in various centres as has been pointed out by my friend from Madhya Pradesh. Regarding Kerala, for example, it is so rich in water resources that no other State can compete for cheap hydel power with Kerala. But it is short of power; it is short of Railways; we have only 3.5 miles per lakh of population as against the all India average of 9.5 miles. When we ask for industry, we are told that we have no power or railways. When we ask

for railways, we are told that we have no industry. We produce more than Rs. 100 crores of foreign exchange.

Shri Warrior (Trichur): It is Rs. 117 crores.

Shri N. Sreekantan Nair: Yes; it is Rs. 117 crores. But we are not allowed to import rice for a portion of our foreign earnings nor are we supplied with sufficient rice. You say that there must be national unity. My friend says that there must be national integration. This state of affairs cannot continue. What is going on in Mizo Hills will happen in every other State of India unless and until Government is prepared to be just and fair to various parts of the country irrespective of the pull they have at the Centre, irrespective of the great leaders that they have, irrespective of what they can contribute to elect somebody as Prime Minister.

Mr. Deputy-Speaker: Mr. P. R. Patel.

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, मैं आप का व्यवस्था चाहता हूँ। सदन में गणपूर्ति नहीं है।

उपाध्यक्ष महोदय : घंटों बजाई जा रही है—अब कोरम हो गया है।

Shri P. R. Patel: Mr. Deputy-Speaker, I congratulate the Finance Minister for presenting this budget. Budget is a subject which is always criticised from all sides and in our country as some people look to Russia and China as their ideals and some people look to . . .

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, सदन में कोरम नहीं है। आप गिन लीजिए। आपने बिना कोरम के कार्यवाही चालू कर दी। बिना कोरम के कार्यवाही कैसे चल सकती है। पांच मिनट हो गए हैं। आप हाउस को एडजर्न कर दीजिये।

उपाध्यक्ष महोदय : घंटी बजाई जा रही है - अब कोरम हो गया है ।

Shri P. K. Pate: I say that some people in our country are looking to China and Russia as an ideal while some others are looking to Britain and America as their ideal, and so when these people look at this budget, naturally they criticise it.

श्री हुकन चन्द कड़वाय : उपाध्यक्ष महोदय, सदन में गणपूर्ति नहीं है । आप गिन लाजिए ।

उपाध्यक्ष महोदय : कारम है ।

Shri P. R. Patel: So far as our country is concerned, our ideal is mixed economy, and so, we must judge the budget from that viewpoint. We have decided to encourage the private sector as well as the public sector, and also the co-operative sector. So far as this budget is concerned, whoever dislikes the private sector would not like it; whoever does not like the public sector would not also approve of the budget proposals. So, I would submit that we have to judge this budget as it is from this angle namely whether it increases the prosperity of the country. I am not concerned with this idealism or that idealism, but I am concerned with the prosperity of the country; I am concerned with the increase of industries in the country and also the increase in agricultural production.

We have accepted that our goal is democracy and socialism. As I understand it, socialism means the removal of poverty. In this connection, I would like to plead the case of the 350 million people living in the rural areas of our country. In the rural areas of our country, about 10 million people have per capita income of 27 paise a day; some 50 million people have a per capita income of 32 paise a day.

17.29 hrs.

[**SHRI P. VENKATASUBBAIAH** in the Chair]

Some 100 million people have a per capita income of 47 paise a day; on the whole, the per capita income in the rural side for about 354 million people is 68 paise a day. I would like to ask what we have done for these people what have we done to remove their poverty, in fact, not merely to remove their poverty, but to enable them to have a good living standard?

So far as industries are concerned, what is the position? Take the case of the cement industry, We say that there should be capital formation so that there may be improvement of industries. So far as iron and steel production is concerned, we say that there should be capital formation so that the industry may be improved. Money may be spent for improvement or advancement of industry. So also is the case with fertiliser factories. So far we have accepted the principle that there should be capital formation for the advancement or improvement of industries. But so far as the agricultural industry is concerned, we have not accepted that principle. We try to give the least price for agricultural produce. That is the policy.

What is given in the Budget? We have increased the excise duty on light diesel oil by Rs. 60 a kilolitre; it comes to about Rs. 30 per barrel. A farmer buying diesel oil at Rs. 65 has to pay Rs. 30 more per barrel. Is this the way of helping agriculturists and encouraging more production?

At the states level also, people in the income bracket I have mentioned are charged an education cess. In all the States, there is an education cess on the land revenue. Farmers are paying it. Recently the Gujarat Government have increased the local fund cess. It was 20P; they have increased it to 50P. The Rajasthan Government also, according to their Budget presented yesterday, have levied some surcharge on irrigation charges.

[Shri P. R. Patel]

When the low-income agriculturists of our country are subjected to these taxes—whether they be education cess, local cess or surcharge on irrigation rates—is it not rather increasing the poverty of the already impoverished people? What is there in this Budget to enthruse them? On the one hand, we say that agriculture is the base of our industry, that agriculture is the base of our prosperity, India lives in villages and so on. But on the other, so far as the village people are concerned, we somehow extract more from them. The unfortunate thing is that even people living in urban areas are for levying higher taxes on the agriculturists, the rural people. They plead that they are the only people who have become rich and the others have gone very poor.

So my humble submission is that this increase in excise duty on light diesel should be abolished as it would be a tax on the poor people, or at least light diesel oil used for agricultural and irrigation purposes should be exempted from this levy.

Then I would refer to the Narmada project. My hon. friend from Madhya Pradesh was complaining that Madhya Pradesh is not looked after. I am not complaining that way. I am only submitting that rivers are God-given, they should be utilised for the prosperity of the country, but unfortunately in our country States are quarrelling over river waters. Maharashtra and Mysore are quarrelling; also very recently Madhya Pradesh has also raised a hue and cry. I would submit that for freedom and integrity of the country, we can let go one industry here or there, but we cannot let go the integrity and the freedom of the country. The States are raising it to the extent of denying the jurisdiction of the Centre. If the States grow strong and the Centre becomes weak, cannot check them, then there will be disintegration in the country. The States must know their limitations, and the Centre should be in a position to ask the States to

utilise the river waters or any other minerals for the prosperity of the country. In Gujarat we have got gas, we have got oil. It is not a monopoly of Gujarat only to use this gas or oil for itself. It is for the country. The country should be rich by what is found in Gujarat. At the same time, justice should be done also to a State that is loyal.

Shri N. Sreekantan Nair: Loyal to whom?

Shri P. R. Patel: Loyal to the country. If by the sacrifice of Gujarat the country gains something, I will be very happy. But my feeling is that unnecessarily irritations are created. Very recently in the Gujarat Legislative Assembly these matters were discussed and some irritation was shown. The reason is this. Let us take coal. It has got energy creating capacity. So, it is used wherever it is found, and that is cheaper. Similarly, gas is found in Gujarat. Why should it not be given to Gujarat industries for becoming prosperous by the utilisation of this gas. But that is burnt and that is not allowed to be used. I do not say that it should be given at a low rate. At least gas in Gujarat can be used for industries but in burnt and not used to increase the prosperity of the country?

In the end, I would say a word about education. We are spending a lot on education, we must spend, but let us pause and think whether we should spend the money on arts and commerce colleges or on technical and scientific education. Where money would be better spent? The University Grants Commission is liberal in giving grants to all types of education in universities, but, because we are short of money, we have to borrow funds from outside, and so our money would be best used if spent on scientific and technical education.

श्री विश्वनाथ राय (देवरिया): सभा-
पति महोदय, तीन योजनायें समाप्त हो चुकी

हैं और चौथी योजना आरम्भ होने वाली है। बजट पर बहस के समय देश में इस सदन द्वारा स्वीकृत मौलिक आर्थिक नीति को कार्यान्वित करने के सम्बन्ध में कोई विशेष संकेत अब नहीं दिखाई देते हैं तो हमारा निराश होना स्वाभाविक है। यह बात आरम्भ में इस वास्ते कहनी पड़ती है कि पंद्रह वर्ष योजनाओं को पूरा करने के बाद भी, तीन योजनाओं को पूरा करने के बाद भी आर्थिक कठिनाइयाँ जिस किसी कारण से भी रही हों, प्राकृतिक आपदाओं के कारण रही हों या हमारी कार्य-क्षमता में कुछ कमी के कारण रही हों, आज भी हैं हमें यह मानना पड़ता है कि राष्ट्रीय आय बढ़ाने के जो आंकड़े हमने अपने सामने रखे थे, जितनी तरक्की होगी, यह हम ने सोचा था, विशेषज्ञों ने इसके बारे में जो कुछ सोचा था और घोषणा की थी कि इतनी आय बढ़ेगी, वह उतनी नहीं बढ़ी है। विशेषतः ग्रामीण जनता की आय में तो अगर कुछ वृद्धि हुई है तो नगण्य ही हुई है, बहुत असन्तोषजनक वृद्धि हुई है इस कारण से वहाँ असन्तोष है। भारत में जिस वर्ग से राष्ट्रीय आय में पचास प्रतिशत से भी अधिक हम को आय होती है और जिस में भारत की सत्तर प्रतिशत आबादी सीधे तरीके से और दस प्रतिशत उस से सम्बन्धित कार्यों में लगी हुई है, और जिसकी आय का साधन कृषि है, और राष्ट्रीय आय में भी सब से ज्यादा योगदान कृषि का ही है, उन कृषकों की आय में तो बहुत ही कम वृद्धि हुई है, नगण्य ही उनको लाभ हुआ है। राष्ट्रीय आय को जब हम मोटे तौर पर लेते हैं और सारी जनता के आधार पर इसको आँका जाता है तब इस में उन लोगों की आय को भी सम्मिलित किया जाता है जिन का प्रतिशत तो बहुत कम है लेकिन जिनकी आय बहुत अधिक होती है। लगभग सौ घनी मानी परिवार हैं और उनकी करोड़ों की आय को भी इस में सम्मिलित किया जाता है और तब एग्जैट निकाला जाता है। जो एग्जैट निकलता है उस से कहीं कम प्रति-

व्यक्ति आय होती है। अब जब कि चौथी योजना आरम्भ होने वाली है और बजट पर बहस हो रही है तब मैं वित्त मंत्री का ध्यान इस बात की ओर आकर्षित करना चाहता हूँ कि जो अस्सी प्रतिशत जनता देश की है और राष्ट्रीय आय में आधे से ज्यादा आय जिस के द्वारा होती है उसकी वार्षिक आय क्या है, इस को वह देखें और उसकी आय बढ़ाने का प्रयत्न करें। यदि उन्होंने ऐसा किया और कोई समुचित प्रबन्ध इस 80 प्रतिशत के लिये किया तो बजट में उस के लिए धन राशि निर्धारित करने का इनको एक अच्छा अवसर मिल जाएगा।

एक बात की ओर मैं आपका विशेष ध्यान दिलाना चाहता हूँ। अभी हाल में कुछ हफ्ते पहले या कुछ महीने पहले यह चर्चा का विषय बना था कि अमरीका की सरकार हमारे साथ एक समझौता करना चाहती है और फटिलाइजर या खाद इस वास्ते देना चाहती है कि हमारा कृषि उत्पादन बढ़ सके। यह बात समाचार पत्रों में भी प्रकाशित हुई थी। फटिलाइजर या खाद की बात करके कृषि उत्पादन बढ़ा कर अस्सी प्रतिशत जनता की आय में वृद्धि करने के लिये आप भी विशेष उत्साहित जान पड़ते हैं। इस सम्बन्ध में मैं एक चेतावनी देना चाहता हूँ। एक या दो प्रदेश हैं जहाँ सिंचाई के साधन अच्छे हैं, जहाँ पर छोटे मोटे किसान अच्छी हालत में हैं और वे कुछ साधन भी लगा सकते हैं। वहाँ के लिये जो प्रथम महत्त्व है वह खाद का हो सकता है। लेकिन देश के जो अन्य प्रदेश हैं जहाँ पर सिंचाई के साधन अभी उन्नत नहीं हुए हैं वहाँ पर तो सिंचाई को हमें प्रमुखता देनी है, खाद के मामले से अधिक प्रमुखता सिंचाई को देनी श्रेयस्कर होगी। मैं खाद मंत्री की बात नहीं कहता हूँ, सारी सरकार की बात कहता हूँ चूँकि समझौता सरकार द्वारा हुआ है। अगर हम ने प्रमुखता सिंचाई को नहीं दी तथा खाद देने पर ही हम ने जोर

[श्री विश्वनाथ राय]

दिया और अगर फिर कहीं उस तरह का सूखा पड़ा जिस तरह का इस साल पड़ा है तो खाद वगैरह से कोई लाभ नहीं होगा और देश फिर उसी संकट में पड़ जाएगा जिस संकट में वह आज है और जिस के कारण हमारे देश को दूसरे देशों का मुहताज होना पड़ रहा है ऐसी दशा में उस समझौते को जिस से न केवल खाद की कमी को दूर करने की बात है बल्कि जिससे हमारे यहां पब्लिक सेक्टर में, सार्वजनिक क्षेत्र में पैदा होने वाली खाद के उत्पादन क दाम नियंत्रित करने का भी अधिकार दूसरों को दिया जाएगा और साथ साथ वितरण के जो साधन हैं वे भी उनके हाथ में दिये जायेंगे, राष्ट्रीयहित के बदले अहित की बात समझता हूं यह ऐसी बात हो रही है कि जैसे ईस्ट इंडिया कम्पनी ने जब वह शुरू शुरू में हिन्दुस्तान में आई थी, की थी। धीरे धीरे उस ने आगे बढ़ कर सारे भारतवर्ष पर अपना आधिपत्य जमा लिया था। उस के बाद जो विदेशी तेल कम्पनियां थी इस देश में आई और पिछले पचास सालों में अपना आधिपत्य देश में जमाया। उस को मिटाने में आज भी हम सफल नहीं हो रहे हैं। उसी तरह का आधिपत्य सम्भव है कि ये खाद कम्पनियां भी जमा लें। सम्भव है कि खाद के समझौते के बाद ऐसी स्थिति पैदा हो जाए जैसी हमारी स्थिति तेल कम्पनियों से समझौता करने के बाद पैदा हुई है। ब्रिटिश, अमेरिकन आदि तेल कम्पनियों के साथ समझौता करके जैसे हमारी स्थिति बाद में पैदा हुई है, वैसी ही अब भी हो सकती है। इस वास्ते मैं कहना चाहता हूं कि उस समझौते में कुछ न कुछ सुधार होना चाहिये। यह समझौता ऐसा होना चाहिये जो कि देश-हित में हो। जिन से आपको आधी राष्ट्रीय आय प्राप्त होती है, उन के हित की बात होनी चाहिये। आप उनको जो वितरण और मूल्य निर्धारण का भी अधिकार दे रहे हैं वह नहीं दिया जाना चाहिये। यह अधिकार सरकार के पास रहना चाहिये।

सिचाई की तथा अन्य बातों को छोड़ कर अब मैं थोड़ा सा इस बात पर आता हूं कि इस बजट से किस प्रदेश को क्या लाभ हो सकता है। जब मैं इस बात पर विचार करता हूं, तो मैं यह कहे बिना नहीं रह सकता हूं, ऐसा कहने के लिए विषय हो जाता हूं कि जो सब से बड़ा प्रदेश है और जहां सब से अधिक खेती करने वाले हैं यानी उत्तर प्रदेश और जिस की आज तक उपेक्षा की जाती रही है, उसकी आज भी उपेक्षा हुई है। पहली और दूसरी योजना में उत्तर प्रदेश की उपेक्षा हुई। उसकी आवश्यकताओं की पूर्ति के सम्बन्ध में कोई कदम नहीं उठाये गये। स्वर्गीय प्रधान मंत्री श्री लाल बहादुर शास्त्री जी और भूतपूर्व वित्त मंत्री श्री कृष्णमाचारी जी से भी इस सम्बन्ध में हमारी बातें हुई थी। उनका ध्यान इस ओर आकर्षित करने की कोशिश की गई थी। तब ऐसा जान पड़ता था कि उत्तर प्रदेश की इलैक्ट्रिसिटी, थर्मल प्लांट्स इत्यादि की उन्नति के लिये जो मांग थी, जो पहले पूरी हो जानी चाहिये थी, और जो उचित मांग थी, उसको पूरा करने की बे कोशिश करेंगे। कुछ उनकी तरफ से इसके सम्बन्ध में किया भी गया था। उस से भी अधिक मैं पूर्वी उत्तर प्रदेश के उन चार जिलों का जिक्र करना चाहता हूं जिनके सम्बन्ध में केवल शास्त्रीजी ने ही नहीं बल्कि स्वर्गीय प्रधान मंत्री जवाहरलाल नेहरू जी ने भी यह स्वीकार किया था कि उसकी उन्नति के लिए कुछ विशेष करने की आवश्यकता है। इस बात को जब हमारी तीसरी योजना शुरू हो रही थी उस समय स्वीकार किया था। वहां पर कुछ काम शुरू भी हुआ था। लेकिन पिछले साल सरकार ने एलान किया कि उनको जो अनुदान दिया जाता है, उसको हम बन्द करते हैं। कुछ बातें और भी हैं केन्द्रीय सरकार ने उत्तर प्रदेश के उत्तराखंड के सम्बन्ध में कहा था कि उस क्षेत्र का विकास रक्षा को दृष्टि से बहुत आवश्यक है और

उत्तर प्रदेश की सरकार उसके विकास की ओर विशेष ध्यान दे। केन्द्रीय सरकार ने उसके लिए अनुदान देने की बात भी स्वीकार की थी। उस अनुदान को अब सरकार बन्द कर रही है। मैं चाहता हूँ कि वित्त मंत्री इस ओर विशेष ध्यान दें। केन्द्रीय सरकार की जो जिम्मेदारियाँ हैं उन जिम्मेदारियों को उसे निभाना चाहिये। उस प्रदेश की जो उचित मांगें हैं, उनको उसे स्वीकार करना चाहिए। केन्द्रीय सरकार ने योजना के पहले दस वर्षों में इसकी उपेक्षा की है। अब उसकी ओर उपेक्षा नहीं होनी चाहिये। उसको दूर करके अन्य प्रदेशों के बराबर उस प्रदेश को लाना चाहिए। भारत सरकार को उस प्रदेश को आग्र बढ़ाने का विशेष प्रयास करना चाहिए और विशेष अनुदान देना चाहिए।

Mr. Chairman: Shri Vasudevan Nair.

Shri Vasudevan Nair (Ambala-puzha): Are you taking up the half-an-hour discussion?

Mr. Chairman: No; I will take up that after 6 O'clock. I am calling him to speak on the budget.

Shri Vasudevan Nair: No, Sir; I am not speaking on the budget now.

Mr. Chairman: All right; Shri D. N. Tiwary.

Shri D. N. Tiwary: Sir, before I begin my speech on the budget, I would request you to place yourself in the place of a Speaker, and then ring the bell.

गव से पहले मैं वित्त मंत्री को जो कुछ थोड़ा सी छूट उन्होंने दी है, उसके लिए बधाई देता हूँ। लेकिन मैं यह कहना चाहता हूँ कि बजट बनाते समय एक परिपॉटी निभाई जानी चाहिए। यह देखा जाना चाहिए कि प्रान्तों के बजटों में कितना कर लगा है और कितना कर यहाँ से गरीबों

पर और लादा गया है। दोनों में सामन्जस्य होना चाहिए। आज वह नहीं होता है। दोनों मिलकर कितनी राशि गरीबों से वसूल करेंगे, इसको बिना देखे जब बजट तैयार किया जाता है तो गरीब आदमी की पीठ टूट जाती है। थोड़ी बहुत छूट किसी मद में अगर दी भी जाती है तो उसका उस पर कोई विशेष असर नहीं पड़ता है।

अर्थात् रेलवे बजट और जनरल बजट दोनों को मिला कर जो भार गरीबों पर लादा गया है उसको आपको देखना चाहिए इस बजट में चीनी पर टैक्स बढ़ाया गया है और रेलवे बजट में नमक पर ज्यादा भाड़ा लगाया गया है . . .

डा० मा० श्री० अग्ने (नागपुर) : वह तो घट जाएगा।

श्री डा० ना० तिवारी : थोड़ा बहुत इधर उधर टिकरिंग कर देंगे। इस बजट में चीनी और खण्डसारी पर भी कर लगाया गया है जो पहले नहीं था। जो गरीबों के इस्तेमाल की चीजें हैं उन पर भी कर का बोझ लाद कर उन को असह्य बना देना उचित नहीं जान पड़ता। जब प्लैनिंग कमिशन के द्वारा और भारत सरकार के द्वारा प्रान्तों से कहा जाता है कि वे नये नये रिसोर्सेज खोजें तब उन को मैचिंग ग्रांट मिल सकती है तो मैचिंग ग्रांट लेने के लिए उन में एक होड़ लगती है कि कितना टैक्स वह लगायें। इस लिये मैं कह रहा था कि बजट बनाते वक्त यह भी देखना चाहिए कि प्रान्त में क्या कर लग रहे हैं क्योंकि प्रान्त के बजट सेंट्रल बजट से पहले पेश हो जाते हैं और यह मालूम हो जाना है कि कितने अधिक कर प्रान्तों पर लगाये गये। यहाँ जो कर लगता है उस से लोगों को कितनी तकलीफ होती है शायद इसका कोई लेखा जोखा

[श्री. डा० ना० तिवारी]

नहीं रक्खा जाता। वह उचित नहीं है।

दूसरी बात जो मैं कहना चाहता हूँ वह यह है कि वित्त मंत्री इस एलेक्शन इश्गर में हम लोगों के लिए गरीबों पर और भार लाद कर डिफिकल्टीज़ आम कर रहे हैं या उन को बढ़ा रहे हैं। पार्टी प्वांट आफ व्यू से भी जरूरी था कि इतने कर न लगते। गत वर्ष भी मैंने कहा था कि विरोसिन पर जो टैक्स लगाया गया वह नाजायज हुआ, उस को अगले वर्ष कम किया जाना चाहिए। उस में कमी न कर के डेअल आयल पर, जो कि गृहस्थों के काम में आता है, टैक्स लगा दिया गया। रोज बरोज यहां कहा जाता है कि अन्न अधिक पैदा करो लेकिन इस तरह उस में बाधा डाली जाती है। डेअल आयल पर कर लगाया गया, एलेक्ट्रिसिटी का रेट बढ़ा दिया गया। गरीब आखिर कहां से पैसा लायें कि दृष्टि में लगा कर उत्पादन कर सकें। इन सब बातों पर सोच विचार करके ही कोई काम करना उचित होता। लेकिन आज भी हम देखते हैं कि इन बातों का कोई कंसिडरेशन नहीं है।

तीसरी बात जो मैं कहना चाहता हूँ, और जिस पर मैं ज्यादा जोर देना चाहता हूँ, वह यह है कि स्वतन्त्र होने के अठारह वर्ष बाद, तीन पंच वर्षीय योजनाओं के समाप्त होने तक, कोई ऐसा स्टेप नहीं लिया गया कि जहां जहां पर बैंकवर्ड एरियाज हैं, जहां पर लोगों की आमदनी बहुत न्यून है, उन जगहों को कैसे उठाया जाये। बजट के साथ में जो आर्थिक समीक्षा पेश हुई उस को मैंने बड़े ध्यान से पढ़ा, वित्त मंत्रों के भाषण को भी बहुत ध्यान से पढ़ा, लेकिन उन में कहीं पर एक लाइ भी नहीं है कि जो बैंकवर्ड एरियाज हैं, पिछड़े हुए व गंदी, जाति नहीं, जो एरियाज हैं, जिनकी आमदनी 5 या 6

रु० महावार से अधिक नहीं है, जहां पर लाखों आमदनी ऐसे हैं जिन को 2 पैसे तक आमदनी है, उनका पिछड़ापन कैसे मिटेगा। उन के बारे में सहानुभूतिपूर्वक भी कोई सेन्टेन्स न तो वित्त मंत्री के भाषण में है और न एकानमिक रिब्यू में है। हाल ही में प्रकाशित एकानमिक सर्वे रिपोर्ट को मंत्री जी ने देखा भी है या नहीं मुझे नहीं मालूम। लेकिन जो उन के मिनिस्टर आफ स्टेट हैं उन से मेरी बातें हुई, उन से मैंने इस्तदुआ की कि वह उस सर्वे रिपोर्ट की किताब मुझे दें, लेकिन नहीं मिली।

श्री डा० रा० भगत : वह प्लैनिंग कमिशन में है, मांग रक्खी है।

श्री डा० ना० तिवारी : मैंने योजना मंत्री महोदय से भी रिक्वेस्ट की, प्लैनिंग कमिशन से भी रिक्वेस्ट की कि कम से कम वह कार्पा तो मुझे दे दी जाये जो तुलनात्मक अध्ययन हुआ है अलग अलग राज्यों के हर जिले की आर्थिक बातों का। वह हमारे वित्त मंत्री के ध्यान में आया या नहीं मैं नहीं जानता, लेकिन उमे देखने से मालूम होता है कि कुछ एरियाज ऐसे हैं जहां पर पर कॅपिटा आमदनी 80 रु० और 85 रु० तक है जब कि सारे देश की पर कॅपिटा आमदनी करीब 400 रुपये तक है। बिहार की पर कॅपिटा आमदनी 220 रु० है लेकिन नार्दर्न बिहार जो एक बड़ा चंक्र है जिस की पापुलेशन करीब 2 करोड़ है, जो कि केरल से बड़ा है, गुजरात से बड़ा है, दूसरी बहुत सा स्टेट्स से ज्यादा है, लेकिन वहां का आमदनी करीब 90 या 92 रुपये है पर कॅपिटा पर इश्गर। उस में भी दो जिले ऐसे हैं दरभंगा और सारन जिन का आमदनी पर कॅपिटा पर इश्गर 80 या 82 रुपये है। शायद आपको याद होगा कि इस हाउस में जिस समय डा० लोहिया ने यह कहा था हमारे प्रिय प्रधान मंत्री श्री जवाहरलाल नेहरू के जीवन काल में कि लोगों की आमदनी

साढ़े तीन आने रोज है तो उस का कंटेडिक्शन हुआ, बहुत चेलेन्ज हुआ, बहुत हो हस्ला हुआ। लेकिन इस रिपोर्ट को देखने से मालूम होता है कि तीन और चार आने से भी कम लोगों की रोजाना आमदनी यहां पर है। और ऐसे लोगों का बहुत बड़ा चेक है। 2 करोड़ लोगों की आमदनी जो कि हिन्दुस्तान की पापुलेशन का करीब बीसवां या बाईसवां भाग होता है तीन या चार आने रोज है। आप स्वयं समझ सकते हैं कि इन तीन चार आने की आमदनी वाले लोगों में महाराज दरभंगा भी हैं और बड़े बड़े बिजिनेसमैन भी हैं। इस तरह से 20 या 25 परसेन्ट ऐसे लोग हैं जिन की आमदनी दो ढाई आने से अधिक नहीं होगी। आप समझ सकते होंगे कि इस मंहगाई के जमाने में वह गरीब लोग क्या खाते होंगे। इस तरह अगर जरा सहानु-भूतिपूर्वक विचार होता और बजट में एक लाइन भी होती कि उन का कुछ कंसिडरेशन होगा, तो मैं समझ सकता कि गरीबों पर वित्त मंत्री का ध्यान गया। मैं उन की स्पीच को और एक्वामिबः सर्वे को पढ़ कर देखता हूं कि वहीं कुछ भी नहीं है तो मैं क्या समझूं।

दो करोड़ आमदनी नार्थ बिहार के है जिन के लिये न कोई इंडस्ट्री है और न खेतों के उत्पादन में वृद्धि के लिये कोई जरिया कायम किया गया है जिस से उत्पादन में वृद्धि हो सके। वहां के लोगों को क्या मालूम कि स्वराज्य हुआ या नहीं। वह गरीब लोग भेड़ के पत्ते तक खा कर जीते हैं। अगर आप दूधर जायें तो वहां पर देखेंगे कि लोग खाना खाने के बाद जब वह पत्तलों को फेंकते हैं तो गरीब लोगों के लड़के उन पर खाने के लिये झपटते हैं। उन में कोई चावल नहीं रहता, पूरी नहीं रहती, केवल तरकारी के टुकड़े होते हैं। लेकिन जिस तरह से कुत्ते झपटते हैं उस खाने पर उसी तरह से लड़के भी झपटते हैं। ऐसी स्थिति वहां पर है। लेकिन अभी तक भारत सरकार ने उस और कोई ध्यान नहीं दिया।

2731 (A) LSD—9.

दो तीन वर्ष पहले इसी हाउस में यू० पी० के एक सदस्य ने पूर्वी यू० पी० के एक हिस्से की तरफ ध्यान खींचा था। एक बसेटी बिठलाई गई थी। एन्क्वायरी हुई, लेकिन उस एन्क्वायरी की रिपोर्ट अभी लाइट में नहीं आई।

एक माननीय सदस्य : काम हो रहा है।

श्री डा० ना० तिवारी : मुझे नहीं मालूम क्या काम हो रहा है। हमारे बगल में बलिया जिला है, मैं जानता हूं कि वहां पर कोई काम नहीं हो रहा है।

श्री हुकम चन्द कछवाय : सरकार कुछ कर ही नहीं सकती, वह करे क्या।

श्री डा० ना० तिवारी : एक ऐसा बड़ा चेक यह नहीं है कि दस बीस घर हों, यह नहीं कि दो, चार, दस गांव हों, जिले के जिले हैं जहां यह हालत है। आज दरभंगा की पापुलेशन का देखिये, छपरा की पापुलेशन को देखिये जिन की पापुलेशन 77 लाख है। आज 77 लाख की एक स्टेट बनती है। अभी हरियाणा प्रान्त बनेगा तो उस की पापुलेशन हमारे एक जिले के बराबर होगी।

श्री ब० रा० भगत : दो जिलों के बराबर।

श्री डा० ना० तिवारी : हमारे दो जिले मिल कर 75 लाख से ज्यादा हो जाते हैं। मैं सिर्फ दो जिलों की बात कह रहा हूं, सारे नार्थ बिहार की बात नहीं कहता। उन की लगभग 80 लाख पापुलेशन है, उनके बारे में आप ने 18 वर्षों में क्या किया।

श्री त्यागी : आप की स्टेट ने कोई तजबीज इस के लिये रखी।

18 hrs.

श्री डा० ना० तिवारी : बहुत सी तजबीजें आईं। मैं कहता हूं कि वित्त मंत्री का ध्यान

[श्री द्वा० ना० तिवारी]

इस और जाना चाहिये। जब उन के प्रिडेसेसर थे तब भी मैंने इस सवाल को रखा था और उन्होंने आश्वासन दिया था कि वह कुछ करेंगे। लेकिन अब उस आश्वासन का क्या होगा, यह मैं नहीं जानता। मैंने एक दो जिले की बात आपको बतायी या नार्थ बिहार की बात बतायी। पूरे बिहार की हालत आप सीजिए। इंडस्ट्रीज बहुत हैं। नेचुरल रिसोर्सेज भी बहुत हैं और खूबी यह है कि वहां के लोग भूखे मरते हैं। वहां की पर कैंपिटा इनकम परहेप्स लोएस्ट है। सारे बिहार को मैं लेता हूँ और जो इंडस्ट्रीज हैं वह या तो गवर्नमेंट आफ इंडिया की हैं या बाहर के लोगों की हैं। वे एक्सप्लायट करते हैं, धन ले जाते हैं। लेकिन वहां के लोगों की क्या तरक्की होगी इस पर कोई ध्यान नहीं दिया जाता। मैं पैरोकिअल होना नहीं चाहता कि बिहार में बिहारी ही रहें। मैं ऐसा नहीं समझता हूँ। मैं समझता हूँ कि सारा देश एक है और बिहार में भी दूसरे स्टेट्स के लोगों का हक है, दूसरे स्टेट्स के लोग वहां आयें, खायें, पीयें, रहें लेकिन यह मैं कभी बर्दाश्त नहीं कर सकता कि बाहर के लोग तो आयें, खायें पीयें और भोज उड़ायें और वहां के लोग फांका किया करें। यह नहीं हो सकता। मैं आपको बताता हूँ कि सेंट्रल अंडरटैकिंग्स बिहार में चार पांच हैं। लेकिन एक में भी जनरल मैनेजर बिहार का अदमी नहीं है। एक भी तो होता? कुछ भी आप हमको तरजीह देते। एक भी परसोनेल मैनेजर नहीं है। इसे मैं क्या समझूँ?

Mr. Chairman: He may continue his speech tomorrow.

18.02 hrs.

RESIGNATION* OF SHRI A. P. JAIN
EX-GOVERNOR OF KERALA

Shri Vasudevan Nair (Ambalapuzha): Mr. Chairman, Sir, I wanted to raise this half-an-hour discussion

on starred question No. 60 because a very important question of principle is involved in the entire issue of resignation of ex-Governor, Shri A. P. Jain and the circumstances that led to that resignation. There was a question which was the last in the list for that day by my hon. friend, Shri Bhagwat Jha Azad and a few others. For the benefit of hon. Members, I think it is necessary for me to read out the question and the answer. The question reads as follows:

"Will the Minister of Home Affairs be pleased to state:

- whether it is a fact that the former Governor of Kerala, Shri A. P. Jain, took an active part in a Congress party election while he held that high office;
- whether the said action on his part was in consonance with the code of conduct prescribed for a Governor; and
- if not, the action taken in the matter?"

The answer was given by Shri Gulzarilal Nanda and it reads:

"(a), (b) and (c). In his letter dated 17th January 1966, addressed to the President, Shri Ajit Prasad Jain stated that while he was on a visit to Delhi he had advised his friends, who sought his guidance, in connection with the recent election of the leader of the Congress Parliamentary Party. Since he felt that this might not be in accord with the proprieties attached to the high office of Governor he tendered his resignation. He was informed in reply by the President on the 21st January 1966, that arrangements were being made to relieve him of his office. But until this was done he should continue in office as Governor of Kerala."

*Half-an-hour Discussion.