

Some hon. Members: No, no, (*Interruption*).

**Shri Hari Vishnu Kamath:** Even according to your ruling, the Madras Government, the Madras Chief Minister, has committed contempt of the House. They have not expressed regret so far.

**Mr. Speaker:** I think we should accept it.

**Shri Hari Vishnu Kamath:** We do not accept it.

13:31 hrs.

GENERAL BUDGET—GENERAL  
DISCUSSION—contd.

**Mr. Speaker:** The House will now resume further discussion on the General Budget. Shri Koujalgi may continue his speech.

13.31½ hrs.

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

**Shri H. V. Koujalgi** (Belgaum) Sir, the other day I was speaking about the different rates of foodgrain prices in different States. Not only that, States like Punjab have complained that the foodgrains are not lifted from that State and they are also put to loss. The result is discontentment is expressed by the growers and farmers in various States. I think the malady is due to the barriers of the zonal system. It has been contended by many members on the floor of the House that the zonal barriers should be removed. The Government will have to reconsider this proposal and the barriers should be removed as early as possible, at least during this crisis and there should be free movement of foodgrains.

I want to say something about the problems of Mysore State from where I come. The percentage of irrigation in Mysore is very low. At one time it was considered a much-irrigated

area, but now things are otherwise. The State Government has taken up major irrigation projects like Upper Krishna and Malaprabha, but due to shortage of funds, the progress of these works is very slow. The State Government has recommended to the Central Government to take over the Upper Krishna scheme as a central scheme. I submit that Upper Krishna should be taken over as a central scheme and large financial aid should be given to the Malaprabha scheme. The Ghataprabha Right Bank scheme is in Balgaum district, which is a scarcity area. For want of funds, the work has not at all started. I request the Central Government to come to the aid of the State Government, so that this work can be taken up.

The Mysore Government has prepared a scheme for minor irrigation works. If all these schemes are undertaken, they would cost about Rs. 10 crores. The schemes are such that they can be executed in a year or two. They have requested the Centre to sanction Rs. 10 crores. The other day I read that only Rs. 3 crores are sanctioned. With only Rs. 3 crores, it will be very difficult to execute all these works. The financial position of Mysore Government is such that it is very difficult to provide more funds. The State Government has already tapped all possible sources of taxation and there is very little room for additional taxation. So, I request the Central Government to come to the aid of Mysore.

It is very unfortunate that the location of the fifth steel plant has not yet been decided. Hospet is one of the most recommended sites and I submit that Hospet should be given preference and it should not be dropped for political reasons.

**Shri D. C. Sharma** (Gurdaspur): There is a ruling by the Speaker that there should be at least one Cabinet Minister in the House. But there is no Cabinet Minister now.

**Shi Bhagwat Jha Azad** (Bhagalpur): Since he has raised it, you

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have already observed that there should be a Cabinet Minister. I am told the Government has taken some precaution by drawing up some roster for presence of Cabinet Ministers in the House for fixed hours. You yourself from the Chair gave the ruling; if you want to reverse it, I have no objection.

**Mr. Deputy-Speaker:** There are two ministers here—the Minister of Parliamentary Affairs and Mr. Bhagat. Let us go on. In the meanwhile some Cabinet Minister may be sent for.

**Shri H. V. Koujalgi:** There is an extra cess levied on khandsari. It is more or less a small-scale industry. The Finance Minister should see that this additional cess is removed, so that this industry may thrive. When there is an additional tax on sugar, this is the only industry which can supplement the requirements of sugar.

The last point I want to stress is about prohibition. Though there is a Directive Principle in the Constitution, unfortunately some States follow it, some follow it partly and some do not follow it at all. For the last 1 or 2 years, conflicting opinions have been expressed and this government was kind enough to appoint the Tek Chand Commission. That report was submitted about 2 years back. It has not yet been discussed and no decision has been taken on it. Especially in Mysore, there is much agitation among the workers in particular. You also know, Sir, that one Prohibition Minister had to resign. So, it is better that the Tek Chand Committee's report is discussed and a final decision taken, so that there should not be any agitation throughout the State.

**Shrimati Renuka Ray (Malda):** Sir, the Economic Survey has recapitulated the measures that have been taken last year in order to try and remove some of the economic malaise that has surrounded the country. These steps were calculated to check the

depletion of our foreign exchange resources and curb the inflationary spiral of prices.

**श्री श्रीकार लाल बेरवा (कोटा) :**  
श्रीमान् जी सदन में कोरम नहीं है ।

**Mr. Deputy-Speaker:** The bell is being rung. The Bell has stopped ringing. There is no quorum. The Bell may be rung again.

There is quorum now. Hon. Members will please sit in their seats for some time so that quorum may not be challenged. Now, Shrimati Renuka Ray may continue her speech.

**Shrimati Renuka Ray:** Mr. Deputy-Speaker, Sir, I was saying that the steps that had been taken last year to try to meet the economic situation and to get over the ills have been recounted in the Economic Survey. These include a number of measures and the unprecedented measure even of having a supplementary budget. But, unfortunately, due to certain other factors that have arisen these measures did not have their salutary effect and no appreciable difference has been made in regard to either checking the inflationary spiral, although of course actually the rate of rise in prices is a little less this year than what it was last year at this time, or in regard to the depletion of foreign exchange resources to any great extent. But I would like, however, to congratulate the Finance Minister for having placed the actual situation and pictured it so lucidly and cogently both through the Economic Survey and his Budget Speech, because he has had a short time only to understand and to be able to put it forward so well . . . highlighting major issues. It shows his grasp and the strength of his . . .

**श्री श्रीकार लाल बेरवा :** उपाध्यक्ष महोदय, सदन में इस समय कोरम नहीं है ।

**Mr. Deputy-Speaker:** Quorum has been challenged again. The hon. Member may resume her seat. The Bell is being rung.

There is quorum now. As soon as the hon. Member begins her speech hon. Members go out. I would request hon. Members to sit for some time until other hon. Members come in and there is always quorum in the House.

श्री विभूति मिश्र (मोतिहारी) :  
प्रपोजीशन में कोई नहीं ह ।

**Mr. Deputy-Speaker:** It is Government's business to maintain quorum. It is your duty to see that there is quorum in the House. Yes, Shrimati Renuka Ray may continue her speech now.

**Shrimati Renuka Ray:** Sir, I hope this constant interruption would not be allowed to take place, because otherwise there will not be continuity in my speech.

Sir, I was saying that the resultant effect of all these measures has not brought in the anticipated results because of various other factors that have entered in the scene. One of the main factors is the fact that there has been a fairly widespread failure of harvests in the country. Others are the aftermath of Pakistan's aggression on India and the pause in aid. Then, of course, there is the huge accumulation of debt repayment and interest payment on debts which is catching up on us.

Another factor, which is not included in the Economic Survey and which I would like to point out, is the deliberate method through which our self-confidence is being destroyed in the country. I shall refer to it again. I would like to concentrate for the moment on this accumulation of the huge debts, the servicing of loans and the interest charges on external aid. I am not against external aid. I realise that in today's economy there must be inter-dependence of nations, and I myself would call attention to something that has been said by George Woods in his article on "Development Decade in the

balance" in which he says, that unless the development decade, as President Kennedy put it, receives a greater sustenance it may in fact recede into history as a decade of disappointment for the developing nations. He also points out, later in the article, that the solution of this debt problem is within the power and means of the developed countries, they can ease their own problems and they can dispense finance from other channels. He points out that the IDA which does not charge interest but only some service charges is the best method. That is for the developed nations to decide, but so far as we are concerned, surely, it is upto us to see that the aid is brought down to the minimum that is really required.

On this, Sir, I have something to say. The Finance Minister, I am glad, has pointed out in his speech that Rs. 460 crores of external borrowings has been budgeted for and this is exclusive of fresh accretion of PL.480 funds to the extent of Rs. 230 crores. Some hon. Members have been criticising the Finance Minister on this account. I would like to point out that he has brought forward in his budget speech in two or three places this point and tried to bring an awareness or consciousness with regard to PL.480 funds. Because it is in soft currency many of us seem to forget that it is something which we have to pay back with interest. Nevertheless, we are reaching a position in which we may be trying a better round the neck of future generations from which they will never be able to get out. Therefore, it is very essential that we take proper cognisance of this particular business.

Then I would like to say a word about the pause in aid. It is very significant because it brought to us the realisation of the necessity for self-sufficiency. But what has happened since then? It is true that the Tashkent Declaration has brought peace between India and Pakistan. But what has it to do with our not realising the significance of pause in

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aid? Why is it that the move for self-sufficiency is being forgotten in the country again! The manner in which people responded twice within a few years when our nation was in danger, that wonderful response could have been brought to bear in creating a situation in which, to the extent possible we can be free of aid. I do not say that we should be free from aid altogether but we should move towards that objective. Now what we find is that even in PL.480 funds we are accumulating a huge debt.

Then I come to food. I must say that the absence of a proper national food policy as a short-term measure in the scarcity conditions prevailing in the country is leading us to a very grave situation. The fact that there is failure of harvest in India this year does not mean that we are absolutely devoid of food. There has been exaggeration of shortage of food, both within and outside the country with the result that people have started hoarding.

Unless we make the States believe that India is one country, we are not going to solve the food problem. We must follow a food policy by which there is equal distribution of the available food. Now the utmost that some of the States are willing to do is to give up their surplus for the benefit of the deficit area. I do not think that is a right policy. The right policy is to distribute the cereals equally among the people, irrespective of the area in which it is produced. It is with this idea that statutory rationing was introduced in big cities, because they were acting as dragnets for the supply in the nearby areas. If there is statutory rationing in big cities, then there can be free movement in the rest of the country by abolishing zones. Government do not at present have an adequate administrative machinery to introduce rationing successfully all over the country.

Now I come to what is happening in my own State. I believe there has been a planned and deliberate attack on Government properties, particularly railways and transport, in order to bring about chaos in the city of Calcutta. There has been fomentation of trouble by people who do not wish to see a small State which is deficit in food succeed in regard to procurement and distribution, because they feel the very base on which they would have to appeal to the country in the coming elections is being cut underground by the Congress Government. That is the base of all trouble. So, I say with all respect that the Government must take up the challenge without any apology. While the Government must make proper arrangements for equal distribution of food in both deficit and surplus areas throughout the country they must now allow interested political parties to create trouble for their own benefit.

In this connection, I would like to give the House some of the figures in regard to supply of foodgrains to Bengal. When the procurement drive was started, West Bengal asked for a certain quantity of foodgrains from the Centre. The Centre said that they would be able to give only 1 lakh tons of rice. West Bengal said that, in that case, it should be given 19.9 lakhs tons of wheat. The actual supply that was received by West Bengal was 6.5 thousand tons of rice and 1.18 lakhs tons of wheat, which is inadequate to meet the demands even for two months. When the supply is given to the State on a hand-to-mouth basis it is difficult for the administrative system to carry on. Yet, it is doing fairly well in many of the districts. In those districts where there has been difficulty—which naturally causes discontent—trouble is created and advantage is taken of that by interested parties. I am bringing this to the notice of the House because an attempt is being made to blacken the image of the Chief Minister, which is absolutely

wrong. As I have not the time to dwell at length on this subject, I shall take some future opportunity to speak on this again.

Before coming to the budget proposals, I would like to say that the cut in expenditure of government is a good thing. I am glad that the Finance Minister has called attention to the need for bringing down expenditure in all sectors of Government. But I would make an appeal to the Government that the cut in expenditure should be only in regard to unproductive expenditure and subjects like social services, education and health should not suffer for want of funds. The expenditure on general administration was Rs. 20.66 crores in 1964-65, Rs. 23.62 crores for 1965-66 and it is Rs. 25.15 crores in 1966-67. For education the provision was Rs. 76.31 crores in 1964-65; the actuals came to Rs. 80.53 crores. Now it has been brought down by Rs. 3.3 crores in 1966-67. Whereas the expenditure on general administration has gone up, the expenditure on education has been brought down. I am calling attention to this because in spite of all that is said, we still do not seem to realise the importance of human resources. I hope the Finance Minister will help to see that while the best utilisation of resources takes place in every sector, including education and other social services, it is done without curtailing the essentialities for development.

Now a word about the budget itself. For want of time, I am not going into the details of the budget proposals. First I would like to point out that enough stress has not been laid on the collection of taxes, specially income-tax. I wish that a little more stress is laid on the collection of taxes.

14 hrs.

I am glad that the Minister has not brought in the question of black money and giving further concessions to it which well might have been. In

any case, while we should not give concessions to black money, the machinery for the collection of taxes need to be greatly improved. If it is done, I am sure that we will be able to cover some of the gap that still exists, and even reduce taxation in the future.

So far as the resources are concerned, I cannot deny that resources have to be raised in the present state of our economy because too much of deficit financing would be bad.

As far as rise in personal income-tax is concerned, I would like to bring one point to the notice of the Minister and that is in regard to the differential treatment that actually results between those who have fixed incomes and those who evade taxation. Since our machinery for the collection of taxes is not as good as it should be, I think, we have to take cognizance of this and bring in some measure—I hope, some amendment in the Finance Bill will be brought by which those who have a fixed income do not have to pay the same rate until such time as we are able to have a proper tax collection machinery for collection from those who have no fixed incomes. I hope, this matter will be taken into consideration.

There are some good points in the Budget proposals. I have no time particularly to point them out, but I would like to bring to the notice of Government that I do not understand why expenditure tax has been dropped. The Expenditure tax is not meant to collect resources; that was not its intention. The intention of expenditure tax was twofold; firstly, it is a curb and keeps a check on the wealth-tax and, secondly, what is more important still, it is the structure for the future. Instead of having tax on incomes, it is tax on expenditure which should gradually come. Therefore it is reversing a good decision to do away with expenditure tax. I hope, in the Finance Bill this will be restored.

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So far as indirect taxes are concerned, while we realise that the incidence of such taxes falls on the consumer, I think, particularly sugar and fine cloth are items which are well chosen. Sugar and fine cloth are items which are good foreign exchange earners. So, it will serve a dual purpose for it will release them to some extent from the demand in the country and go to earn foreign exchange for us.

One more sentence and I would conclude. I had mentioned first that there is a crisis of confidence amongst us. It is true that we are facing great difficulties today. It is very true; but, nevertheless, we have no reason to forget that we as a nation have gone through many difficulties in the past, that the people of this country have the ability, have the latent powers within themselves, and it is wrong to destroy our own confidence in the manner in which we are all doing it today. I do not believe in frustration, though I do believe that one should not be complacent. I do believe that we must do all that is possible to overcome the ills that face us today; but I do not believe that we should destroy the very confidence on which we have to build for the future generations. I do not believe that we should destroy that confidence. This is being done from all sides. I appeal to Members of the House, on whichever side they are, that we should get together to overcome the ills of today and with a combined endeavour bring in conditions through which self-reliance is encouraged in the country and I am sure the people will be behind us in such a move.

With these words, Sir, I support the Budget.

Shri Karni Singhji (Bikaner): Mr. Deputy-Speaker, Sir, at the outset I would like to congratulate our new Finance Minister who in such a brief period was able to present a balanced Budget before the House. I would

also like to congratulate him for the realistic manner in which he carried out the promise of his predecessor, Shri Krishnamachari, regarding exempting the police forces from the operation of the estate duty when killed while fighting an enemy. I am particularly glad that he was brought this with retrospective effect so that it covers the recent Indo-Pakistan war in which many brave police personnel gave their lives for the defence of their country. I am very happy that, in spite of the fact that many of us have been in this Parliament battling for exemption for the police force from estate duty for almost 13 years, now at long last this has been accepted.

Nobody could ever approach the question of a Budget unless it is examined in terms of the poverty prevailing in the country. Every time a new Budget is presented, new back-breaking taxes are introduced and the question that the citizen wishes to ask, and very rightly so, is as to what Government propose to do about this immense wastage of public funds both at the Central and at the State levels. You know as well as I do, Sir, that in a huge country like India with crores of rupees to be spent on different nation-building projects unless the loopholes are plugged, a great deal of public money is wasted and squandered. For example, we have only to go to the States to see the treatment that they mete out to the funds that are given to them from the Centre as Central aid for the Plan. Those monies are spent without the same feelings as if the monies were from the States. The important thing is that there should be a directive from the Centre and also from the Planning Commission to the States to ensure that these public funds that are given to them in the shape of aid really do yield something of intrinsic worth when it comes to spending.

I would just briefly say a word about the national remittance scheme. The recently introduced National

Defence Remittance Scheme has been extended, I believe, by three months. The scheme should have been put up on a more permanent basis so that a large number of Indian nationals living abroad, who have funds to remit and invest in this country, can be assured of a long-term policy. This would also have ensured a continuous and regular flow of foreign exchange from abroad and this flow of foreign exchange would have eased the present crisis and would have helped in relaxing the many controls as regards raw materials, components, machinery etc. needed for industry.

But one of the biggest problems that the present Finance Minister or his successors will have to grapple with is the question of eradicating poverty from the face of our country. Hunger stalks this nation from year to year. We have had good years and bad years. This year happens to be a bad year with regard to famine; but poverty keeps on stalking this country and nothing tangible, nothing classic, is being done to see that the living standards of the people of our country go up. The cost of living has increased and we find that in spite of the promises of socialism from the Treasury Benches, the poor man is suffering just as much as he did at the time of freedom.

The slow pace of the administration and its resulting red-tapism has completely created a cobweb of lethargy in the administration and I am sure even with the brightest of ministers trying to get a move on we really get nowhere. I think, if we want to build up a strong country, a dynamic socialist country, it is important that the machinery begins to grind a little faster. If we go on at our present pace, I have no doubt that at the end of a decade or even two, India's position economically will remain as it is today.

The *per capita* increase, which the Planning Commission claim to have gone up, I am afraid, is purely marginal. At the time of independence

a poor man perhaps did not have a cycle or a radio. Almost a generation later, perhaps some homes do have a cycle; maybe, some of them have a radio and a very few have an electric light. But is that all that the people of India aspire to; or, are we now as a free country aspiring to something better in living standards? I hope that in the next five-year period, by the time of the end of the Fourth Five Year Plan, Government will see that the minimum wage to any Indian citizen will be Rs. 500. Unless we achieve that target, all these Plans and everything is purely beating about the bush because the man on the street, the man in the villages, does not feel that the Plans are really and virtually doing any good to him.

I shall once again go back to my pet subject of family planning. It is nine years now since I have been speaking on family planning in this House and I would not have done so again because I know the Government have now caught on. The hon. President's opening remarks referred to the population increase. The Food Minister also, when he spoke made a reference to the population increase in relation to food production. But I would like to make a mention or two here about some new figures that I have collected and which, I think, will be of some interest to my colleague here. Rabindranath Tagore, one of our greatest leaders had once said:

"It is cruel crime thoughtlessly to bring more children into existence than could properly be taken care of."

And that must have been half a century ago when that great man made that remark.

I will give you some more figures which, I think, will illustrate my point of view a little better. In this context it would be interesting to quote from the report of the Population Council, 1952-64, established in

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America and financed by the Ford Foundation, the Rockefeller Foundation, etc. On the population situation of the world the Report says:

"The population of the world at the end of 1952 was about 2.6 billion or 260 crores; at the end of 1964, it was 3.3 billion or 330 crores. The world is now adding over 65,000,000 people a year or about the population of England plus the Netherlands plus Switzerland, or 1,250,000 a week."

According to the latest United Nations figures, the population of the world is now growing at just over 2 per cent a year. On this assumption, the Report goes on to say,

"At 2 per cent a year, the number doubles in about 35 years so that at the next turn of the century the population of the world will be nearly 7 billion or 700 crores if the present growth rate continues"

Further the Report says:

"The current situation can be put into some perspective by the following figures. It took all of human history upto about 1850 A.D. to produce a world population of one billion; it took only 75 years for the second billion and 35 years for the third; at the present rate it is taking only about 15 years for the fourth and it will take only ten years for the fifth billion."

Now, I will just give a few figures to illustrate an answer to a question which perhaps some of the people ask: What happened 50 years ago? Was there no population problem? How suddenly has this come about now? If we take the ten year period, 1891 to 1901, India's population increased by just 5 lakhs in 10 years. Let us go on to a later period, 50 years later, 1941—51 when India's population increased by 3.8 crores.

If we take the period of 1961—71, India's population increase is going to be 10.80 crores, that is, three times as much. The problem, therefore, is to examine these matters in a proper perspective. Sometimes, there is some misconception in the minds of the people to think that perhaps the birth-rate has increased which is not true as some of the figures will illustrate. During the period 1881—1891, the rate of birth per 1,000 population was 48.9; from 1931—41, the rate of birth per 1,000 population has gone down to 45.2. On the other side, the death-rate has also come down. In the period 1881—91, the death-rate per 1,000 population was 41.3 and during 1931—41, it dropped by almost 25 per cent, that is, to 31.2. This proves that we have better nutrition, better medical care and far more people living to longer ages. Because of all this, the family planning and population control has become very important.

I had asked the Food Minister at one of the meetings of the Consultative Committees as to whether in his opinion he or his successors could feed a population of 100 million people at the end of 35 years from today. I think, that is a question that any Indian citizen has a right to ask because today we are living on the mouth of a volcano. Every single day, in this House, the food question is being debated and, I think, our Finance Minister and the Planning Commission might very well tell the country if they will be in a position to feed 100 million people at the turn of the century or 34 years from today and, if not, what dynamic steps are they taking to control and curb this fantastic population increase. If you do not answer this question now which you should, your successors will be in a hot soup. What I think is that this question can be solved now before the trouble actually grows.

Then, the question of unemployment has been bothering the entire nation. The youth in our country



today finds itself absolutely defeated because no avenues of jobs are opened to them. I have a very interesting clipping from a newspaper which says something about the Fourth Plan which will provide 20 million more jobs. It goes on to say:

"The number of the unemployed will rise to 15 million at the end of the fourth Plan as compared to 12 million at the end of the third Plan . . ."

It means they are creating some more jobs but not enough for the increase in population. It further says:

"The Commission has estimated that with an outlay of Rs. 21,500 crores, the fourth Plan will be able to generate about 20 million more jobs. But the number of new entrants to the labour force during the Plan will be about 23 million. Thus three million jobless will be added to the existing 12 million at the end of the fourth Plan."

So, the problem still continues.

The War has done a great deal of good to our country in one way. It united the country; it brought us all together; it made us into a cohesive force; it gave us something to stand up, something to fight for. I think, still some good will come out of it and give our Government a strong purpose to fight some of the problems that afflict us.

The question of quality of man-power has been bothering me a great deal. A little while ago, I circulated a paper on this to all my brother Members here. When you ask the Planning Commission as to what they are doing about producing the right quality of man-power, most of them will answer you very simply that the number of doctors, the number of teachers, the number of scientists, etc. is increasing everyday in the country. We know that too. The question is: Are these scientists, these doctors, these teachers, any better than a

generation ago? You know perfectly well that the boys and girls coming out of our schools and colleges are not really educated in the way that perhaps they were a generation or two ago. What is the reason? The reason is, mass production. You are turning out boys and girls out of your schools and colleges who are absolutely half-baked and half-educated. You only have to make a cross-section survey of a college student and see how his knowledge is. Now, if we proceed on the assumption that that is the man-power which is going to build this great dynamic socialist country or that is the man-power which one day will deliver the nuclear bomb to you to fight our enemy, I doubt very much if India or any country in the world can ever achieve anything of that kind, unless your man-power is of a first-rate character. No second-rate man-power can build a first-rate country. We have to assume that it is only a first-rate man-power that can build up a first-rate country. So, as you plan your river valley projects, your defence projects, in the same way, I think, the Planning Commission can also plan for the right type of man-power. If they start it from now creating conditions so that in the homes people would have relatively more peace of mind to devote to the education of their children, create a consciousness and have more parent's clubs in the country so that parents could get together and discuss the problems of the future generation, I am sure that all of us put together can bring about a generation which is superior to what we are having today. You and I, as parents, know perfectly well that none of us are satisfied with the type of man-power which is coming out of our homes. We parents tend to blame our children. But something is wrong with the quality of education itself which is given to them. I am sure, every time the Finance Minister brings forward new taxes, he creates more problems for the parents, problems of such a magnitude, that they hardly ever find time for devoting to their children. I feel some of these

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problems put together have to be solved by us and an answer found.

Let me just mention briefly about the famine conditions that prevails in our country and in Rajasthan particularly. I would only like to say now that we have the experience of the famine that took place two years ago and that Government will take steps well in advance to see that the famine problems are combated in the correct way and that nobody is ever allowed to die of starvation. Further, I hope that the questions of fodder for cattle and drinking water in some of the desert areas of Rajasthan particularly and in other parts of the country which are afflicted with the same problem will be gone into now before the summer sets in, so that the people suffer no hardships.

I will briefly mention something about the foreign exchange problem. I do not recall as to how many years ago I had observed on this matter, but I do remember having said that the Government has to find a solution to the foreign exchange problem. If you keep on asking the nation to tighten its belt year after year, decade after decade, generation after generation, Mr. Deputy-Speaker, I doubt whether any country can take it long enough. I realise perfectly well that the foreign exchange problem exists and a great deal of it is perhaps due to the mishandling of the Finance Ministry. But if you keep on having these problems over a long period, it is perfectly logical, although I agree that it is not correct, that the citizen will revolt against it and he will find ways and means of defeating the objects for which we stand.

I will just briefly give you one of the experiences I had in the present context, but in a humorous way, of meeting a man who told me that "it is perfectly normal in India today to be asked as to who is your dentist or who is your doctor or who is your tailor; that was asked even a decade ago, but now it is perfectly logical to

be asked as to who is your bootlegger or who is your private smuggler". If a situation like this exists, then how on earth can we solve our problems? The Government has to think seriously that they cannot possibly starve the country out of the necessities of life for any length of time, certainly not indefinitely; if they do, as the saying goes "...necessity is the mother of invention", the people will find some way-out and you will find, in Bombay and Calcutta, shops full of smuggled articles. That is only one proof of the case.

I will just briefly mention something about the functions of the National Rifle Association of India because I am very closely associated with it. As we all know, we have a great deal of interest, even in our own House here, in rifle shooting movement. We have plans to train two million people every year in the art of rifle training to provide a second line of Defence. You will be surprised to know—although such things should not normally surprise any one—that our country, in spite of the fact that small countries like Cambodia, Thailand, Burma and Egypt have some of the finest facilities for rifle training and ranges, despite our having one of the biggest national rifle associations in the East, does not have a single range at its disposal to train its shooters. For years we have been trying and battling with Government and we have had various assurances that the national ranges would be made available to the Association, but right upto now, not even a single inch of land has been given where our shooters can learn and train. I sincerely hope that the Government will find a solution to this problem as soon as possible.

A similar subject connected with the same movement is that of manufacturing of guns and ammunitions for the training of civilian shooters throughout the length and breadth of India. So far the entire movement

is dependent on what is produced by the ordnance factories. Ever since we went to war with Pakistan, ordnance factories—quite rightly—geared themselves up to defence production. No ammunition is available for training of civilian shooters in the country. A little while ago, we had asked a question on the floor of this House from the hon. Minister and he had told us that they were hoping that the production of arms and ammunitions would be allowed in the private sector. I hope that the Finance Minister will see that some such scheme is started as soon as possible and that guns and cartridges for civilian use and for rifle clubs are manufactured in the private sector in our country.

Coming to the question of high power transmitters, for the last four or five years we have been hearing on the floor of this House about this. Ever since the Chinese debacle, we have been battling with the question as to how to fight the pernicious and poisonous propoganda of Pakistan and China, put together. Every time we came some way near solving the problem of high power transmitters, something came in our way. Even today, after the two wars against China and Pakistan, India has no high power transmitter and we are still in no position to counteract the poisonous propoganda of our enemy countries. I hope that some steps will be taken to see that something is done as soon as possible.

Coming to the question of food shortage, the matter has been discussed in this House so many times and I do not, therefore, wish to take too much of time on this subject. But I feel that some emphasis will have to be laid on mechanized farming, on large-scale mechanized farming. There has been a suggestion made that large-scale mechanized farms be put up in the private sector so that large-scale production of food can be achieved. I do not know how far this is feasible, but I think the Government may certainly wish to consider this proposition.

They may also have to reconsider the question of land ceilings as the problem is very much tied up with the socialist philosophy. At the present moment, with the fragmentation of the land as it is, many of us have found that production per acre is going down; that these land holdings are not economical. While I am a firm believer in socialism and in trying to help landless labourers, I hope some solution would be found to the food problem and for having large-scale mechanized farms in the country, the pace of which has to be accelerated.

Briefly dwelling on the question of the Indian Airlines Corporation, I am pained to say—I think this experience is shared by many other members also in this House—that the Indian Airlines Corporation, ever since it became a Corporation and lost all competition, has gradually gone down the drain. I will not go to the extent of saying that the I.A.C. today is a third-rate organisation; that would be unfair, but I can certainly say that it is a medium, second-rate organisation and those conditions are something which we are not proud of. I have flown in the last few months in the I.A.C. flights many times and it was not always that the crew were very friendly and I found that the planes were dirty and the schedules have gone hay-wire completely; of course, I can understand; it was because of the various accidents that we have suffered. I feel that the time has come when the Government should allow the other airlines to operate in this country and take away the monopoly of the I.A.C.; otherwise, I am afraid this I.A.C. will go down the drain, even more so.

I wish to say something about a subject on which a great deal has not been said in this House and that is about the question of recognising the Rajasthani language spoken by two crores of people, in the Eighth Schedule of the Constitution. I do not want to go into any controversies and I shall qualify my statement by saying that we, in Rajasthan, are

[Shri Karni Singhji]

great believers in national integration, in emotional integration of our country, and we do not believe in fragmentation or chopping off or changing of any State because we feel that, for years to come, this will set a bad precedent; all of us must work for a cohesive country. But since we have accepted the formula of linguistic States, we feel that, as a first step, the Rajasthani language should be accepted and put on the Statute Book as the fifteenth language and members from Rajasthan or others who wish to speak this language should be allowed to speak in Rajasthani language in this House. I think it was extremely unfair that, when the Constitution was made, the Rajasthan Government at that time said that Hindi was their language. I do not oppose that; I am a great believer in Hindi and I feel that Hindi is perhaps one of the strongest binding forces that we can create in the country, but that does not mean that the language of two crores of people can be completely forgotten. Rajasthani is an old language; we use the Devanagari script, but nevertheless it is as different from Hindi as Punjabi or Gujarati or Marathi is and I hope that the Government would consider this matter and appreciate that the request that we make is constitutional, that none of us is threatening to become human bonfires or to create morchas. We request that our feelings should be taken into account and if you doubt what we say in this matter, the same can be put up at the time of the General Elections and the public view taken on the matter.

**Shri P. Venkatasubbaiah (Adoni):** What about Maithili?

**Shri Karni Singhji:** If the question of Maithili is taken up, we will be very happy to support it, but that does not mean that the claim of Rajasthani language, which is spoken by two crores of people, can be totally overlooked, more so because the Congress Chief Minister, at a particular moment, happened to agree to

that. I hope that it will never become necessary for the people of Rajasthan to resort to strong measures to have their language accepted, because we make this request in all humility and we hope that Government will put fair-play into practice.

I shall conclude my remarks with once more congratulating the Finance Minister for having produced a first-class budget. I sincerely hope that within the next five years we shall achieve one of our goals, namely the liquidation of poverty in our country. If we do not, then all the budgets that we produce cannot justify our existence.

**श्रीमती विजयराजे सिंधिया (ग्वालियर):**

उपाध्यक्ष महोदय, आरम्भ में मैं अध्यक्ष महोदय के प्रति अपना आभार व्यक्त करती हूँ कि उन्होंने ने मुझे बजट सम्बन्धी अपने विचार व्यक्त करने का अवसर दिया।

वित्त मंत्री जी द्वारा प्रस्तुत फाइनेंस बिल में सब से अधिक बल उत्पादन की वृद्धि तथा बढ़ती हुई कीमतों को रोकने पर दिया गया है, उन्होंने अपने भाषण में कहा था कि उद्योगों की स्थापना और निर्यात के लिए प्रेरणाप्रद वातावरण निर्मित हो, इस दृष्टि से ही उन्होंने कुछ छूटें और कुछ अन्य मान्यताएँ अपने बजट में प्रस्तुत की थीं। विशेष तौर में बोनस टैक्स हटा दिया गया और डिवीडेंट टैक्स में छूट दी गई। इन सहूलियतों से ऐसा लगता था कि मार्केट की स्थिति में सुधार होगा और जिनसे के दाम नीचे गिरेंगे लेकिन वैसा नहीं हुआ। अतएव इस दिशा में हम सबकी जिम्मेदारी है कि जो भी कमियाँ हैं उसे हम दूर करें और ऐसी प्रेरणाप्रद स्थिति का निर्माण करें जिस से देश का उत्पादन बढ़ता जावे, निर्यात की धारा तेज हो और बचत से देश की समृद्धि बढ़े।

14.32 hrs.

[श्री श्यामलाल सराफ पीठासीन हुए ।]

इस महत्वपूर्ण, आवश्यक राष्ट्र निर्माण-कारी कार्य के लिए क्या किया जावे, कौन से मार्गों का संघान किया जावे, उस के लिए मैं स्वयं को तो विशेषज्ञ अनुभव नहीं करती, "भारतीय वाणिज्य व उद्योग मंडल" संघ के वार्षिक अधिवेशन में प्रधान मंत्री ने जो प्राइवेट तथा पब्लिक सैक्टर के इंजीनियरों, तकनीकी जानकारों व प्रबन्धकों का शीघ्र ही एक सम्मेलन बुलाने का विचार प्रकट किया है, जो हमारे दृष्टिकोण तथा कार्य-प्रणाली में गतिशील परिवर्तन लाने में सहायक हो सकेंगे, उस विचार का मैं हृदय से स्वागत करती हूँ । मेरे विचार से वास्तव में, यह एक ऐसा प्रयास होगा जिस से मौजूदा कमियों को दूर करने में सहायता मिल सकेगी ।

प्रधान मंत्री ने जैसा व्यापार मंडल में विचार व्यक्त किया है, कि जो नौजवान और होशियार वर्ग उद्योग एवं वाणिज्य में हैं, उन को विचार विनिमय के लिए बुला कर उन की अपनी कठिनाइयों को समझा जावे । साथ ही सरकार की जो कठिनाइयाँ हैं, मौजूदा परिस्थितियों में, वे उन्हें साफ तौर से बतलाई जावें, तो मुझे पूरा भरोसा है इस तरह का मार्ग निकल आवेगा जिस के द्वारा आज की अकर्मण्य स्थिति को समाप्त कर निर्माण के कार्यों में जो देश की उपलब्ध शक्ति, समझ और दिमाग है, उस का हम भली प्रकार उपयोग राष्ट्र व राष्ट्रवासियों के हित में कर सकेंगे ।

सभापति महोदय, वित्त मंत्री महोदय ने अपने बजट में जो कदम उठाए हैं मनोवैज्ञानिक रूप में वे उसूलन सही मार्ग की ओर ले जाने वाले हैं, लेकिन व्यक्तियों, कंपनियों के ऊपर 10 प्रतिशत लेवी और बढ़ा देने से कुल कर का बोझ और भी अधिक बढ़ गया है । आज यह असाधारण स्थिति है । जहाँ बजट में कर कम करने की बात थी, उस की जगह वह अधिक बढ़ गया है । सम्पूर्ण बजट को एक बार देख

जाने पर मेरे मन में अनायास यह विचार उठता है कि कदाचित् यह 10 प्रतिशत लेवी पूर्वोत्तर विचार यानी अपटर घाट है, अन्यथा यह बजट काफी सन्तुलित और सन्तोषजनक है और उस में ऐसी मुद्दे की बातें हैं जिन से उद्योग और वाणिज्य को भी प्रेरणा मिले । अतएव मैं वित्त मंत्री महोदय से निवेदन करूंगी कि देश के उद्योगों को व विदेशी मुद्रा को इंस्टिब देने के लिए वे इस 10 प्रतिशत कर वृद्धि पर पुनर्विचार करें ।

सन् 1965-66 में यानी कि पिछले वर्ष में जितनी बचत होती थी उस से अधिक बचत देने का जो वित्त मंत्री जी ने अपने भाषण में आभास दिया था वह पूरा होते नहीं दीखता । वित्त मंत्री जी को और हम सब को गौर करना होगा कि इस कमी को किस प्रकार दूर किया जावे । मौजूदा स्थिति में एक परम्परावादी विचार हम ने धारण कर लिया है कि जो कुछ इस साल हो गया है उसे साल भर तक देखें और अगले साल उस पर विचार करें । इस तरह की प्रवृत्ति का पिछले तीन चार वर्षों से हम प्रयोग करते चले आ रहे हैं । परन्तु हमारा आर्थिक और औद्योगिक विकास जैसा चाहिए वैसा तो दूर रहा, जितना कुछ हो भी सकता था, वह भी नहीं हो सका और अब तो वातावरण काफी जकड़ सा गया है । मनी मार्केट इतना तंग है कि रकम का ब्याज अच्छी अच्छी कंपनियाँ इतना दे रही हैं जो मैंने अपनी जिन्दगी में नहीं सुना था । यदि पूँजी की ऐसी ही तंग हालत रही, जो कि वित्त मंत्री जी कदापि नहीं चाहते होंगे तो उत्पादन कैसे बढ़ेगा, समझ में नहीं आता ।

प्रस्तुत बजट में व्यय-कर (एक्सपेंडीचर टैक्स) और इनामी कर (गिफ्ट टैक्स) पर छूट व सहुलियतें दी गई हैं; लेकिन यह कर देश के विकास में विशेष प्रभावकारी नहीं है । न इन से कोई आमदनी ही होती है । यह तो ऐसे इर्कसम टैक्स (irksome tax) हैं जिन पर सरकारकी व्यवस्था का खर्च और बनूली दोनों से कर देने वालों के मानस असन्तुष्टि

## [श्रीमती विजय राजे सिधिया]

होते हैं, ऐसे करों को हटा कर वित्त मंत्री जी ने निस्संदेह एक उचित कदम उठाया है।

शक्कर और डीजल आयल पर जो कर वृद्धि हुई है उस की मार सभी पर, और विशेषकर गरीबों पर पड़ेगी। खाद्य पदार्थों की कमी की वजह से इस साल जब कि शक्कर का उत्पादन अच्छा है तो लोगों को शक्कर ही कुछ कम दामों पर मिल पाती, उतनी ही खाद्य की कमी के कारण फूड वैल्यूज की पूर्ति करने में मध्य व निम्न श्रेणी के लोगों को राहत रहती। उम पर भी अब विपरीत असर होगा।

डीजेल आयल पर जो कर बढ़ा है, उस से आवागमन के साधनों और खेती के विकास पर बुरा असर पड़ेगा। इसे अधिक कर के बुरे प्रभाव के कम से कम यह दोनों क्षेत्र ही बच जावें, इस पर वित्त मंत्री जी पुनर्विचार कर सकते हैं। यह एक सामयिक मांग है।

सभापति महोदय, मैं यहां दो शब्द चतुर्थी पंचवर्षीय योजना और अपने प्रदेश को ले कर भी कहना चाहूंगी। इस विशाल प्रदेश में एक बहुत बड़ा हिस्सा अ विकसित तथा पिछड़े वर्ग का है। इस क्षेत्र के विकास तथा वहां की जनता के आर्थिक व सामाजिक स्तर को ऊपर उठाने के लिए पर्याप्त धनराशि चौथी पंचवर्षीय योजना के अन्तर्गत प्राप्त होनी चाहिए जिस से इस प्रदेश की खेती, उद्योग तथा वाणिज्य का भरपूर प्रसारण हो सके। यदि विशेष सहायता प्राप्त हो सकी तो चार लाख एकड़ पड़त की भूमि को जोतने योग्य बनाया जा सकेगा और कृषि उत्पादनों में आशातीत उन्नति हो सकेगी।

गत वर्ष भी मैं ने अपने बजट भाषण में चंबल के बीहड़ों और भरकों के उन्मूलन की बात कही थी। यह कार्य उत्तर प्रदेश, राजस्थान व मध्य प्रदेश के सहयोग से सम्पन्न हो सकता है। यदि केन्द्र से फाइनेंशियल एड मिल सके तो

इस क्षेत्र में मछली पालन को बड़े पैमाने पर ग्रहण किया जा सकता है तथा इस प्रकार खाद्यान्नों की पूर्ति में कुछ हद तक सहायता पहुंचायी जा सकती है।

प्रदेश के पिछड़े समाज व क्षेत्र को दृष्टि में रखते हुए भारत सरकार को अपने उद्योगों की स्थापना के लिए नए सिरे से ऐसी नीति अपनानी चाहिए जिस से अधिक से अधिक केन्द्र से लाइसेंस उस क्षेत्र के लिए प्राप्त हो सकें। मेरा विश्वास है, उक्त क्षेत्र में यदि केन्द्र से लाइसेंस, उपभोक्ताओं की वस्तुओं के निर्माण के लिए दिए जावेंगे तो छोटे इंजीनियरिंग उद्योग व वैसे ही अन्य उद्योग बड़ी आसानी से पनप सकेंगे।

मध्य प्रदेश एक विकासशील प्रदेश है जिस को यदि केन्द्र से आवश्यकतानुसार सहायता मिले तो उस से राष्ट्रीय सम्पत्ति का विकास हो सकता है।

यह कहते हुए खेद होता है कि दूसरे राज्यों की अपेक्षा मध्य प्रदेश को उस के विकास के हेतु आवश्यक आर्थिक सहायता प्राप्त नहीं हो सकी है। दूसरे राज्यों को जबकि वित्तीय सहायता तेरह से उन्तीस करोड़ तक प्राप्त होती रही है, वहां मध्य प्रदेश को केवल पौने तीन करोड़ की फाइनेंशियल एड मुलभ हो सकी है। इतना ही नहीं, जो अल्प सहायता मिली है उस पर ब्याज की दर भी बहुत अधिक है, जिसे दूसरे राज्यों की तुलना में नितान्त असन्तुलित ही कहा जावेगा। इस में सन्तुलन लाने के लिये शीघ्र ही केन्द्र द्वारा प्रयास होना आवश्यक है।

अन्त में सभापति महोदय, देश के अन्दर जो आज ला एंड आर्डर की सिचुएशन है, उस विषय में भी कुछ कहे बिना नहीं रहा जाता।

बड़े दुःख के साथ कहना पड़ता है कि आज देश में ला एंड आर्डर की स्थिति कई प्रदेशों में बराबर खराब होती जा रही है।

प्रधान मंत्री ने अभी हाल में ही कहा है कि एक साथ जो अनेक स्थानों पर एक ही प्रकार की भ्रराजकता की दुर्घटनाएं हो रही हैं, उस के पीछे कोई राजनीतिक पक्षों का हाथ होने का सन्देह है। इस तरह की भ्रराजकता और उपद्रव कराने और उन्हें फैलाने वाले लोग तो साफ बच जाते हैं। नुकसान या तो सरकारी होता है जो कि असल में जनता की ही सम्पत्ति है, अथवा आम जनता की और वे ही इन उपद्रवों में अपने जानोमाल से भी हाथ धो बैठते हैं। यह कितने दुख की बात है। इस का इलाज अवश्य होना चाहिए। जांच-पड़ताल कर दोषी व्यक्तियों को ख़ास कर जिन्होंने उपद्रव व भ्रराजकता का नेतृत्व किया है, उन्हें सजा मिलनी चाहिए जिस से भविष्य में देश में इस प्रकार की गड़बड़ फिर से न हो और शांति स्थापित रह सके।

मैं मानती हूँ देश में छायाओं की स्थिति विषम है लेकिन क्या उस अभाव को दूर करने का यही उपाय है कि कानून को हाथ में ले लिया जावे और राजनीतिक उद्देश्यों की पूर्ति के लिए भोली भाली जनता की भावना को उभाड़ कर उसे गुमराह बना दिया जावे, जो इस प्रकार जन साधारण के जीवन से खिलवाड़ करते हैं, उन्हें मैं राष्ट्रविरोधी तत्व मानती हूँ। इस में उन का तो कुछ नहीं बिगड़ता मात्र जनता को ही उस का दुष्परिणाम भुगतना पड़ता है।

सभापति महोदय, अभी हम पाकिस्तान से युद्ध कर चुके हैं। सीमाएं अभी भी बाहरी शत्रुओं की अतंकपूर्ण कार्यवाहियों के कारण धारक्षित नहीं हैं और इन कठिन परिस्थितियों में वह गृह अशांति वह भी बड़े पैमाने पर, वास्तव में बहुत कुछ चौंका देने वाली घटनाएं हैं। मैं विरोधी दलों से निवेदन करूंगी कि वे देश की वास्तविक परिस्थितियों की अवहेलना न करें और उसे अधिक कमजोर न बनावें। इन शब्दों के साथ अन्त में मैं सभापति महोदय पुनः धन्यवाद देती हूँ।

श्री विप्रबन्ध पाण्डेय (सलेमपुर) : सभापति महोदय, यह वित्त मन्त्रालय बहुत ही महत्वपूर्ण है। वित्त मन्त्री महोदय ने जो भ्राय व व्यय का लेखा जोखा इस सदन को प्रस्तुत किया है उसके ऊपर पिछले दो दिन से चर्चा हो रही है। इस मन्त्रालय का सम्बन्ध अन्य मन्त्रालयों से भी है और यह अवसर प्राप्त होता है कि इस मन्त्रालय के माध्यम से अन्य मन्त्रालयों के बारे में लोग विचार प्रकट करें और इसी से इस मन्त्रालय की अधिक आलोचना भी होती है। माननीय सदस्यों ने इस पर काफ़ी चर्चा की है और आलोचना भी की है। किसी देश का जो भ्राय व्यय का लेखा जोखा होता है वह एक नक्शा होता है, दर्पण होता है और उसके द्वारा यह ज्ञात होता है कि उस देश के अन्दर विकास कितना हुआ है और उस की आर्थिक स्थिति क्या है ?

संसार के अन्दर तीन तरह का भ्राय-व्ययक होता है। एक तो वह जो बचत वाले देशों में होता है, उन देशों में होता है जो कि समृद्धिशाली हैं। दूसरा होता है सन्तुलित बजट। सन्तुलित बजट भी उन देशों में होता है जो कि आर्थिक दृष्टिकोण से समृद्धिशाली हैं। तीसरा होता है घाटे वाला बजट। अब घाटे वाला बजट उस देश में होता है जो कि समृद्धिशाली नहीं है लेकिन वह विकास की तरफ चलने वाला है। इस तरह का एक घाटे का बजट हमारे माननीय वित्त मन्त्री ने भारतवर्ष के लिए प्रस्तुत किया है और यह आवश्यक भी है क्योंकि देश में आर्थिक योजनाएं हैं और देश में विकास का काम करना है और अभी देश में विकास नहीं हुआ है उस दृष्टिकोण से देखते हुए वित्त मन्त्री महोदय ने ऐसा बजट, भ्राय व्यय का हिसाब सदन के सामने प्रस्तुत किया है। यह जो भ्राय व्यय सदन के सामने उन्होंने प्रस्तुत किये हैं उसमें उन्होंने दो लक्ष्य निर्धारित किये हैं। जहां तक मैं समझ पाया हूँ, एक तो उत्पादन की वृद्धि करना है, दूसरे देश के अन्दर आर्थिक स्थिति को स्थिर करना। लेकिन आज करों के द्वारा,

## [श्री विश्वनाथ पाण्डेय]

पुराने करों के द्वारा देश के अन्दर बड़ी महंगाई है, लोगों की हालत जर्जर हो गयी है। अत्यधिक महंगाई से लोग त्रसित हैं। यह समझना बड़ा कठिन है कि जब देश में ऐसी परिस्थिति हो तो इन दोनों उद्देश्यों की पूर्ति कैसे हो ? जिस अनुपात से देश के अन्दर इधर कर लगें हैं, 15 फीसदी करों में वृद्धि हुई है लेकिन उत्पादन 3.2 रहा है इसको देखते हुए यह मालूम होता है कि जो कर लगाये गये हैं उस कारण महंगाई और बढ़ेगी। इसके परिणामस्वरूप चाहे वह शहर के रहने वाले हों और चाहे वह देहात के रहने वाले हों उनका जीवन दूभर हो जायगा।

मन्त्री महोदय ने सदन में करों और देश की आर्थिक स्थिति को प्रस्तुत किया है और जिन चीजों पर कर लगाया है उसके माध्यम से यह 1 अरब 1 करोड़ 51 लाख रुपया जुटाना चाहते हैं। इस वित्त मन्त्रालय का यह भी काम है कि धन को जुटाये और दूसरे मन्त्रालयों को दें। उनकी दृष्टि ऐसी समदर्शी दृष्टि है कि उस से न गरीब बचा है न अमीर बचा है, दोनों पर लगा है। मैं तो ऐसा समझता हूँ कि न तो यह पूंजीवादी बजट है, न यह समाजवादी बजट है बल्कि यह एक खिचड़ी बजट है। इससे कोई बचा नहीं है। उनकी दृष्टि से कोई बचा नहीं है। बाकी जिन चीजों पर उन्होंने छूट दी है, राहत प्रदान की है उसका मैं स्वागत करता हूँ जैसे कि अखबारी कागज के मुद्रण, चाय और जो सैनिक शहीद हुए हैं उनको सम्पत्ति कर से छूट देकर जो राहत प्रदान की गई है, छूट प्रदान की गई है वह स्वागत योग्य है और जाहिर है कि इसका असर साधारण लोगों पर पड़ेगा। बाकी जो आय कर में या व्यय कर में छूट दी गई है वह बड़े लोगों के लिए की गई है लेकिन उसी के साथ उन्होंने जो कर बढ़ाये हैं और जिन करों के बढ़ने से उनको अधिक रुपया मिलेगा वह साधारण लोगों से ही सम्बन्ध रखते हैं जैसे कि गुड़, चीनी, डीजल प्रायल या सूती कपड़ा इन चीजों के साधारण लोग ही सम्बन्ध रखते हैं।

इन पर कर बढ़ने से भी उनका जीवन दूभर हो जाता है। मैं तो समझता हूँ कि जो कर उन्होंने लगाया है और जिन से कि उन्हें यह 1 अरब 1 करोड़ 51 लाख रुपया उगाहना है मैं समझता हूँ कि उसके लिए और रास्ता है जिससे कि इस धन को उगाहा जा सकता है। मैं चाहता हूँ कि वित्त मन्त्री महोदय उस पर अवश्य ध्यान दें। इसके लिए आय कर की बसुली ठीक से की जाय। अभी भी काफ़ी आय कर बकाया पड़ा हुआ है। बड़े बड़े लोगों के जिम्मे काफ़ी आय कर बकाया रहता है जिसको कि बसूल करके धन प्राप्त किया जा सकता है। तस्कर व्यापार को दुरुक्ता के साथ रोकें। बैंकों का राष्ट्रीयकरण करें। जितनी और संस्थाएँ हैं जोकि लोगों को ऋण देती हैं उन का भी राष्ट्रीयकरण करें। देहातों के अन्दर आपने देहाती सम्पत्ति की सीमा बांध दी है, देहाती सम्पत्ति पर सीलिंग लगा दी है लेकिन शहरी सम्पत्ति पर अभी आप ने कोई सीलिंग नहीं लगाई है। जरूरत इस बात की है कि शहरी सम्पत्ति पर भी सीलिंग लगाई जाये। जितनी पी कंसीलड इन्कम है, छिपा हुआ धन है, उस काले धन को निकालने के लिए और सरकुलेशन में लाने के लिए सरकार कोई सक्रिय व प्रभावशाली कदम उठावे। सरकार अपने निजी व्यय में भी कमी करे, वह मित-व्ययिता बरते। इन सब चीजों को अगर आप करेंगे तो मैं समझता हूँ कि आप काफ़ी अधिक धन जुटा सकेंगे। अब आज, कठिनाई यह है कि केन्द्रीय सरकार अलग कर लगाती है, प्रान्तीय सरकारें अलग कर लगाती हैं, ग्राम सभाएँ अलग कर लगाती हैं, कर ही कर चारों तरफ़ है। मैं इस के लिए भारत सरकार से आग्रह करना चाहता हूँ कि वह कर लगाने में भी एक संतुलित ढंग बरते। एक कर लगाने वाली मशीनरी हो जिसके कि द्वारा एक संतुलित ढंग से कर लगाये जायें। बाकी जहाँ तक कर लगाने का सवाल है मैं समझता हूँ कि बिना कर लगाये हुए काम नहीं चल सकता है। कर लगाना आवश्यक है।



बिना कर के न विकास हो सकता है और न और कोई तरकीबी हो सकती है। जबकि देश में विकास कार्य करना है तो कर लगाया जाना आवश्यक है।

मैं थोड़ा सा ध्यान वित्त मंत्री महोदय का भारतवर्ष के गांवों की ओर भी ले जाना चाहता हूँ। यह देश साढ़े पांच लाख गांवों का देश है। गरीब लोग इन गांवों में बसते हैं। यह दुःख का विषय है कि यह गांव अभी भी उलझित हैं। जो भी विकास का काम होता है वह शहरों में ही होता है। यदि दिल्ली, कलकत्ता, बम्बई और मद्रास को आप देखेंगे तो आप समझेंगे कि हिन्दुस्तान गरीब नहीं है और इस तरह से एक गलत नज़र आप हिन्दुस्तान के बारे में अपने सामने रखेंगे। गांधी जी के शब्दों में हिन्दुस्तान गांवों में बसता है और यह सचमुच में बड़े खेद व लज्जा की बात है कि आज भारतवर्ष को स्वतन्त्रता प्राप्त हुए 18 वर्ष हो गये लेकिन अभी भी हमारे देहातों की हालत सुधरी नहीं है। न वहां पर पातायात के साधन हैं, न शिक्षा के साधन हैं और न ही वहां खाद्य पदार्थों के आत्म निर्भरता है, न वहां दवाओं का इन्तज़ाम है। इस सरकार ने सत्ताधारी पार्टी ने समाजवादी समाज की स्थापना अपना उद्देश्य बतलाया है, भुवनेश्वर में उन्होंने आर्थिक विषमता को दूर करने का संकल्प किया, जयपुर में किया लेकिन उस आर्थिक विषमता को दूर करना अभी बाकी है। आर्थिक विषमता अभी भी देश के अन्दर विद्यमान है। देश के अन्दर अभी भी काफ़ी लोग हैं जिनकी कि आमदनी प्रतिदिन 4 आने, 5 आने, 10 आने, 1 रुपया या 2 रुपया प्रतिदिन है। उसके विपरीत देश के अन्दर ऐसे लोग भी हैं जिनकी कि आमदनी 10 हजार, 20 हजार, 1 लाख, 2 लाख और 10 लाख है। अगर सरकार इस असमानता को दूर नहीं कर सकेगी, अगर वह एक क्रान्तिकारी समाजवादी आर्थिक व्यवस्था देश में कायम नहीं कर सकेगी, तो देश का कल्याण नहीं हो सकता है।

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घर में कुछ पिछड़े हुए क्षेत्रों का विकास करना चाहता हूँ। उनके विकास का काम प्रान्तीय सरकारों के जिम्मे है, लेकिन वे ऐसा नहीं कर पा रही हैं। इस अवस्था में केन्द्रीय सरकार का यह कर्तव्य हो जाता है कि वह देश के पिछड़े हुए अंचलों के विकास के लिए एक योजनाबद्ध और क्रमबद्ध कार्यक्रम बनाए और प्लानिंग कमीशन उनकी ओर विशेष ध्यान दे।

इस सम्बन्ध में मैं उत्तर प्रदेश के सम्बन्ध में कुछ निवेदन करना चाहता हूँ, जिसकी आबादी घाट करोड़ है। उत्तर प्रदेश का यह सौभाग्य है कि इन घाटारह बरसों में तीन प्रधान मन्त्री वहां से आए...

श्री श्रीनारायण दास (दरभंगा) : और क्या चाहिए ?

श्री विश्वनाथ पाण्डेय : ... लेकिन इस के बावजूद उत्तर प्रदेश कृषि, यातायात, शिक्षा, बिजली और सिंचाई आदि में पिछड़ा हुआ है और उद्योगों में भी वह पिछड़ा हुआ है। इसका खास कारण यह मालूम होता है कि उसमें एक पंचवर्षीय योजना गायब हो गई है। इसलिए आवश्यकता इस बात की है कि उत्तर प्रदेश की ओर विशेष ध्यान देकर उसकी आर्थिक स्थिति को ऊंचा किया जाये।

उत्तर प्रदेश एक बड़ा प्रदेश है, जिसे अनेक समस्याओं का सामना करना पड़ रहा है। विकास के नाम पर वहां पर जो योजना ली जाती है, वह भी बन्द कर दी जाती है। उदाहरण के लिये हमारे यहां काल्पी एक राष्ट्रीय मार्ग पर पड़ता है। वहां पर जमुना पर रेल-कम-रोड ब्रिज बनाने का प्रस्ताव है, लेकिन तीन पंचवर्षीय योजनाओं के बाद भी अभी तक वह नहीं बन पाया है।

छोटे प्रखण्डों को सुविधायें प्रदान करने के लिए अभी दिवाकर कमेटी की रिपोर्ट निकली है। मैं बताना चाहता हूँ कि उत्तर प्रदेश में 80 ऐसे दैनिक पत्र हैं, जिन में से 65 हिन्दी के हैं। बनारस न केवल पूर्वी उत्तर

[श्री विश्वनाथ पाण्डेय]

प्रदेश के ढाई करोड़ लोगों का एक केन्द्रीय स्थान है, बल्कि वह एक अन्तर्राष्ट्रीय स्थान भी है। वहाँ पर एक आज अखबार निकलता है, जो कि पूर्वी उत्तर प्रदेश के क्षेत्र को समाचार उपलब्ध करता है। सूचना और प्रसारण मन्त्रालय ने वहाँ पर एक सूचना केन्द्र खोला है, जिसके द्वारा दिल्ली से बनारस टेलीप्रिन्टर के द्वारा समाचार भेजे जाते हैं, जिन का उपयोग आज अखबार करता है। लेकिन सरकार ने यह सूचित किया है कि उस सूचना केन्द्र को बन्द कर दिया जाये। इसका परिणाम यह होगा कि उस आज अखबार का काम बन्द हो जायेगा, जो उत्तर प्रदेश के पूर्वी अंचल का अखबार है, जो वहाँ की जनता को समाचार और विचार देता है। दिवाकर कमेटी ने अंकित किया है कि इलाहाबाद, लखनऊ, कानपुर और आगरा में सूचना केन्द्र खोले जायें। इस सूरत में मैं नहीं समझता कि केन्द्रीय सरकार ने बनारस में सूचना केन्द्र को बन्द करने की इजाजत कैसे दे दी है?

आप को स्मरण होगा कि स्वर्गीय पंडित जवाहरलाल नेहरू ने पूर्वी उत्तर प्रदेश के चार जिलों, देवरिया, जौनपुर, गाजीपुर और भागमगढ़ का सैम्पल सर्वे—नमूने के तौर पर सर्वेक्षण—करने के लिए पटेल कमेटी का आयोजन किया। उस समय यह कहा गया कि यह पिछड़े स्थानों का नमूना होगा और इसके बाद गोरखपुर, बस्ती, बलिया और मिर्जापुर को भी लिया जायेगा।

मैं निहायत अदब के साथ कहना चाहता हूँ कि श्री नेहरू न रहे और श्री लाल बहादुर शास्त्री भी न रहे, लेकिन पटेल कमेटी की योजना खटाई में पड़ गई है। ऐसा इस लिए कहा गया, क्योंकि उत्तर प्रदेश सरकार की यह क्षमता नहीं है कि वह पूर्वी अंचल का विकास और उन्नति कर सके, वहाँ की आर्थिक स्थिति को सुदृढ़ कर सके और उस क्षेत्र में

शिक्षा, यातायात, बिजली, सिंचाई और उद्योगों की समुचित व्यवस्था कर सके। आज स्थिति यह है कि उस सर्वेक्षण के बारे में कोई कार्यवाही नहीं की गई है। हम जानते हैं कि वित्त मन्त्री महोदय एक योग्य व्यक्ति हैं और उनके विचार समाजवाद के पक्ष में हैं। वह जानते होंगे कि इस सम्बन्ध में उनके मन्त्रालय के सामने कई प्रश्न आए हैं। मैं चाहता हूँ कि वह इस बहस का उत्तर देते हुए यह बतायें कि उत्तर प्रदेश के पूर्वी अंचल के सर्वांगीण विकास के लिए पटेल कमेटी ने जो योजना बनाई थी, उसके सम्बन्ध में क्या कार्यवाही की गई है।

हिन्दुस्तान में 289 जिले हैं, जिन में से 58 जिले सबसे गरीब हैं। इन 58 जिलों में दो श्रेणियाँ हैं—29 जिले ऐसे हैं, जिनकी प्रति व्यक्ति आय 146 रुपये है और 29 जिले ऐसे हैं, जिन की प्रति व्यक्ति आय 147 रुपये है। इन दोनों श्रेणियों में से 11, 11 जिले उत्तर प्रदेश में हैं। इस का अर्थ यह है कि हिन्दुस्तान के सबसे गरीब और निर्धन 58 जिलों में से 22 उत्तर प्रदेश में हैं, जिन में भागमगढ़, जौनपुर, गाजीपुर और बलिया हैं, और विशेष कर देवरिया जिला भी आता है।

जहाँ तक देवरिया जिले का प्रश्न है, पटेल कमेटी ने यह अंकित किया कि उस क्षेत्र के यातायात के साधनों के विकास के लिए भागलपुर, नदावर और भटनी पर नदियों पर पुल बनाए जायें, लेकिन अभी तक वे नहीं बन पाए हैं। इसी प्रकार पटेल कमेटी ने यह सिफारिश की कि लार, बरहज, सलेमपुर, भाटपार, भटनी, गौरी बाजार और रुद्रपुर में उद्योग खोले जायें, लेकिन इस बारे में भी कोई कदम नहीं उठाया गया है। मैं समझता हूँ कि ऐसी कमेटीज बनाने और इस तरह के प्रतिवेदन देने से कोई फायदा नहीं है। इस बारे में बहुत सा रुपया खर्च हुआ, लेकिन कुछ भी नहीं हो पाया।

वित्त मंत्री महोदय ने देश की रक्षा के लिए 800 करोड़ रुपये की व्यवस्था की है। मैं समझता हूँ कि देश इसको स्वीकार करेगा। बल्कि यदि वित्त मंत्री महोदय इसके लिए और भी धन-राशि रखते, तो भी लोग उस को पसन्द करत। लेकिन हमें यह स्मरण रखना चाहिए कि यदि ताशकंद समझौता हुआ, तो वह हमारी शक्ति की वजह से हुआ। यदि हमने पाकिस्तान पर विजय न हासिल की होती, तो यह समझौता न होता। चाइना के आक्रमण का खतरा ज्यों का त्यों बना हुआ है। हमारे देश की स्थल-सीमा लगभग साढ़े नौ हजार मील और सामुद्रिक सीमा पांच हजार मील के करीब है, जिसकी रक्षा करना हमारा कर्तव्य है। जिस युग में लड़ाई एटम बम और आधुनिकतम हवाई जहाजों से हो, उस में हम साधारण हथियारों से शत्रु का मुकाबला नहीं कर सकते। इसलिए यह आवश्यक है कि हमारे देश में अणु बम का भी निर्माण हो—लड़ने के लिए या किसी पर आक्रमण करने के लिये नहीं, बल्कि अपने बचाव के लिए।

कुछ लोग इस बारे में कहते हैं कि हमारे पास पैसा नहीं है। मैं कहना चाहता हूँ कि लोगों को इसके लिए पैसा देना है—देना पड़ेगा, चाहे हमें उपवास ही क्यों न करना पड़े। इस देश की रक्षा की जिम्मेदारी, कन्याकुमारा से हिमालय तक तथा द्वारिका से जगन्नाथपुरी तक इस देश की रक्षा तथा एकता की जिम्मेदारी इस गवर्नमेंट और इस सदन की है। इसलिए यह आवश्यक है कि एटम बम को बनाना चाहिए और अपने देश की रक्षा के लिए उसका इस्तेमाल करना चाहिए, ताकि देश की एकता बनी रहे, हमारा सितारा बुलन्द रहे और हमारी विजय-पताका सारे सप्ताह में फूटाए।

इन शब्दों के साथ मैं इन बजट-प्रस्तावों का समर्थन करता हूँ।

Shri Sezhiyan (P'erambalur): Mr. Chairman, Sir, against the gloomy background prepared by the Economic Survey now come the sharp and dark features of the maiden budget presented by the Finance Minister. Mr. Sachindra Chaudhuri.

15 hrs.

Some of the hon. Members who spoke before me made caustic attacks on the tone and content and the direction given by the budget. Some of them expressed their dismay and disappointment, and one hon. Member from the Congress Benches said that it was an anti-socialistic budget. I may say that there need be no disappointment. Only when you expect something, there should be disappointment. From the Congress government, as it is today, from the Finance Minister as he is today, it is idle to expect a socialist budget in the present context of things.

This is his maiden budget. While making his maiden speech on June 13, 1962 on the Finance Bill, he said:

"If they (people) have voluntarily put their money into the hands of a certain group or certain people, then it must logically follow that these people have proved that they are capable of administering those funds and that if they are capable of administering these funds, then in that case, they have the monopoly, if they have any monopoly at all, of the management of the funds and not the monopoly of the funds at all. In that sense it cannot be said that the private sector has got to be condemned. If capitalism is a vice, then state capitalism is a worse vice which we cannot think of because there would be no check upon it, whereas if it is private capitalism, then we can have checks on it."

In unequivocal terms he has decried socialism which he calls state capitalism and threw his whole weight in favour of private capitalism for which he spoke so much.

[Shri Sezhiyan]

In the existing atmosphere of rising prices, unemployment, inflation, foreign exchange crisis, mounting charges of administration, poverty, starvation, wastage and corruption, the budget has come to add some more fuel to the existing fiery state of affairs. There is nothing to enthuse the common man, to give hope to the forlorn citizens from the misery and the poverty of the present. Day in and day out ministers may speak of socialism. Socialism has come to them to be an idol to be worshipped in public but demolished in private and capitalism is an idol not recognised in public but worshipped in the private quarters. With the elections of the next year fast approaching, the worship is more fervent and prayers are becoming more frequent.

In this context, I have to say that the pace of tax collection of the budgets has become more and more onerous and burdensome to the people. The total estimated revenue for 1966-67 is Rs. 2719 crores, as compared to only Rs. 372 crores in 1948-49. Even if you take the full five years of the First Plan, 1951-52 to 1955-56, the total revenue came only to Rs. 2608 crores; that is, in one year in 1966-67 we are to collect more revenue than all the five years of the First Plan put together. If you take a decade, the Central and state revenues have in 1954-55 been Rs. 960 crores whereas in 1963-64 they have swelled to Rs. 3340 crores. To measure it by percentages of national income, it was ten per cent of the national income in 1954-55 but it came to 20 per cent in 1963-64. The tax burden is rising so much while the standard of living has not increased.

You can see how heavily taxation is falling on the common man. From Rs. 51 crores in 1948-49 the excise collections have gone up to Rs. 1012 crores in 1966-67, almost twenty times. The corresponding figures for motor spirit are Rs. 1.41 crores and Rs. 90.86 crores; for matches, Rs. 7.30

crores and Rs. 24.00 crores. The poor sugar of the common man! As against Rs. 6.47 crores in 1948-49, tax on sugar is now bringing Rs. 73.50 crores. Kerosene used in the dim lamps to illuminate the houses and hovels of rural parts by which a seven or eight year old boy is learning his first alphabets—that now brings Rs. 7744 lakhs as against only Rs. 20 lakhs in 1948-49. That is so in the glorious era of socialism after 15 years of planning, it is about 380 times more. Similarly, cotton textiles are now bringing in Rs. 6615 lakhs as against merely Rs. 87 lakhs in 1948-49. Taxation has progressed to that extent that it has made the common man's sugar bitter, his kerosene lamps dimmer and in making a big whole in the clothes he wears.

When we consider the 1966-67 budget proposals, we should not forget that the Second Finance Bill of 1965 brought an additional tax to the tune of Rs. 167 crores; as it was brought last August, its full impact will be felt only this year. The 1966-67 proposals would bring in 101 crores of additional taxes to the Centre and Rs. 45 crores would go to the States, so that the total impact this year is Rs. 313 crores. Year by year, our tax burden is going up by leaps and bounds for which there is no justification.

Coming to deficit financing, we have been increasing our tax burden on the one hand and on the other hand the rupee value is falling like anything. Money supply is growing at a faster rate than the rate of production of goods and services. The money has increased from Rs. 1803 crores in 1948 to Rs. 4281 crores in 1965, an increase of 137 per cent whereas the national production or income has increased only by 68 per cent. This difference has led to the rise in prices.

Some hon. friends from the other side argued that inflation was inevitable, in a socialist economy that it was even desirable to a certain extent.

That is pathetic reading of economics. Persistent inflation is sure to upset if not overthrow, the very structure of socialist economy. Inflation gives rise to windfall profits which helps big business and widens the gap between the rich and the poor. Further inflation pushes up the prices of various commodities which affect the poor. During the period of inflation, the principal sufferers are the employees, workers, teachers, pensioners and others who have fixed incomes. It is always true that during inflation salary rises invariably lag behind the price rises. It is said that the price goes by the lift whereas the D.A. rise goes through the steps. By the time the lift goes to the fourth floor, the D.A. rise will be left in the second floor. As quoted by me on a previous occasion, Mr. Colin Clark an eminent economist from Britain once said:

"Anyone who knowingly promotes or condones a policy that leads to persistently rising prices is morally responsible for plundering the savings of the poor and of other groups who cannot help themselves in order to enrich mostly the speculators and those who having borrowed on a large scale are able to pay in depreciated pounds."

Therefore, during the inflation time, a windfall of profits comes and it gives a fillip to big business and depreciates the pay-bill of the poor workers.

Coming now to foreign exchange, about which I need not expatiate because every time, whenever occasion arises, the Government shows its anxiety about it without solving anything at all. In the budget proposals, and in the memorandum, it has been said that only 25 crores of rupees have been allotted in this respect for deficit financing, but this is not a correct appraisal of the position. If you take into account Rs. 350 crores on PL 480 for which there is no corresponding production in this country,

then in respect of deficit financing, it comes to Rs. 375 crores in all. Year by year, we talk of self-sufficiency, but then year by year, we are becoming more and more dependent economically on foreign aid, and foreign aid to us is progressively increasing. In 1960-61, foreign aid was to the tune of Rs. 460 crores. In 1965-66, it went up to Rs. 680 crores; and for 1966-67, it is earmarked as Rs. 810 crores. There is more and more dependence on foreign countries. I do not know how they are going to fill up this gap. The seriousness of the situation is whittled down by vivacious thinking and fanciful suggestions from some responsible Ministers themselves. One Minister is reported to have suggested the opening of night clubs. This is reported in the *Daily Telegraph* of 5th August, 1965. It says:

"The Minister's suggestion of opening night clubs to attract tourists," and said this plea to earn foreign exchange," "appears to have fallen on stony ground." The Minister was said to have been impressed by the huge dollar earnings of Pakistan night clubs during his recent visit."

This was said by Shri Satya Narayan Sinha, the hon. Leader of the House, who has found much foreign exchange in the opening of night clubs! I do not know whether the Government is going to create one more Ministry and appoint a Minister for night clubs. I do not know.

Mr. Chairman: But the Finance Minister is not aware of this.

Shri Sezhiyan: Probably, in the next budget, we can get some provision for the opening of night clubs and the creation of another Ministry also! (Laughter). It is not a matter for laughter. Such frivolous suggestions, such thinking of . . .

An hon. Member: Immoral.

**Shri Sezhiyan:** An hon. friend is saying it is immoral. I cannot attribute such strong words to the Minister. But still, such thinking on the part of the Government, on the part of a Cabinet Minister, means that they are not taking things seriously, and that shows the state of affairs and the thralldom to which our country has been pushed.

I was referring to tax revenue. It is mounting very high, but the people are not getting their due return. When we study the budget allotments, we find that the welfare amenities required by the people are slowly and steadily going down. When we go through the miscellaneous items of allotment and study the allotment made to the backward classes, what do we find? The amount allotted for the welfare of backward classes for 1965-66 was Rs. 9.45 crores. It has come down in 1966-67 to Rs. 8.60 crores. Does that mean that the lot of backward classes has improved? The backward classes do require a better deal. Let us turn to the relief measures given to the displaced goldsmiths. When Mr. Morarji Desai introduced his famous Gold Control Order, the goldsmiths were hit hard by it and a few of them disappeared from the scene of life in this world. Lakhs and lakhs of goldsmiths were affected: about five lakhs of families were involved in that. It was said, both here and outside, that sufficient relief measures would be given to those goldsmiths. But what happened to them? In 1965-66, Rs. 28 lakhs were allotted for their relief. But in 1966-67,—I do not know what is the improvement that the situation warranted—the amount allotted has been reduced to Rs. 24 lakhs! Then, let us see about the relief to repatriates from Burma and Ceylon. It is a burning question.

**Mr. Chairman:** Is he taking the full time allotted for his party?

**Shri Sezhiyan:** Yes, Sir. Through the negligence of our Government and

due to the negligence of ambassadors, who are like in absentia landlords so far as those countries are concerned, these repatriates have been deprived of their properties and life earnings; they have been left as destitutes. They are coming in huddled by shiploads. For them, in 1965-66, Rs. 3.18 crores were allotted. Now, this merciful government has increased that amount to Rs. 1.99 crores!

But our Government seems to be more conscious of a few things. In 1965-66, for national calamities, calamities like floods, droughts and earthquakes, they have allotted Rs. 2.5 crores. Unfortunately, there were floods and droughts. Fortunately for them and for us, there have not been serious earthquakes. Out of this Rs. 2.50 crores, the amount spent by the Government was only Rs. 50 lakhs: just one-fifth of the allotment had been spent. Probably, the country was in a better state against their expectations. It is understandable. But for 1966-67, some astrologer has told them that there is a greater likelihood of bigger calamities in this country this year—because nowadays our Ministers have got greater faith in the astrologers than in politicians and Parliament and the budget-makers and economists—because in 1966-67, against the revised estimate of Rs. 50 lakhs for 1965-66, they have allotted Rs. 12 crores. I do not grudge the amount; probably they expect more calamities and probably they have not been satisfied with what they had done earlier.

I do not want to take much time of the House on these points. But let me refer to the expenditure connected with national emergency. We have now the national emergency; that is not only in law but also it is there in actual execution, and it is eating up a sizable amount from our exchequer. In 1965-66, the expenditure was put at Rs. 2.96 crores; in the revised estimate for 1965-66, it stood at Rs. 18.64 crores and for 1966-67, it is put at

Rs. 9.94 crores. But in the explanation given, I find that the actual amount to be spent apart from the premia adjustment, is Rs. 2.74 crores and Rs. 3.44 crores respectively. There is a talk that the emergency may be softened or may be lifted soon. I do not know why the Government is going to spend Rs. 344 lakhs for meeting the emergency, for defending the country in the name of the Defence of India Rules and other things. It looks more like the Defence of Congress Rule than the Defence of India Rules.

I would also say that whenever there is some agitation or other, the Government without going into the reason why such an agitation starts, begin to take action under the DIR. The people do not one fine morning run amuck and indulge in all these unhappy deeds. There have been signs and portents before these agitations took place. Unless a wise government anticipates the problems before a crisis sets in, unless a sagacious government anticipates these crisis before they become catastrophes, every time you will have to rely on the military or the police. What has the Father of the Nation said on this aspect? In 1937-38, when the Congress took over power and began to rule in most of the States, Gandhiji said; in *Harijan* dated 23rd October, 1937, that they may not allow things to drift so far as to have to summon the aid of military. "In my opinion, it would amount to political bankruptcy, when any minister is obliged to fall back on the military." We know from the budget how much economic bankruptcy is there in the country. It is political bankruptcy whenever you call upon the army to quell the riots in Bengal or Tamilnad or Kerala and to shoot a seven-year old boy or an eight-year old girl or a 70-year old man. There is political bankruptcy from which I do not know when the Government is going to come out.

Mahatma Gandhi had also written in the *Harijan* dated 17th December, 1938 thus:

"... they find that they can-

not run the State without the use of the police and military, it is the clearest possible sign, in terms of non-violence, that the Congress should give up office and again wander in the wilderness in search of the Holy Grail."

**An hon. Member:** It will do it.

**Shri Sezhiyan:** It is high time that if the Government is not able to play its part without the military, without being able to anticipate the problems of the people, without being able to anticipate and solve the crises before they take resource to such measures, it is better for them to quit office.

They bring various taxation measures and bills before Parliament because they have got a massive majority to support them. I know many Congress members would criticise the Bill, but in the end they have to support it. That is the party line, with which I do not have any dispute. Whatever may be the burden and irritants thrown on the people—year by year it is increasing—you introduce a law; there is a hue and cry; there may be demonstrations. But in the end the exchequer is always filled. They take it for granted that the coffers of the government can and will be always filled. But that is not the just way to conduct the government and to find finance for the country. People give because of compulsion; there is no other alternative. They have to buy kerosene, food and clothes. Whether grudgingly or ungrudgingly, they have to pay and often they do not know to whom they are paying. They make think they are paying more to the shopkeeper there, but actually the amount may go to the coffers of the Centre. There is an amount of compulsion and rigour in the present day administration.

About 2000 years ago, the great Tamil sage-poet Thiruvalluvar said in his famous *Kural*:

"*Velodu ninran idu enrattu polum  
Kolodu ninran iravu.*"

That is, a Government that collects taxes by force of its authority only

[Shri Sezhiyan]

equates itself to the role of a highway robber who demands money at the point of a raised spear. Just as the robber robs the man coming along the highway at the point of the pistol or spear, so also this Government, which has got the police and the military, collects the monies. There is no difference between the two. This government has no justification to collect so much money and squander it away like a spend thrift.

As I said earlier, there is nothing in this budget to enthuse the common man. His tax burden has not been lightened. We have not reduced the prices of basic necessities of life. We are putting more and more tax on him. You may say we are planning for a socialistic pattern of society. But after 15 years of planning, after Rs. 20,000 crores have flowed into the channels of the Planning Commission for various schemes, where do we stand? Have we advanced in the direction of a socialistic pattern? Is it within our reach or even our sight? No. An authority on planning, one who is closely associated with the Planning Commission, Prof. V. K. R. V. Rao, writes as follows in the AICC *Economic Review*. If he has written in any other paper, it might not have come to the attention of the government. But this appears in the Jaipur Session Number of the AICC *Economic Review*—February, 1966. A copy is placed in the library and anybody can refer to it. Prof. Rao says:

"In fact, incentives are now being given to those who have made money by evading the law in order to persuade them to make their ill-gotten resources available for planned development. The socialist psychology and attitude does not exist in any positive or concrete form nor is any action being taken to inculcate such an attitude; while, simultaneously what may be called the capitalist psychology and capitalist attitude

to development is not only growing in significant measure, but is also not being discouraged to grow by governmental policies and programmes."

This is the verdict of a member of the Planning Commission that we are not moving in the socialistic line, that capitalist psychology and capitalist attitude are growing and nothing has been done by way of governmental policies and programmes to discourage its growth. So, not only have we not progressed towards a socialist order—call it socialistic pattern or democratic socialism or by whatever name you like—but there is, as our Finance Minister said in 1962 "State capitalism" or "capitalist psychology and capitalist attitude" as attributed by Prof. V. K. R. V. Rao. Whither are we drifting? Where is it that those on the Treasury Benches and others in authority are leading us to? Are we going to the rosy island of socialism or drifting back into the morass of a capitalistic economy?

The signs are very clear, from the budget that has been presented to us and from the pattern in which things are moving that it is a capitalist economy that is being perpetuated and is flourishing. Whatever may be the public pronouncements, with the general elections fast approaching the whole tenor is changing. Our government is very wise. The party in power preaches socialism for four years. When it comes to the fifth year, they go to the other side and take whatever is possible, to put them back into power. Last year we had this Taxation Laws (Amending) Bill passed, by which unaccounted money was allowed to be whitened. The Finance Minister himself stated that that was the last chance. But from the replies given, we find the scheme has failed. Therefore, Government has failed in all its undertakings and in its socialistic protestations and precepts. Whatever they may be preaching it is clear that a capitalist



economy and attitude is being perpetuated. Socialism has been thrown overboard. As I said earlier, socialism is an idol they worship in public, but demolish in privacy. Capitalism is worshipped in privacy, but not acknowledged in public.

**Shri P. Venkatasubbalah:** Sir, I am very much amused to hear the representative of the DMK Party criticising the government for not taking this country towards the goal of socialism. He has conveniently quoted the writings of the Father of the Nation so far as it suits him. But he did not say a word about what the Father of the Nation had preached regarding adoption of Hindi as the national language and also about national integration. I have been hearing the hon. member for a long time. He has said that the Congress leaders worship capitalism in private and demolish it in public.

I agree that in this country there has been a concerted effort on the part of the bureaucracy and the industrialists to thwart the Five Year Plans and other plans of the government to bring in socialism and they have almost succeeded. When I read the proceedings of the FICCI, I am reminded how in this country there has been a concerted effort by the vested interests to see that the government's policies are not implemented properly. After 18 years of independence and implementation of the Plans, we are still faced with the problem of food scarcity and there is also not much improvement in industrial production. When I mention about fall in food production, I would say in all humility that there has not been any lack of effort on the part of the government or the farmer. The entire fault lies in actual implementation and lack of coordination between the Central Government and various State Governments.

Sir, today the farmer is flooded with doses of advice but not doses of inputs. Every theoretician, though he does not have any working knowledge

or practical knowledge of food production, in this country, goes on rendering unsolicited advice and also suggests a number of ways and means to raise food production which are not in reality concerned with agricultural production at all. The agriculturist is very much bewildered. He does not know what to do. Intelligent as he is with rustic commonsense and also with a keen desire to produce more, he is not able to do his work because of the difficulties or obstacles that are placed by the governmental machinery. He is asked some very funny or uneasy questions. He is asked whether he wants fertiliser or irrigation. It is just like asking a man which of his two eyes he would like to have.

As I said, inputs for agricultural production are necessary. Good seed, chemical fertiliser, irrigation and price incentive are the most important factors. To what extent the Government have taken steps in all these plans to put into practice the schemes that have been formulated is under question. There is a great amount of compartmentalisation and also departmental rivalry going on both in the Central Government and also in the State Government. The most neglected department is the agricultural department so far as the State Government is concerned. Here, in the ministries, the departments are so changed, aligned and re-aligned with the result that they do not know what to do and which are the factors that go to increased agricultural production. An Agricultural Production Board was set up sometime back with the ministries of Irrigation, Community Development and Cooperation and Food and Agriculture. I do not know what concrete steps they have taken to implement the plans. Like that, Sir, all our programmes are not able to reach the common man with the result that they are not able to bring about the possible benefit which they ought to have done.

Today there was the industrial meet. There, the outgoing President,

[Shri P. Venkatasubbaiah]

Shri Kirloskar, has given some valuable advice to agriculture. Agriculture is not a problem that can be discussed in the drawing rooms or air-conditioned rooms of the industrialists. Agriculture in this country is concerned with lives of millions of our people. It is not as though a paper scheme is drawn up which is being implemented and that is the end of it. In this country we have lakhs and lakhs of agriculturists with the traditional way of doing agriculture. To put them on the modern techniques and to revolutionise their thinking is a very stupendous task, a task of great magnitude. For that, a certain amount of dynamism and forward thinking is necessary. A kind of confidence has to be created among the agriculturists that the Government is here to see that the schemes are implemented. If Shri Kirloskar loses in one industry he can make it up in another industry. But if the agriculturist ventures to take a risk and tries to invest his small amount on a venture which he is not confident to get implemented, he is gone. Therefore, this is a problem concerning the lives of lakhs and lakhs of people, and I would in all earnestness suggest that there should be a food production policy in India. Apart from a food policy there should also be a food production policy to be implemented by this Government.

Many hon. friends have been advocating the abolition of zones. Really, the Food Minister is put in a very embarrassing position. I am reminded of the unfortunate father who gave one daughter to a potter and another daughter to a gardner. The potter's wife wanted that the rains should not come for several months so that the pots could be properly cured and sold. On the other hand, the gardner's wife required that showers should come immediately so that the flowers may blossom forth and they may sell the flowers profitably. The Food Minister is confronted with a similar situation.

Some of the surplus States want that the present zones should continue whereas the deficit States want that the zones should go. He is faced with this problem. There is a tendency on the part of the surplus States to minimise the surplus and there is also a tendency on the part of the deficit States to exaggerate their deficit. He has to evolve a *via media* policy and see that he is able to distribute the foodgrains. He has to evolve an equitable distribution policy.

Sir, in this country, millions of tons of foodgrains are being imported. Our production of foodgrains has also gone up considerably. We should not forget the fact that we have reached a peak production of 88.4 million tons in 1964-65. Unfortunately, because of the failure of monsoons and severe drought conditions prevailing in this country the production has come down again. We have to blame this Government, not for the drought but for not foreseeing things.

Here comes the question of famine affected areas. For all these 18 years we have been impressing upon the Government to spot out the famine affected areas and try to do something to eradicate famine in those areas, because famine affected areas not only by themselves will be a liability but they will also affect the economy of other parts of the country. The Central Government say that it is the duty of the State Governments to take famine-protection measures and the State Governments plead financial inability to put through the schemes. In this very House I moved a non-official resolution for the formation of a Famine Area Development Authority so that all famine affected areas could be spotted out and something done, whether it be in Rajasthan, Maharashtra, Madhya Pradesh, Andhra, Madras, Mysore or Gujarat—these are places where there are drought conditions prevailing. It is not as though because a State is surplus the entire length and breadth

of that State is surplus. There are certain areas which, in each of these States, are chronically famine-stricken. I thought the Finance Minister would make some mention of this in his Budget Speech so as to provide some financial assistance to the famine-affected areas with a view to eliminating those black spots from the map of our country.

Next is the problem about utilisation of irrigation potential. These are important factors. All efforts are being made to make the maximum use of the irrigation potential created in this country. Again, the hand of bureaucracy comes in. They put all sorts of impediments with the result that the farmer is not able to make use of the irrigation potential created in the country. These are the problems. Our endeavour should be to make every effort to increase agricultural production and maximise the per-acre yield. Then only we will be able to feed the increasing population of our country. We have 47 crores now. It is increasing by leaps and bounds and, as the hon. Member, the Maharaja of Bikaner, very rightly pointed out, after some years it will become 100 crores. How to feed them is the problem. The answer is only that we must maximise our production. We should give all proper facilities and cut across all State barriers. Where there is a possibility of bringing about the maximum production, where the agriculturist is alive to the production problems, where the agriculturist is putting in his maximum effort for increasing the per-acre yield, in such places we should give all facilities. I would plead with the Finance Minister to go all out and render all possible assistance to such places.

Andhra Pradesh is one of the States which has been doing very well so far as agricultural production is concerned. Whether you believe it or not, only one major irrigation project has been sanctioned in Andhra Pradesh after independence. Take the projects that are in progress there.

The Godawari Barrage, the Krishna Barrage or the Tungabhadra project were all completed long time back. But only the Nagarjunasagar project, which was sanctioned after independence, is nearing completion and nearly 40,000 to 50,000 acres of land will be brought under irrigation. Whenever we plead our inability to finance this project, because Andhra is already surplus in foodgrains, it is necessary that the Central Government should come to its aid so as to enable the State to feed other parts of the country, the usual answer that comes from the Central Government is that it is not possible for them to handle this project with the result that some other projects have been denied to us, both industrial and otherwise, as we have sunk crores of rupees in this project. Regional imbalance is also one of the causes for many of the economic ills of this country. Unless the regional imbalance is corrected, there cannot be an even development of the country. By doing this it is not as if we are favouring one State against another. Wherever there is potentialities for developing industries, wherever there is potentiality for developing irrigation, the Central Government should evolve a national plan and see that industrial and agricultural productions go hand in hand. After all, agricultural production is the base for industrial production and industrial production, in its turn, earns foreign exchange which will help us to have economic development. These are the factors that should be borne in mind when we think of correcting regional imbalance.

In this connection, I would like to mention about the location of the 5th steel plant. The Anglo-American Consortium, with all its wisdom, prepared a report and suggested that the fifth plant should be located in Visakhapatnam in the public sector. Now consideration of that technical committee's report is put in cold storage. I am not able to understand the reason for it. It is not as if we are making an unreasonable demand of the Central Government. It is a

[Shri P. Venkatasubbaiah]

genuine and just demand which has been technically approved by no less a body than the Anglo-American Consortium which is the financing agency. In spite of all that, I do not understand why the Central Government is not taking a quick decision. I hope the Central Government will take a decision soon and see that the fifth steel plant is located at Visakhapatnam in the public sector.

Coming to internal affairs, it is a very sorry spectacle to see lawless activities going on in some parts of the country. It is there in Bengal now; the other day it was in Kerala. I would humbly submit to the House that there is a deliberate effort on the part of other political parties who are frustrated, who are not able to reconcile themselves to the Congress gaining majority and administering the country in a democratic manner to see to it that the Congress Party is shown in poor light. These parties have entered into an agreement to see that the Congress regime is made unpopular. Efforts are being made by them to instigate innocent students and youths and the result is colossal destruction of government property and human lives and dislocation of the law and order problem. I would make an appeal to all the opposite political parties that in the interests of integrity and national solidarity they should give a correct lead to the people and see that the people abide by the Constitution and parliamentary methods. On the other hand, if they sow a wind they will have to reap the whirlwind. Also, they must remember that a day may come when the opposition parties may be able to form a government. But if these lawless elements are incited and encouraged, I do not know where it will all lead to. I feel that parliamentary democracy should take strong roots in this country. We are surrounded by many nations where we hear of coup every other day. Recently it took place in Ghana. The latest one is in Indonesia. Nobody knows where

President Sukarno is. He has disappeared into thin air. We have been surrounded by countries where democratically elected leaders are being replaced by dictators. We are the bastion of democracy in this part of Asia. In spite of all our shortcomings, we are wedded to parliamentary democracy and we have been administering the country in a constitutional way. The entire world, especially Asia is looking to us, how we behave, how our people exercise their rights and administer the country. So, a great responsibility is cast on us. I would, therefore, appeal to the political parties to pause and ponder; let them give thought to this aspect of the question. Everything should be done in a constitutional way. After all, the ballot box will decide the future of any political party in this country. Why should they be afraid of the Congress Party? Let them go to the people, who are the masters and abide by their verdict. In any case, they should not take law into their own hands.

Coming to Punjabi Suba, it is a very right and bold decision taken by the Prime Minister. She has shown her boldness and statesmanship when she pleaded for the bifurcation of the bilingual State of Bombay. She was also able to bring down the much-hated Communist-Ministry in Kerala. She has many other qualities also to her credit. She has taken a bold decision, with the co-operation of Congress President, to agree for the bifurcation of Punjab State on a linguistic basis. May I, in this connection, recall that for the formation of Andhra Pradesh, from which State I come, the revered Potti Sriramulu had to immolate himself. I feel happy that Government has taken a decision for the bifurcation of Punjab on a linguistic basis.

Mr. Chairman: Government is yet to take a decision.

Shri P. Venkatasubbaiah: They will take that decision.

**Mr. Chairman:** That is a different thing.

**Shri P. Venkatasubbalah:** We hope and pray that Government should take that decision.

While concluding my speech I will also plead with the Prime Minister that she should take a decision, so far as Goa and Pondicherry are concerned. There is no need for the perpetuation of unviable units in the country. After all, the people living there are our own kith and kin. Nor is it true that they have a separate culture. We were under the British rule for over 150 years. Yet, we have not imbibed any new culture, of the British. We have a culture of our own. So, I say in all humility, the Prime Minister should take a bold decision and see that the Centrally-administered areas, which are not viable units, are integrated with whichever State they want to be in. That will result in real national integration and solidarity of the country.

**Shri Morarka (Jhunjhunu):** Mr. Chairman, for some time past it has become customary for the Finance Minister to come to this House with additional bill of taxation and justify it in the name of development and defence. This year also the New Finance Minister has proposed an additional tax of more than Rs. 100 crores in the name of development and defence; to these two, he has added a third one, namely, drought. If you analyse the position, you will find that next year our outlay on Plan is less than that of current year by Rs. 144 crores. Our expenditure on defence is likely to be more by about Rs. 28 crores. So, even at the existing rate of taxation, without any additional taxation, next year we are going to pay Rs. 148 crores more. Our revenues are going to be Rs. 148 crores more, our expenditure on Plan is going to be Rs. 144 crores less and our expenditure on defence is going to be more only by Rs. 30 crores. And yet the Finance Minister has brought a bill, imposing additional

tax of more than Rs. 100 crores. I should have thought that looking at the economic condition of this country, looking to the fact that this is the most heavily taxed nation in the world, looking to the fact that the price level is going up and up, the Finance Minister would have a pause in the increase in tax any further. But, I am sorry, that he has disappointed many people in this respect.

The Finance Minister says that he is budgeting for the first year of the Fourth Plan. Which Plan is he talking about? The Plan is not yet presented to this House; the Plan is not yet approved. When the Plan is not approved, I think the Finance Minister is not justified in asking the House to vote the demands for the Plan. At least in all the previous three Plans the Government had shown some courtesy and consideration to the opinion of this House. The Plans were placed before this House, they were discussed and approval was given. The Minister of Planning said the other day that they have corrected the mistakes of all the previous Plans in the Fourth Plan. The only mistake they seem to have corrected is to by-pass this House.

I want to give some figures which would be of interest to this hon. House. For the last fifteen years there has been a tendency to finance the capital budget out of revenue receipts. Till the year 1950-51 the tendency was the other way round, namely, that revenue needs of the State were financed out of capital borrowings.

But from that period onwards they have reversed the tendency and now the revenue receipts are utilised for the purpose of financing the Capital Budget. During the last 16 years a sum of Rs. 2,090 crores has been utilised in this way out of revenue receipts for the purpose of financing capital expenditure. During the last six years the accretions were like these. In the year 1960-61 it was Rs. 49.83 crores; 1961-62 Rs. 124.85 crores;

[Shri Morarka]

192-63 Rs. 113.44 crores; 1963-64 Rs. 187.84 crores; 1964-65 Rs. 273.90 crores; 1965-66 Rs. 282.09 crores and even during the next Budget year the hon. Finance Minister has budgeted for a surplus of Rs. 209.70 crores which amount he proposes to utilise out of the revenue receipts for capital purposes. This tendency, no doubt, is good provided one can afford it. It is conservative finance, but this luxury can be ill afforded even by the most developed and advanced countries. A country like ours which is still developing can ill afford it and if we do not curb this tendency this would become self-defeating in due course.

Theories apart—what happens in theory I would not bother the House with—in actual practice I think, the Finance Minister should apply one test only. He should not tax people and collect the taxes if the State cannot put those taxes to a better use than the people themselves would put that money to.

Sir, it is said as a result of research now that taxes beyond a certain point retard growth, become self-defeating, breed inflation, arrest growth and create unnecessary complacency. The latest Parkinson's law is that the tendency in the States is not that they find revenue to meet expenditure but they find expenditure to spend the revenue. This is exactly what is happening in this country.

There are some other figures which I would like to give. In 1955-56 our total tax revenue was Rs. 485 crores and 1955-56 was not too long ago. At that time our revenue was Rs. 485 crores. In the year 1966-67, that is, the Budget year of the present Finance Minister, the revenue from taxes alone is expected to be Rs. 2,191.32 crores. During the last five years the tax revenue has increased from Rs. 1,053 crores to more than Rs. 2,191 crores, that is, more than double. Actually, the increase is Rs. 1,137.57 crores which gives an average of Rs. 227 crores per year.

In this respect I would like to mention that according to a recent survey conducted by the Economic and Scientific Research Foundation, taxes in this country have increased by 15 per cent annually and the rate of increase of the national wealth of this country has been at the rate of 3.3 per cent; in other words, taxation in this country has grown more than four times the rate of growth of our national wealth. That survey says:—

"The rate of growth in India is among the lowest in the world and the rate of taxation is among the highest in the world."

**Shri J. B. Kripalani** (Amroha): Is this an Opposition discourse?

**Shri Kamalnayan Bajaj** (Wardha): These are constructive suggestions.

**Shri Morarka**: I would leave it to Acharya Kripalani to judge because he is an apostle of truth. I hope, he will not be prejudiced when the truth comes from this side or that side.

**Shri J. B. Kripalani**: I do not mind; they will mind.

**Mr. Chairman**: As long as it is the truth.

**Shri Morarka**: Before I come to two or three important points, I would like to mention something about corporation taxes. This year the Finance Minister has given some concessions to the corporate sector; but, with great respect to him, those concessions are limited and discriminatory. They are limited in nature and discriminatory in character. The benefits of those concessions will essentially go to companies which have large accumulated reserves in the past. The benefit of those concessions will go to those companies which are making very big profits and which are liable to pay sur-tax; but on the other hand, the Finance Minister has increased corporation tax in general by 10 per cent, that is even if a company makes

a small profit, that company will now have to pay 10 per cent more than what it was paying so far. Even without this increased taxation the corporate rate of taxation in this country was the highest in the world. In no other country this rate is higher than 54 per cent; in our country before this increase it was about 74 per cent that is, the marginal highest rate, and with the increase this year, it would now touch very near the limit of 80 per cent.

Sir, the proof of the pudding is in the eating. He has given concessions which, according to him, come to about Rs. 7 crores and he has levied additional taxes which again, according to him, would give a revenue of Rs. 43 crores. Some people think that, therefore, he has put an additional net burden of Rs. 36 crores, which is not correct. The net burden of Rs. 43 crores will fall on all companies, whereas the benefit of Rs. 7 crores would go only to the selected few. Therefore to say that he has given concessions by one hand and taxed the companies by another is not correct. The correct thing is that the concessions are given to a few and the general tax that he has imposed is for all the companies in general.

I think, the last year's performance of the tax returns should have been some guide to the hon. Finance Minister. What happened last year? His collections have fallen by about Rs. 42 crores under corporation tax alone. Does that not indicate that the law of diminishing returns has started operating so far as these taxations are concerned and, if not, what is the justification for reducing the sur-tax, I ask? Why is sur-tax reduced? If the reduction in the sur-tax is to give incentive, why is there a general increase in taxation on corporations? To whom does he want to give this incentive? I think, the hon. Finance Minister has been less than fair to the corporate sector.

15.57 hrs.

[SHRI P. VENKATASUBBAIAH in the Chair.]

What did the planners say? The Plan is not before the House but a document, called the "Fourth Five Year Plan—Resources, Outlays and Programmes", was placed on the Table of the House last September. What did those planners say about corporation tax? I will quote—it is on page 23—

"In the field of direct taxation while it may not be helpful to enlarge the tax incidence on corporate incomes, it will be necessary to adopt fiscal instruments conducive to an increase in savings out of personal incomes."

So, even when the size of the Plan was Rs. 22,500 crores, the Planning Commission came to the conclusion that it would not be helpful to put additional taxes on the corporations. We do not know what the size of the Plan is but the rumours are that the Plan is cut sufficiently; in any case, if the outlay of the next year is any guide, the size of the Plan is certainly not bigger than the size of the Third Plan. In that case, what is the justification for levying this additional tax on these corporations? The Finance Minister is aware of the law of diminishing returns because in his own speech, this is what he says:

"If I have left a deficit of Rs. 25 crores, it is only because of my firm belief that a greater degree of resource mobilisation would be self-defeating as it would come in the way of buoyancy of production and revival of confidence which are so urgently required."

16 hrs.

Yes, these are so urgently required. Has he taken any steps towards that if he feels that the time

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has come when any further increase can be self-defeating? What is the barometer and where does it draw this line? I am sorry I have to speak in this strain because last year the then Finance Minister had said categorically—unfortunately, he is not here to redeem his promises—that he would look into the tax structure of the corporate sector next year. What do we find this year? The surtax is reduced; the bonus tax is abolished; the dividend tax is reduced and a general tax is levied. The Expenditure tax is also abolished. If I have time, later on I would say something about the Expenditure Tax. But at the moment, I would be only content by saying this. The people think that the corporate tax is going to hit the rich people. Do not make any mistake about it. It is a great misunderstanding. It hits more the mass of people who have, rightly or wrongly, invested their money in these companies. It is they who would not get dividend. The entrepreneurs, the persons who manage the companies may not get dividend but they will get it in many other ways. But it is the mass body of share holders who have no effective voice in the management of the companies who are going to suffer. So, I beg of the Finance Minister again to reconsider his proposals particularly about the abolition of the bonus tax and the remodelling of the dividend tax. The bonus tax and the dividend tax are complementary to each other. If you abolish the one and keep the other, you are providing a big loop-hole for evasion. Time permitting, I would dilate on the subject later on. But at the moment I would only beg of the Finance Minister to consider these proposals and to be a little more realistic as to what he wants to collect and from whom he wants to collect by way of more taxes.

I would like to say a few things about devaluation. I am sorry to blame the hon. Finance Minister again. That his speech which is otherwise so ably

drafted makes no mention of devaluation. That, according to me, is a noticeable omission from the Finance Minister's speech, of a subject so currently discussed and which invokes a lot of controversy not only in this country but elsewhere too. Having said this, I must congratulate the Finance Minister for not succumbing either to the theoretical temptations or practical pressures of devaluing our rupee. The devaluation of rupee presupposes certain economic conditions if you want to get the advantages of devaluation. What are those conditions? The first is that there should be free international trade between the countries concerned—no licences, no quotas, no tariff barriers, nothing of that whatsoever. There should be free international trade. The second condition is that there must be an ample supply of goods at home and that for want of demand, those goods are not going out. Or, there must be unemployment at home and in order to provide employment, there should be increased production. The third one which is the most important condition for the success of devaluation is that there must be a flexibility of demand both for export and for import. That is, if the prices of imports go up, the total quantity of imports must be reduced and if the prices of exports go down, then the exports should be more. When our imports are already cut to the barest minimum and we cannot go below that, whether they are of the type of food imports, whether they are components, whether they are spares, whether they are defence requirements, whether they are medicines, whatever they may be, and when what we are importing today is only because essential, and we cannot reduce these imports any further, then what would happen if you devalue your currency? For the same quantity of imports, you will have to pay much more. What about the exports? Today, 80 per cent of our exports as the House knows, are going in the world markets without any incentive, without any entitle-



ments and without any subsidy. They are competing on their own merits and they are finding markets. But we cannot increase the exports of those commodities because we do not have more to export. Then to say that merely because we devalue our rupee, we would get the advantages, is again based on a misunderstanding. Why? The other competing countries, e.g. Ceylon, China and Pakistan, can also resort to devaluation. Then, the foreign countries are committed and they are obliged to import from different countries at least to some extent. They have got the quota system and they have got their own system of curbing imports from other countries. So, taking all this into consideration, I think, it is a very wise step on the part of Government not to succumb to the temptation of devaluation. But the absence of any categorical statement from the Finance Minister creates a doubt in my mind. No doubt, the Planning Minister, the other day, categorically denied this thing. But when the Finance Minister was making his Budget speech, on a subject like that, he should have taken the House into confidence and should have told what his views are and what the Government's policy on devaluation is.

Then, what should we do? According to me, the best thing is that somehow or other, if you want to salvage the rupee, you must increase your production. The second thing is that you must restrict your consumption and when I say, you restrict your consumption, the most important thing in that direction is to control your population.

16.09 hrs.

[Mr. SPEAKER in the Chair]

We must face this problem of population growth squarely and realistically. President Johnson in his message to the Congress on foreign aid on the 2nd February this year said:

"But population growth now consumes about two-thirds of economic growth in the less deve-

loped world. As death rates are steadily driven down, the individual miracle of birth becomes a collective tragedy of want."

Now, I am happy and I must congratulate the Government that this year they have created a new Ministry of Family Planning. I think that Ministry would be made more effective and I hope we would give birth control a real impetus and that we will succeed in curbing this malady.

I suggest that if you want to encourage exports of a particular thing, instead of devaluing our currency, you should give the exporters some subsidy or incentive. If you want to make imports more costly, you may impose more import duty. Instead of devaluing the rupee, if you want to make imports more costly, then you may impose more duties or in any other way make them more costly.

Devaluation, in my humble opinion, is a very risky venture. We must be very careful if we want to adopt it. If the experience of Latin American countries is any guide for us, we can say that devaluation there has produced no tangible results. And again, in the recent or the remote history of Indonesia, what has happened? You may devalue, devalue and devalue, but still you are far away from national solvency as you ever were before you started this game of devaluation.

One immediate effect of devaluation would be that our foreign loans which are now of the order of Rs. 3200 crores would immediately jump up to the extent of devaluation; our indebtedness would increase; without gaining any advantage on our side, we would have to face an additional burden. To sum up these points, I would say that the surest way of salvaging the rupee is by achieving higher productivity, more efficiency, lower government spending, better spread of advanced technology and creating exportable surplus. Even if these remedies are long term, I suggest that the

[Shri Morarka]

time has come when they should be initiated.

I want to say a few words about foreign aid. According to the document, the Fourth Five-Year Plan, Resources, Outlays and Programme, it is estimated that the need of foreign aid in the Fourth Five-Year Plan would be Rs. 4,000 crores and out of these Rs. 4,000 crores, Rs. 1,350 crores i.e., one-third would be utilised for payment of interest and repayment of some of the loans. Then if you take the budget year, the Finance Minister has provided a total of about Rs. 215 crores—Rs. 120.59 crores for repayment of loans and Rs. 94.40 crores for payment of interest. That means, in his budget he has provided a foreign exchange of Rs. 215 crores for servicing and repayment of our foreign debt.

This year's exports will not be more than Rs. 814 crores and this year's imports are expected to be no less than Rs. 1390 crores, thus leaving a gap of Rs. 576 crores; in other words, our exports do not finance more than 58 per cent of our imports.

Therefore, if you do come to the conclusion that foreign aid is essential, foreign aid is indispensable, then the next thing that you have to consider is what best we can do to minimise the rigours of this foreign aid. But before I make that suggestion, let me make one point clear.

Foreign aid is given to this country not merely to help this country. Foreign aid, in the first instance, helps the country which is giving the aid to us and on this point I would quote a person no less than the late President Kennedy; about foreign aid he said, I am quoting:—

"Too often we advance the need of foreign aid only in terms of our own economic self-interest. To be sure, foreign aid is in our economic self-interest. It provides jobs for more than half a million workers located in every State. It

finances a rising share of our exports and builds new and growing export markets: it generates the purchase of military and civilian equipment by other governments in this country. It makes possible the stationing of 3.5 million allied troops along the Communist periphery at a price one-tenth that of maintaining a comparable number of American soldiers . . ."

Having made this point clear that foreign aid is not only in the interests of the country receiving it but it is also equally in the interests of the country giving aid, I would proceed to say that we must at least have two safeguards. The first safeguard that I would suggest is this; most of these loans which we receive are tied loans that means that if America gives a loan to us, we have to utilise that loan only in America; in other words what we get from America is not dollars or gold but goods of that value then, we must make it a condition for the repayment of these loans and for the payment of interest thereon that, just as the loans are received in kind, likewise, the repayment of the loans and the payment of interest must also be accepted by those countries in kind. I think that if the hon. Finance Minister presses this point, there is every chance—particularly in view of their profession that they are doing this to help the developing countries—of his succeeding; the real way to help the developing countries which do not want to repudiate their international financial obligations would be to accept the repayment of the loan and the payment of interest in kind.

**Shri Kamalnayan Bajaj:** Have we got goods to pay?

**Shri Bhagwat Jha Azad:** Whether they will accept it or not, my hon. friends would not even suggest it?

**Shri Morarka:** My second suggestion is this. We may be obliged to

buy from America goods against American loans or from Germany goods against German loans, which are tied loans. But the minimum safeguard which we must provide is that we must request them not to charge us a price higher than that ruling in the world market for that particular commodity. Today, when we are buying goods from America we pay on an average 30 to 40 per cent more for every commodity than the world competitive prices. I do not know whether this point has been advanced, but if it has not been advanced so far, I would beg of the Finance Minister to canvass it before all these creditor countries, credit institutions, Aid Club and so on.

**Shri Warior (Trichur):** Then, they would not help.

**Shri Morarka:** If they insist on buying those goods from their countries then we should tell them to please allow us to pay the most competitive price for them as prevailing in the world market and they should not dictate their home price. If they do not accept it, then we must at least tell them that in that case we would repay our loans in kind, and the prices of those goods will also be determined by the price-level prevailing in this country. If we have to buy the goods from them at the price-level prevailing in their country, then they must be prepared to accept repayment in kind at the price prevailing or ruling in this country. I hope that if this is done, the rigours of the foreign aid would be diminished to a great extent. I think that it is not quite difficult in view of what the delegate of the USA said before the GATT Conference recently.

This was what he said.

"Industrialised countries should not expect full reciprocity from developing countries in tariff negotiations and should give special attention in such negotiations to reducing tariffs and quantitative

restrictions on products of interest to developing countries."

If they really have some solicitude for the developing countries and if they are prepared to make some concessions, I am sure that with a little pressure and able arguments, the hon. Finance Minister would be able to convince them that there is ample justification for them to concede to these two demands which I have mentioned.

Foreign aid, if it creates complacency and lethargy in a country can be a very dangerous thing, as was the case in China during the Chiang-Kai-shek's regime. If on the other hand foreign aid is used judiciously as a supplement to provide the necessary lubricant, then it can turn out to be an assured source of success as was the case in Germany, Japan, Israel and Spain. I therefore submit to the hon. Finance Minister that he should give his due attention to this point.

I would now like to say something about the excise duties. My first point is that the Finance Minister while imposing additional excise duties of about Rs. 50 crores this year, said that the price of sugar would not rise more than 8-9P, per Kilogram, the price of ordinary cigarettes would not rise more than one to two paise per packet and in other things also the price rise would be inconsequential. May be in theory he is right, may be the mathematical calculations lead to those conclusions. But what happens in actual practice? In the situation which obtains today, whatever may be the reason or excuse, the moment there is an excuse available to the market, the price is increased, and increased by leaps and bounds.

I would be interesting to note that in 1951-52, the total revenue from excise duty was Rs. 67.54 crores. For the budget year, it is going to be Rs. 1,011.97 crores. This incidence

[Shri Morarka]

of more than Rs. 1,000 crores every year is falling on whom? Who pays this amount? The consumer and nobody else. Yet we hope, we want and we wish to reduce the price level and control prices, which is the dire need of the hour. Yet, we do not hesitate to increase the excise duties which is a direct incentive to, a direct reason for a further increase in the price level.

Therefore, I would beg of the hon. Minister to reconsider the entire structure of these excise duties and rationalise them. I feel this is necessary. I will give you an interesting instance, of sugar. Sugar is sold in this country—I am talking of the control price—at Rs. 132 per bag. Now an excise duty increase of another Rs. 10 has been put on a bag. So the price would be Rs. 142. In a very poor country like India, the consumer has to pay Rs. 142; yet we export sugar to the richest country in the world, USA and get less than Rs. 30 a bag. As against our paying here Rs. 142, we are earning less than Rs. 30 a bag. And what happens? We have to heavily subsidise these exports. We subsidise it. What do we import in exchange? Staple fibre and art silk! I ask: Is this the idea, of spending the tax money of a poor nation for importing art silk and staple fibre? Are those commodities of such high priority? Can we not do without them? Then why such a large amount is spent on these particular items? I cannot understand.

I would now like to say a few words about personal taxation. The hon. Finance Minister this year has increased the exemption limit from Rs. 3,000 to Rs. 3,500. I am all for it; I congratulate him on doing it. But it was not long ago that this limit was reduced from Rs. 4,200 to Rs. 3,000. As that time, when a demand was made in this House, almost a unanimous demand to increase the exemption limit, this is what the hon. Minister who

was in charge of Finance then said I am quoting:

"I can understand of those, that there should be economy, there should not be waste and all that, but there is no progress without heavy burdens being carried. It is no good any hon. Member telling me: 'Oh, you must raise the exemption limit of income-tax'. I am not agreeable, not at all agreeable. I think it is right that exemption limit should be low, and if people do not like it, well, I am sorry, but I cannot sell my conscience. When I do believe in a thing, I should put it forward before the House. It is for this House to accept. It is a right thing if the exemption limit is low; in other countries which are much richer than India, the exemption limit is lower."

Who said this? A person no less than the late, lamented Pandit Jawaharlal Nehru who was temporarily holding charge of finance at that time. As I said, I am not against it but why this inconsistency, why this instability in the fiscal system even in the matter of basic taxation?

One year you have the expenditure tax, another year you abolish it, the third year bring it again, and in the fourth year abolish it again. I do not know what would happen when a successor to the present Finance Minister comes.

**Shri M. R. Krishna (Peddapalli):** Will there be one?

**Shri Warior:** Wait till the next Finance Minister comes.

**Shri Morarka:** The point is that stability and consistency are no more considered the necessary virtues of our fiscal system, and therefore, whether in the field of levying of taxes or even in the basic statute which controls our taxes, frequent changes are made without any compulsion. The same thing has happened this year.

16-27 h.s.

Shri Sham Lal Saraf (Jammu and Kashmir): Yours equally.

[MR. DEPUTY-SPEAKER in the Chair.]

Shri Morarka: I am quoting him.

Last year the Finance Minister said that he had simplified the tax structure, that he had merged the surcharge with income tax. This year the Finance Minister comes and says that he is imposing a general surcharge of 10 per cent on personal income. Last year we abolished it in the name of simplicity, rationalisation, giving relief to the people, and this year, when the revenue needs of the State are comparatively less, when there is no immediate danger, when the Tashkent agreement has been signed, when the plan needs are less, when the size of the plan is curtailed, even then more revenue is needed, and again we are faced with the same problem.

"We propose to devote urgent attention to the problem in consultation with the Planning Commission and the State Governments to ensure that the present unsatisfactory situation in regard to financial management by some States does not continue."

The same thing was told to us by his predecessor last year also.

An hon. Member: This is consistency!

Shri B. S. Pandey (Guna): God save the advisors of the Finance Ministry!

Shri Morarka: What happened? Why did they not take any steps, why did they not inculcate some discipline in them? It is said that the power of the purse is the biggest power, and the Finance Minister has the power of the purse. If you look at the figures, you would be convinced of what I am saying. During the entire period of five years of the First Plan, the total amount of resources transferred from the Centre to the States was about Rs. 1,400 crores.

Shri Morarka: I am not blaming the Finance Minister because he took charge of the ministry very recently, he perhaps did not have enough time to study this complicated tax structure, but what about the sagacity and the skill of the civil service? At least, they could have guided him, they could have told him the basic facts, and appraised him of the commitments made by the previous Finance Minister, but I am sorry that these tax proposals and the revenue measures are not regarded as something sacrosanct, nor are they well thought out. As a matter of fact, they very often become the subject of whims and fancies of individuals.

During the Second Plan, the amount rose was Rs. 2,860 crores. But in the present budget year, in one year alone, the amount is going to be more than Rs. 1,420 crores. Our help and transfer of resources from the Centre to the States have increased five times as compared to the First Plan and yet the states do not care for the financial discipline. They resort to unauthorised borrowings; they do not even consult the Finance Minister for drawing this amount. I think that a time comes when persuasion does not work; you have to take to other methods; if the hon. Finance Minister is not strict, one of these days it may lend us in greater difficulty.

In conclusion, I would only say a word about revenues transferred to the States, because the Finance Minister has depicted a very dismal picture of helplessness so far as financial discipline in the States is concerned. He says that many States have overdrawn from the Reserve Bank without authority, and that it is a matter of worry and anxiety to him.

Having said all this, I would only request him that when he replies to this debate or at the time when he

[Shri Morarka]

considers the Finance Bill, he will give due consideration to some of the budget proposals which he has presented to this House and that he would give an inkling of his mind on such an important and vital issue as devaluation.

**Shri Nath Pal (Rajpur):** Mr. Deputy-Speaker, I should like to begin by congratulating the hon. Finance Minister upon his frank admission of failure; I wish it were possible for me to offer my congratulations upon his achievements.....

**An hon. Member:** Be generous.

**Shri Nath Pal:** I will be provided you give me a chance. But in fairness to the present incumbent of this very onerous portfolio which has seen so many heads roll off, I should like to say that he has brought integrity and honesty to his task. But it was not a particularly enviable heritage that he got. I think he did not come to a seat of power; he actually was perched on the edge of a precipice. The condition of the Indian economy when he became the Finance Minister reminded one of a patient in a very advanced stage of rickets and anaemia. The Finance Minister has been fair enough to take the House into confidence and with very rare courage and frankness told us how bad the economy is. I am going to quote his words. But even with his admission and boldness, does the country, does the House get a true picture of how bad our economy today is? I am not one of those who look at the budget in terms of the annual effort to provide expenditure for the government. It is an instrument which has to be used in a country which is dedicated to planning to bring about the larger socio-economic goals with which I do not think there is much disagreement in this country. It is in the larger perspective that the budget will have to be judged, not in the limited sense as the Federation of Indian chambers of commerce and industry does in terms of taxation and of raising the revenue for the

year concerned. What is its long-term effect? How does it fit in with our long-term perspective? The Finance Minister here says in a masterpiece of understatement:

"In the event, many of these expectations have been belied during the current year which has been one of great strain all round. Adverse weather conditions have resulted in a substantial fall in agricultural output. There has been a continued pressure on prices and export earnings in certain sectors have suffered. The expansion of industrial capacity has enabled greater industrial production in some sectors, but as against this the shortage of foreign exchange for the import of components and raw materials has restrained production in many other fields. Hostilities with Pakistan and the pause in foreign aid from some countries which followed added to the disturbance of the economy. The effects of all these factors have been felt more in the second half of the year than in the first. Thus, while industrial production was higher than last year by 7.3 per cent in April-September, 1965, the increase in the second half of the year is expected to be hardly 5 per cent."

Here is a chronicle of failure in every single field. Wherever we cast our eyes hopefully, we do not see any sign of hope. I do not hold the Minister responsible for it; it is the inevitable result of the policies of the past few years. I know his defence, and I am now going to meet some of the defences. Let us see how bad is the economy.

Mr. Deputy-Speaker, India is becoming the first in many fields, but this is not likely to make this House take pride. Recently, it has been discovered that our rate of growth is the lowest in Asia. Another scholar, who is an expert in the field, points out to us that the consumption per

head in India is the lowest; the per capita productivity is the lowest in India. A better idea will be got by making comparisons with one country which is so close to us. It was carved out of India; it has not proclaimed socialism on its banner; it has not yet come to plan her economy and development. What has been its achievement? And then let us make comparison about India, with some modern nations.

We are very proud of our Rs. 22,500 crores which is our national gross products. How meagre, how shockingly poor it looks when we compare it with same countries in the world? I do not want to go on giving too many statistics: but comparison nonetheless become necessary. This year, the United States' national gross product has crossed 700 billion dollars which is a staggering, astronomical figure, compared with our puny national gross product of Rs. 22,500 crores as against Rs. 3,55,000 crores of the Americans. But it is the biggest and the richest nation. Take Soviet Union, which started with great disabilities. I know what the Planning Commission and some of the pandits will tell us—the availability of vaster resources particularly in land. Today, she stands at 285 billion dollars. Little Canada, whose population—where does it stand in comparison to India—is hardly 15 million to 17 million, has a national gross product higher than India's. Italy, whose population is less than that of Maharashtra and Bihar, has a gross national income of Rs. 25,000 crores. Japan, which is just as big as the United Provinces, Uttar Pradesh, has an annual income of Rs. 35,000 crores. France, smaller than our major State, has Rs. 43,000 crores. Britain, Rs. 45,000 crores; truncated Germany which was defeated, has an annual gross product of Rs. 50,000 crores. But I know the patent reply that would come: that these countries had an industrial basis; good enough.

I shall now turn to Pakistan, and what do we find here? What is

Pakistan's achievement during the past few years in comparison? The gross national product in India between 1952—54 and 1961—63 according to the United Nations Economic Survey of Asia—this is the latest available publication on the subject—1964—is given there. I would like Shri Sachindra Chauthuri—and his other distinguished scholar colleagues to look into this. Pakistan beats us in the economic field. This is the worst indictment of the failure of our effort; not that I am happy about saying it, but it necessitates a re-examination in a bold manner what may be going wrong, instead of coming out with hackneyed explanations. Pakistan and India—a comparison between the two should be an eye-opener to all of us. Between these relevant years, the gross national product of India grew by 33 per cent; Pakistan, 44 per cent. Agriculture in India grew at an annual rate of two per cent. Pakistan, 2.9 per cent. Manufacturing in India, 3.4 per cent; Pakistan, 4.9 per cent; and the non-agricultural sector, India, 4.4 per cent; Pakistan, 6.2 per cent. In every single aspect in every single relevant aspect of significant segment of the economy, Pakistan beat us and goes ahead of us.

Here is something which we will have to refer to and not brush it aside by saying that American aid to Pakistan per capita was double of what India received; that we knew; that we were prepared for; that we assumed, when we started our Plan efforts. It is too late in the day to come and say that. I know the planners were reluctant to accept this, and now we must thrust it down our throats this unpleasant truth that here is a country which was carved out as a part of India and which, I concede, had certain initial advantages. In that she inherited agricultural land which was better than what we got. Nonetheless, during the past 8 or 10 years, we find she has made a progress in the economic field which should make us sit up and think whether we are going in the right direction.

[Shri Nath Pai]

One of our major failures has been inflation and failure to stabilise the price-line. The patent argument of the Planning Commission and the Finance Minister has been that prices invariably go up in countries which are undertaking organised development, that development and a certain degree of inflation are inseparable. Is it really true? Some current studies tell us something very different. I again quote from UN Economic Survey for Asia as a whole. They have come to this conclusion which is directly a challenge to the patent plea which every Finance Minister of India and the Planning Commission have been offering to us. They say:

"Inflation has been relatively highest where growth in output has been the lowest."

This is very interesting. The plea of the Government of India has been, what can we do? We are a country which is making progress towards development and it is inevitable that prices go up. But what are the consequences? When the question was raised here the other day and when the Minister in the Ministry of Finance was taking shelter in evasive replies about the threat of devaluation, the Minister of Planning boldly told us that we are not going to devalue the rupee. The House felt reassured and the country also was happy. But is it the truth? This is a bold intention and I am absolutely sure the hon. Minister meant every word of it. What is the truth of it? There is an unaccepted, unproclaimed devaluation of the rupee. It came last year in the form of surcharge on imports and export incentives. An elementary knowledge of economic will see that this is devaluation by the backdoor. What is the use of our saying, we are not going to devalue the rupee? Actually the world has devalued it. We only turn our back towards it. It is not enough to say that we are not going to devalue. Can we do something to bring back

the rupee's exchange ratio back to what it was? Today we find in any market outside India, you buy 180 Indian rupees for 100 Pakistani rupees. Will government try to rectify this? I know when we used to go abroad, we used to get for 88 Indian rupees 121 Pakistani rupees. Today the scale is like this that for 160 Indian rupees you will get 100 Pakistani rupees. Even in relation to the Pakistani currency, the Indian rupee stands devalued. On the world market and world exchanges, the rupee stands low, because of our basic failure with regard to inflation and holding of the prices.

I would like to quote some figures. Once again, I want to give credit to him; I sympathise with his predicaments and the difficult position he inherited. But I do not think by mere sympathy, we will get anywhere, unless we try to go deeper. There are difficulties about imports, I know. But I hope there is no embargo on imports of ideas. But somehow, there is a kind of intellectual.

An hon. Member: Stagnation.

Shri Nath Pai: No, intellectual constipation on the part of those who are charged with the responsibilities. I think no foreign exchange is involved in importing new ideas. May I read for them how some other countries are courageously examining their hypotheses; having the courage to bring to bear a fresh mind and re-examine them? If we are serious and sincere about our tasks and challenges, continuously we must re-examine. Maybe what looked irrefutable and unchallengeable ten years back is no longer so, because the world is changing. Some of the hypotheses may be wrong. One is regarding the patent theory of inflation being inevitable in a country which is pledged to development.

I have time and again pointed out to them that countries which do not talk so loudly and so often of their



welfare and their socialism have succeeded in holding the price-line with regard to the basic commodities of life. In Egypt, between 1952 to 1954 the price of bread remained where it was. In Egypt the food-grains index remained where it was for nine years. Here, Shri Sachindra Chaudhuri was good enough to accept before the House that the wholesale prices rose by 9 per cent in 1963-64 and 8.7 per cent in 1964-65. The price index rose by 16.2 per cent between April 1964 and January 1965. Subsequently there was a fall up to March 1965. Then what happened? There was a further increase during the current year, although at a somewhat lower rate, and between April 1965 and 15th January 1966 the wholesale price index rose by 12.3 per cent. The level of wholesale price index on 15th January 1966 was 5.6 per cent higher than a year ago.

Mr. Deputy-Speaker, this tells us a very sad story. This cold statistics, which may alarm the House and those who are concerned, means something very different to the housewives and men whose salaries and wages remain fixed. Its connotation, its meaning, its significance, its implication for these vast masses of the people, many of whom have no jobs, many of whom have half jobs and some of whom have jobs which are nominal jobs, whose meagre earnings are not sufficient to make both ends meet, is different. When the prices go up, the value of their rupee falls, its purchase value goes down. It means lesser quantity of rice, wheat, jowar, gur, sugar and other things. The result is, there is hunger, anger, then riots, then firing and then panic everywhere. This is what this price spiral means, it does not end with this cold statistics which the House heard here. It means the kind of tragedy we are hearing about everyday. I am not happy about the outbursts of violence in many parts of the country. But we cannot turn our eyes away from the crocodile because we do not like it. We

have to meet it. There it is. It does not cease to exist because we refuse to look at it. The same is the case with inflation in this country. This is the meaning of the failure to stabilise the price line. It is not only economic, but in this country it is political, it is social, its disturbance will be very grave than is generally calculated. We find it in the streets of Calcutta. I am not one who will ever take to violence, but it will not be enough for us to take this moral posture that violence is bad, because this triggering off is done not only by the so-called irresponsible elements but this triggering is implicit in the very conditions we are creating in this country. This supinely complacent attitude with regard to spiralling of prices has got to be combated, challenged and defeated in this House. If it is not defeated, the result is what we see in the streets of Calcutta, Kerala and elsewhere, and who knows where it will stop. They take our criticism for granted. They are used to it. I hope Shri Sachindra Chaudhuri, with that fine mind which he has, will take it in a different light, in the light in which it is being offered.

I was pleading with him, in this context, about the necessity of re-examining some of our hypotheses, some of our patent slogans. I wanted to read how other countries faced similar problems. In this context, I have this example of what is today happening in Yugoslavia and it should be of some interest to the House. I am quoting from the *London Times* dated 10th of this month. Mr. Deputy-Speaker, how are they facing, re-examining, re-assessing, re-evaluating things? It is said here:

"Complex problems are being discussed frankly and openly. Senior representatives of the regime do not hesitate to question or indeed to criticise the fundamental basis of all Communist economics—priority be given to heavy industry at the expense of agriculture—the attitude of private business to small business—the system of planning which pay little atten-

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tion to market requirements and investment policy which brought the country to the verge of economic chaos."

I am not suggesting that we discard our basic goals or basic objectives; steadfastly we must adhere to them. There is no way for India except through a planned economy. That is my view. But, then, why is this false bogie raised in this country everytime the Government runs against any criticism to which it has no reply, trying to take shelter by raising the false bogie of private enterprise, public enterprise, socialist economy and capitalist economy? These have become archaic description and evaluation of economy. Now, what is it that the Soviet Union wants to do to its own economy? Here again I would like to quote from the 20th February proclamation of the Soviet Union:

"Russia today announced a sweeping new plan for drastically raising the living standards of the Soviet people, to give them more pay, more televisions, more commodities, more refrigerators, more cars and more food."

This is what the Soviet Union today is trying to do. And in America we find that the President of the United States is taking in terms of the Great Society. With a department to do war against unemployment, poverty and neglect, a department to create equal opportunities. Here, what is happening in this country? From welfare we were to march to Socialism. What is the position? Far from making progress from welfare to Socialism we are about to say farewell to welfare, because everywhere there is retreat, retreat all along the line. And then the false bogie has been raised about socialist economy and capitalist economy. Let us be honest and discard shibboleths and labels. Basically, the difference will be between a modern economy and a backward economy, the difference between an efficient economy and an inefficient economy. The

difference between a capitalist economy and a socialist economy can be, not with regard to goals, targets and objectives; but not with regard to functioning. The difference is basically between an efficient economy and an inefficient economy, a stagnant sluggish economy and a buoyant and forward-looking economy. The same kind of tardy, out-dated debate is however introduced in this country. You are denounced that you are a champion of public enterprise or private enterprise. In this country there is no public enterprise; there is only bureaucratic enterprise. In this country there is no private enterprise; there is only *bania* enterprise. In saying this, I am not being carried by my prejudice . . .

**Shri K. C. Sharma (Sardhana):** *Bania* enterprise?

**Shri Nath Pai:** No, it is not a term of disrespect. If anybody is taking umbrage at my description, I would like to quote what Shri G. D. Birla said. At a meeting of the Chambers of Commerce this is what he had to say about private enterprise.

**Shri K. C. Sharma:** May I inform my hon. friend that the Allahabad High Court has termed it as a defamatory term and punished the man who used that word?

**Shri Nath Pai:** I am very happy that I am away from the writ of the Allahabad High Court.

**Shri Kamalnayan Bajaj:** *Bania* is a very complimentary term and I am very proud of being a *bania*.

**Shri K. C. Sharma:** Some people like to be abused.

**Shri J. B. Kripalani:** Gandhiji used to call himself a *bania*.

**Shri Nath Pai:** Shri Birla said:

"An Indian industrialist is a good businessman, a commercial man. We are yet to be industria-

lists . . . we are not delegating powers to the managerial talent . . ."

I was saying that the false bogie is again raised in this country about the public sector and the private sector. You are just progressive or backward, according to your loyalty to these sectors. What India needs today is an efficient national sector.

The performance of the public sector is criticised not by enemies but by people who are its adherents. We all believe that it has to play a propelling, countervailing role and that it has to be the pace-setter in this country. Has it played that role? We are told by Shri Sachindra Chaudhuri that its contribution will be about Rs. 85 crores or 86 crores. All right. It sounds good. But is it really good economics? Let us consider it. I want it to be efficient, I want it to play the role which we expect it to play. But is it playing that role? When we make this criticism we are doing it so that in the light of that criticism you take such rectificatory measures which are badly needed today to set matters right in the public sector.

In the first place, is their contribution as substantial as it is claimed? Really speaking, these figures do not show their real contribution. Why? Because the public enterprises do not pay the market rate of interest. Four per cent is the maximum which they pay whereas the market rate of interest is 9 per cent. If you calculate at the rate of 9 per cent you will find that their contribution is nil. Why should it be happening so? Why? The reason is very simple.

Today the public sector is run by whom? In spite of what the Estimates Committee repeatedly told this country, this Government and this Parliament as to who should be the managers and who should be the people who should be called upon to head our public sector enterprises, what is happening? Those recommendations of the Estimates Committee are kept in a pigeonhole—recommendations, I

think, prepared by some young scholars, like Professor Paranjpe of the Indian Institute of Public Administration, about the flight of technical personnel from public enterprises. No step is being taken.

There was the Ghai Committee which recommended that it is the retired civil servant to whom the country will have to look to head these enterprises. I am not against the retired civil servant, but now here in him is a built-in defeat for the public enterprises. Here are men who have no stake in the future because their career is behind them, here are men who have no belief, no faith in the very concept of public enterprise and here are men who are technologically illiterate. These three combinations come together—men who have no faith, men who have no qualifications and men who have no stake—and these are the men who are to run our public enterprises! Excepting a few examples for which we must give credit and of which we must be legitimately proud—Hindustan Machine Tools, Hindustan Antibiotics and for that matter Air-India and a few others—what is happening in regard to the huge investment? And is it any wonder?

You just now heard criticism from a member of your party. I sympathise with your predicament; but are we doing all that we can do? This is not the first Budget that has been presented to Parliament this year. This is the fourth budget within 365 days that we are called upon to pass in this House. There was the small budget of 17th February, 1965, then the normal budget of last year, then the August budget and then there is this budget. Four budgets in a year we are called upon to pass. That speaks for many a thing. I know that a sympathetic note must be struck, that one budget was necessitated by the unforeseen conflict with our neighbour and in the light of that it became inevitable. But that does not tell the whole story. That showed bad budgeting at every stage. I do not see

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that at any stage talent is being shown, imagination is being shown, daring is being shown. I do hope that the inflationary pressures which this year's Budget is bound to release could have been checked, ought to have been checked and can still be checked. I am not concerned with minor concessions here and there, but the wider policies.

I know, one will be running short for time, but I will be trying to divide my speech like his into two parts. I have criticized the failures of the economy, but I will be making some constructive proposals that he can seriously take to heart. Much has been said about Government's failure to cut down non-developmental expenditure. Is this, as some people say, hackneyed criticism and should we expect a hackneyed reply to this? Is this criticism as hackneyed as it looks? I am afraid, not. In the first place his worthy predecessor promised Parliament that he was going to try to reduce non-developmental expenditure by as much as Rs. 150 crores. That was the assurance given to Parliament last year in June.

**Some hon. Members: Yes.**

**Shri Nath Pai:** I am glad that they are agreeing with me, but do not do that when it comes to voting.

**Shri Bhagwat Jha Azad:** We have agreed many times.

**Shri Nath Pai:** Thank you very much. It reminds me, Mr. Deputy-Speaker, applauding with the Opposition and voting with the Treasury Benches will have to be changed; this will have to be slightly modified.

On the other hand, it is clear that non-developmental outlays have been allowed to grow in 1966-67 and the increase in this field is nearly Rs. 136 crores. There was a promise to cut down expenditure by so many crores of rupees and instead we find here that

actually there has been an increase in non-developmental expenditure.

17 hrs.

I do not want to impose professional lectures. Shri Sachin Chaudhuri is open to conviction; he likes honest criticism. May I tell him the meaning of this kind of failure and other assessments? I will be reading a little not exactly outdated but a man who began with broad sympathies similar to Shri Bhagwat Jha Azad's and other well known champions of democratic socialism in this country. This is what Prof. Colin Clark says. I would like him to ponder over this. He says:

"Public expenditure does not become productive merely by being described as investment. It can be misdirected and wasted . . . There is not only the direct waste of projects designed on insufficient information, or inspired by political calculation and manoeuvre, there is also the indirect waste following from taxation, rising prices, government controls and other measures intended to stimulate investment all of which damage the rest of the economy by distorting production, impairing incentives to work or save, and erecting a costly apparatus of officialdom."

How every word applies to what is happening in this country? Here is a further conclusion to which I would like his attention to be drawn:

"Non-development expenditure in India has increased nearly four-fold between 1955-56 and 1964-66 and now accounts for more than 50 per cent of the total government expenditure. In fact, except during the three year period, 1956-59, defence and development expenditure has been less than the expenditure on administration and under non-development categories."

These are very serious matters which cannot just be pook-pooked. Just

because, in spite of the applause we get, the agreement we get, the demands will be voted, that will not be justification, that will not be an indication that these are correct policies. But we need money. And how is it to come?

In the first place, it is my responsibility to point out—I have talked about the wrong policies today—to some significant facts. Dr. Lokanathan, in the Annual Issue of the *Capital* points out that the *per capita* income in the rural sector of India remains the lowest in the world. He has estimated that the per household income today in the good year 1966, as on 14th March, remains 68 per household. Here, we see first the failure of the broad policy and then we see the failure of the wider objective which we have. Dr. Lokanathan concedes that there is a slight reversal of the trend in this but, broadly, he says, whether in the rural sector or in the urban sector, it remains the spectacle that we remain the lowest on the rung of progress when compared with other countries.

I would now like to make suggestions. In the first place, is the Finance Minister satisfied that we are collecting all that can be collected under the present system of our taxation? I would like to read out to him some figures of collections made. How is it customary to say that there are loopholes? Are these loopholes? They seem to be huge tunnels through which anybody can pass. They are as big as main doors, main gates, through which anybody can pass. They are not loopholes in the taxation system of the country. In the first place, a good Government knows how to tax imaginatively and having taxed imaginatively, how to collect it vigorously. Does it happen? Now, let us look at the figures. Some spokesmen on their side say, how, when we escape one tax, we pay the second tax; when we escape the second tax, we pay the third tax and so on. But the whole system is such that even if you im-

pose 20 more inefficient taxes, incompetently and corruptly collected, these people will not be giving the nation, the Government, the country, what is due from them. Here is the list taken from the tax collection system. Let us take the estate duty for 1955-56. What was it? It was Rs. 181 lakhs. Was only this much really due in the whole of the country? Do we believe that that was really due if honestly it was paid and honestly it was collected? Then, it goes to Rs. 211 lakhs in 1956-57. Year by year, we can take these figures. What does it stand in 1966-67? I am taking the figures from the Explanatory Memoranda which the hon. Minister has made available to us. Here, we find that in 1966-67, the estate duty collected in this vast country of ours is Rs. 7.25 crores. Is that really a convincing figure? Can he really place his hand on his heart and say, 'this was due and every penny, every naya paisa, has been collected'?

Now let us see the taxes. Let us take the wealth tax. It begins with the same story: about Rs. 704 lakhs, Rs. 7 crores, and it goes on now, after all these years, to Rs. 13 crores. Take the expenditure tax which is now abolished. About that comes a very important question. Five changes have taken place in the same duty. I thought we had a long term perspective; I thought that, when we were already planning for 1975, 1980 and 1985, all these measures were fitted in that grand pattern of development. Does it fit in there? Mr. T. T. Krishnamachari introduces it; his successor abolishes it; Mr. Krishnamachari comes again and re-introduces it; he goes, the tax goes. It is like equity in old England. They say that equity was so unpredictable that it varied with the length of the shoe of the Lord Chancellor. Is the tax system to change with the incumbent of the office? Are we going to accept that position? Who knows, what are the stars of Mr. Sachindra Chauchuri? If he goes away—since he is a good man, I would like him to be there and to succeed; I say this very sincerely and

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no: perfunctorily—what will happen next? What will happen when the next man comes? I do not know since I do not consult any astrologer. But I am more concerned with the stars of the country. What do they forebode for us? Leave aside the individual fortune. If these policies are to go on fluctuating in this manner, I would like to ask . . .

**Mr. Deputy-Speaker:** The hon. member should try to conclude now.

**Shri Nath Pai:** I would require some time.

**Mr. Deputy-Speaker:** He has already taken 35 minutes.

**Shri Nath Pai:** I will require ten more minutes. Shall I continue?

**Mr. Deputy-Speaker:** He may take five more minutes.

**Shri Nath Pai:** Five minutes will be very, very little.

I cannot see.

**An hon. Member:** Light is on you.

**Shri Nath Pai:** I do not know who has done this favour. I cannot see you, Mr. Deputy-Speaker, I cannot see my notes. This reminds me how good intentions can lead to a bad result.

Now it is all right. Thank you.

**Shri Kamalnayan Bajaj:** Can a Member of the House communicate with anybody in the gallery? He has thanked somebody outside the House.

श्री नाथ पाई : मैं हिन्दी में बोलूंगा तो प्राप सम्झेंगे ।

Therefore, whatever taxation is there, I would like to see it collected vigorously.

I would like to make another suggestion. I have said about control business. Mr. Deputy-Speaker, there is a difference, which the Finance Minister should know, between reins and chains. The best horse needs to be reined in for the benefit of the rider and the horse. But are we to chain it? What results will it lead to? Between controls and fetters, there is lot of difference. I am glad to note that the Prime Minister yesterday said that unnecessary controls would be abolished. Now controls are not wanted or unwanted *per se*. Control becomes necessary at a certain stage, but a wise policy goes on examining them from time to time and discarding those which become superfluous. Controls have an inherent tendency towards proliferation and multiplication. Today we find that controls have become very numerous. Nobody knows how many there are and the result of these controls is a dangerous one. Behind these controls is an invisible Government which is not responsible to anybody; a new government comes behind the facade of Parliament, behind you, which operate through small minds and small hands at the back door. The authority of Parliament becomes eroded; the authority of Parliament becomes only a nomenclature. Even the authority the scrutiny, of the committees becomes meaningless when controls become so multiplied as they are in this country today. An invisible government operating through the controls comes into existence corroding the foundation of the Government which is responsible to Parliament. I would, therefore, like that a more serious look be taken at the whole system of our controls. I would like to know: shall we go from one thing to another? Does he really think of that? I want to make a suggestion. Taxation in the country which is pledged to development will tend to be a little heavy. But is it being equitably distributed? I am afraid that in spite of the best intention of the Finance Minister, as I said in the earlier part of my speech, the burden will be passed on by industry to the consumer. It is of the very nature of the things. Then, we

shall get into a vicious circle of prices chasing wages and wages chasing prices and then very often industrial unrest. But what about tapping some other sources? I have suggested that the contribution of the public enterprises should be bettered. I am suggesting that the collection of the taxes can be better. I now want to suggest some other source.

We have invested a vast fortune in the agricultural sector. But it is only 27 per cent of the agriculturists, the bigger agriculturists and the middle agriculturists, who have derived all the benefit from all this vast contribution to the development of agriculture. Why do we not do something more imaginative and revolutionary? I would suggest that let Government show an imaginative stroke and abolish all land revenue, and instead have the courage to introduce an agricultural income-tax. There are vast agricultural fortunes which are being made not only by the enterprise of the man concerned but because of what the community, the country and the society as a whole has contributed and invested in agriculture, but they do not pay a penny. There are some perfunctory efforts in some States with regard to agricultural income and supertax. But basically this is a field which needs to be looked into. I do not know if the Finance Minister will come forward with a consolidated system whereby the total amount of revenue today collected from the small farmers and the small peasants, which is broadly Rs. 100 crores could be abolished and in its place we can introduce—I hope Shri Ranga will agree with me—a system of agricultural income-tax and a progressive income-tax at that.

**Shri Ranga (Chittoor):** And let them abolish the ceilings also.

**Shri Nath Pal:** We are very short of aid. We know the difficulties about it. I would like to draw the attention of the Finance Minister to one thing. I was reading an article in the *Atlantic Monthly* and there the

author says that what India needs is not some stränge, but India needs some ropes. The world has begun to talk like that. And what is our posture? We get angry and say: If you are going to criticise us, we are going to be self-reliant. What should be a pledge, and what should be a solemn dedication is uttered like a threat to the rest of the world, as if the determination to be self-reliant is to be uttered like a threat and not a pledge or a dedication in the interests of our own responsibilities. This is what he says:

“Is India at the moment a land in which nothing succeeds and nothing fails? Is it that all the world is secretly contemptuous of India's lack of power, physical or moral and that everyone respects only her landmass and population—numbers?”

Sir, this is what we are reduced to. We are talking of our growing prestige but these are the assessments that the people are beginning to make.

There is another article in the current issue of *Foreign Affairs* where the question is posed ‘Has India an economic future?’. This question is posed of India which came triumphant and victorious in a very dangerous conflict in which she did not fight Pakistan alone; that is a wrong assessment that the battle was confronted on the western front, but we were surrounded on all the fronts; on the north was China, on the east was Pakistan and on the south was Indonesia. That was the implementation of the Marshal Yi theory of encirclement and annihilation. But by dedication, by determination, by a sense of purpose and unity, this nation triumphed and this nation will prevail and triumph over all kinds of odds. It is this nation that is being ridiculed today and mobbed. Where lies the malady? The malady lies in a very weak economy, in an economy which is inanimate, in an economy which is almost decadent. I do not

[Shri Nath Pai]

say that it is collapsing; I do not want to say those words, but I think that with vision and with determination we can retrieve the steps.

I would like to quote one sentence of Pandit Jawaharlal Nehru's in the 'Discovery of India. He asks:

"Had we had our day? Are we just carrying on after the manner of the aged, quiescent, devitalised, uncreative, desiring peace and sleep above all else?"

This is the picture the world is beginning to get of a country which yesterday appeared to be the symbol of triumph. The triumph will not last us. Other storms are gathering, internal and external storms. China, defeated in Indonesia, in Ghana, in Africa, will look for fresh victories, and India will be the temptation. Along with this continual danger from China, there are internal storms gathering. We have seen symptoms, ominous ones, in Bengal; we have seen them in Kerala. Now we are getting news of disturbances in Punjab; today something bad has happened in the capital itself. Everywhere danger signals are beginning to appear.

You will find that the root cause is our economic malaise. It will require a new kind of vision and a new kind of determination. Will the Finance Minister come forth with this kind of determination, eschewing half measures? Half measures will not succeed because the challenge is too big.

**Mr. Deputy-Speaker:** Shrimati Jyotsna Chanda.

श्री ब्रज बिहारी महरोत्रा (बिहौर) :  
 अध्यक्ष महोदय, आपकी सज़र हमारे ऊपर  
 नहीं पड़ती है। मेरे धैर्य की समाप्ति  
 हो चुकी है, मैं बाक आउट करता हूँ।

*Shri Braj Behari Mehrotra then left the House.*

**Shrimati Jyotsna Chanda (Cachar):** I thank the hon. Finance Minister for his presentation of the Budget for 1966-67. At the same time, I would like to make a few observations on our economic condition. The present economic condition of the country has become considerably worse during the last 18 years. Though the figures of *per capita* income have increased and more money has gone into circulation, the money market is very tight. There is a dearth of capital for productive investments. Shortage of food production has necessitated loans from abroad as our foreign exchange position is very low.

The Budget has been a deficit one and the hon. Minister has attempted to partly meet the deficit by raising the inter-state sales tax as well as imposing fresh excise duties and by raising existing rates on some other commodities, of which the ones on sugar and khandasari will hit the common man. With the additional railway surcharge of 3 per cent and one per cent increase in sales tax, and by raising the excise duties on some essential commodities, the average consumer has been affected. These rises are bound to help the inflationary tendency.

I personally feel that these increases could be avoided by effecting proper realisation of revenue from customs and excise at the existing rates of duties. I have noticed in the last report of the Public Accounts Committee that the provisions of the Government rules have not been uniformly applied in realising revenue and failures here and there in imposition and realisation of duties have resulted in loss of income. I humbly request Government to adopt suitable measures for proper implementation of customs and excise rules. In this way, realisation of revenue will certainly improve.



Coming to the point of exemption limit of income-tax it has been raised to Rs. 3,500 for a married person with more than one child. I think the figure ought to have been raised to Rs. 4,000. The reason for this is that with the present high cost of living, the minimum expenditure incurred by a family of five in an urban area is about Rs. 4,000.

The hon. Finance Minister has proposed relief in corporate tax for providing a suitable climate for growth of capital for the ultimate purpose of investment. In this context, I feel that the Chinese invasion of 1962 and the subsequent Pakistani aggression of last year have made investors shy in utilising the money in productive investments. Now, most of the investments are made either in available trading commodities under essential goods or in land and jewellery and also in construction of buildings. Indian capital is traditionally shy and the investors prefer to lock their accumulated surplus, without investing in Government securities, shares or in banks. Moreover, there is plenty of unaccounted money which is also not coming for productive investment. Only the relief in corporate tax will not help; measures will have to be taken to utilise all surplus money for productive investments.

I feel that industries should be allowed to grow without restrictions and permission from the Government. The Government should only control the price level and the welfare of labour and other employees of such industries. The argument that multiplication of industries of the same nature is bound to happen without Government control should not stand in the way as I believe that a private investor is shrewd enough to understand the profit motive in starting a new industry.

Industries should be allowed to grow according to suitability of region and based on availability of raw materials and labour. The permit system in industries retards such

growth and industries are sometimes set up in such areas where the cost of production becomes higher and for that again artificial indirect protection becomes necessary.

This reminds me that the Government have given loans to the private sector for development of industries from various departments of the Government, and also from finance corporations. This has probably worked in the investors' mind and he thinks that while there is scope of getting loans from Government, why should he invest further. I am not very sure whether the Government have enquired into the question whether these loans have been properly utilised by the loanees for development purposes of industries.

In the budget there is also expectation of foreign capital for investment, but I am told that the foreign investors either in the field of collaboration or in the field of direct investment do not like the procedure adopted here in regard to sanctions and permissions. They also feel that their investments cannot be made secure without suitable amendments of the Companies Act. Anyway, we have to pass our difficult period and for that matter, the production factor is the most important.

Firstly, the question of food production is the most important, but unfortunately for us, we are faced with a grave crisis. For increasing the output of food, fertiliser is important, but I am sorry to say that we have not got even 40 per cent of our minimum requirements. Surplus oil gas in Assam have not been exploited fully for the manufacture of fertilisers. The proposed Namrup plant which is not yet commissioned, will not be sufficient. So, I request the Government to consider a second unit to be built up as quickly as possible.

And for more production of paddy, the Government should give an impetus and the necessary agricultural credit to the cultivators in paddy

[Shrimati Jyotsna Chanda]

growing areas. Though two or three crops are grown in the District of Cachar, only one crop is grown in other districts of Assam. Probably it is the same in other States also where paddy is grown.

With regard to industrial production, I cannot go into details, but I would point out that production in the public sector requires much more vigilance, as the cost of production such as that of pig iron is higher than that of the private sector. This high cost of production should be brought down to competitive levels. Regarding export promotion for earning foreign exchange, still there is enough scope. For instance, ginger grown in the hills of Assam and also some medicinal herbs have export market but as there is no scope to get ginger dehydrated, this item is not properly utilised and the medicinal herbs have not been exported anywhere. Tourism is also not properly functioning. As mutual exchange of foreign travel to meet friends is not properly encouraged and intending travellers, I am told, find it difficult with existing 'P' form which requires either amendment or abolition. The budget is also a deficit one. Perhaps the aspects of effecting economy in expenditure has not been considered by the hon. Minister. More money is required in comparison to last year. Multiplication of posts without assignment of proper duties and responsibilities should be avoided. I like to submit that there is scope for curtailment of expenditure in the 'external affairs' head on account of embassies, high commissions and consulates abroad. Moreover purchase missions are sent abroad which entail extra expenditure but their work can be entrusted to high commissions, embassies, etc. There are many other means by which economy in expenditure in various Government departments can be affected provided there is a realisation that we are faced with a serious economic difficulty. Before I conclude I have to bring to the notice of the

Government that a thorough assessment of the achievements of the three plans has to be made. Failures and omissions have to be rectified along with the fourth plan. For example, Government will have to ascertain whether the Damodar Valley project had met the requirement of the cultivator with regard to irrigation water and whether construction of further dams are necessary to make the project a success. Similarly, assessment of the working of Oil India Limited is also necessary. I have seen in the news paper recently that a huge number of unemployed will have to be absorbed in employment in the Fourth Plan. This shows that something wrong has happened somewhere in the execution of the Third Plan. This abnormal backlog of unemployment has to be carried over to the Fourth Plan. It is most essential that a scrutiny and assessment of the utilisation and achievement of the three plans should be made in earnest.

**Shri Maruthiah (Melur):** Mr. Deputy-Speaker, Sir, I rise to support the budget proposals of 1966-67 and in doing so I thank you for the chance you gave me to speak in the discussions on the general budget. Since we got independence, we have to the best of our ability completed three five year plans bringing relief to all sections of our society and we are just to begin our fourth plan. Unfortunately, at this time we have to face too many problems. Moreover, but for the attack on our borders and the consequent heavy expenditure on our defence, India would have emerged as the leader of developing countries of Asia. But thanks mainly to the Tashkent declaration, we were able to tackle successfully one of these difficult problems. We also hope to solve the other problems in course of time.

The most important problem we face today is food to our increasing population. Despite government's in-

tensive efforts every year to increase agricultural production, we continue to import wheat and rice at the cost of precious foreign exchange. This we cannot afford to do for long. We should try to increase our food production through cultivation of crops suited to concerned soil. In other words, for example, soil meant for wheat should not be used for sugar cane cultivation. Even last year with a bumper production of 88 million tons, we had to import food. This year's sharp fall in production was caused by monsoon failure and we had to import food from abroad. Hence massive import of foodgrains has thus become a pressing national necessity.

I would like to add that the success of our entire economy depends mostly on self-sufficiency in food. The key to our agricultural production lies in the hands of our farmers. Unless the farmers get profitable returns for their hard labour and money they spend on the land, they will not take keen interest in producing more. Therefore, incentive prices should be given to the agriculture produce and fertilisers should be supplied at nominal rates at the time of cultivation.

I would like to bring to the notice of the Centre and State Governments that they should sincerely implement the land ceiling Acts. They should enact suitable tenancy legislation in States so as to create an atmosphere in the minds of the tenant, to feel that the land he cultivates is his own. Then only the tenants will take interest to produce more in agriculture. Agricultural labourers should be given more wages.

Let me now come to my own constituency where landless poor agricultural labourers and Harijans constitute a majority. I plead that available Government pambaok lands and forest waste lands should be allotted to those landless poor and Harijans by government and all facilities given to them for cultivation. More pumpsets

should be made available to them on easy credit. Measures should also be taken to establish agro-industries to keep the rural labour profitably engaged during off seasons. These measures would go a long way in removing poverty from our villages.

I would like to take this opportunity to request the Railway Minister to take steps for the construction of a new railway line from Dindigul to Karaikudi. This new line, if established, would considerably develop the area in all fronts. Retiring rooms are to be constructed in Dindigul railway junction in Madras State:

In view of the shortage of electricity in Madras State, the Tuticorin Thermal Plant should be taken up for construction during the fourth plan. Sirumalai plantains are famous for its taste in South India. These were exported to the United Kingdom in pre-Independence days. It was a very good foreign exchange earner during that time. I would like to suggest that plenty of wastelands available for cultivation in Sirumalai hills be assigned to landless poor Harijans for developing the plantation in that area for export.

I will now deal with certain aspects of our economic planning. Side by side with our big developmental projects, we should also undertake a great number of small industries and also agro-industries to improve the economic wealth of our country. Such industries should be set up in villages and the villagers trained in proper manner. This would keep the farmers busy during off-seasons and other landless poor, employed. This step would also remove the unemployment and underemployment in rural areas considerably.

Now I come to the question of education. It is really disappointing to not the type of education we have in our schools and colleges. The modern education we give to our students helps to get only white-collar jobs.

[Shri Maruthiah]

No doctor or engineer is prepared to go and serve in villages. Every doctor or engineer, after graduation, should be asked to serve in our villages compulsorily for a period of six to seven years. Agricultural education should be made compulsory and, in some cases, free throughout the rural India. What is essentially needed is that education should be industry-oriented. I would request the Government to please take note of this.

In the year 1969, we are going to celebrate the birth-centenary of Mahatma Gandhi. Mahatma Gandhi, as we all know, worked for the upliftment of Harijans and removal of untouchability. I would like to point out here that even after 18 years of freedom and all sorts of social legislation. Untouchability still remains in this country. For example, in rural areas in this country, there are many places where the womenfolk of different castes do not gather together to draw water from the well. This is a very sorry picture. In our approach to remove untouchability and to usher in socialism, we should try to achieve that end where, for example, womanfolk, forgetting their caste differences, should unite together, near a well to draw water.

It is time Government took strong measures to root out this evil and the Harijans given a square deal. The Government should launch immediately a massive programme of social reforms in all villages to improve the economic conditions of the peasants. The fine principles of democratic socialism should be propagated in all the corners of India. The successful completion of this big programme should be made to coincide with the celebration of Gandhiji's birth Centenary in 1969. And, that would be the proper way in which we could fulfil the great leader's life ambition of a casteless welfare society.

I would like to point out here that Gandhiji had once said that unless our villages and villagers progress economically and socially, India would not prosper. In order to carry out Gandhiji's wish, our late Prime Ministers, Nehruji and Shastriji undertook various development plans. I now request that Government should take greater interest to give more economic and social benefits to our villagers. Only on this basis, we have resolved, under the chairmanship of Shri Kamaraj in the Bhubaneswar Congress Session, that democratic socialism should come into being. Therefore, I request that better living conditions should be provided to our poor labourers. We cannot afford for long to have a society where wealthy are very few and poor are many. We ought to find a way out of this vast disparity. We ought to provide everyone a place to work and live. Then only the disparity between wealthy and poor and between the different ranks of society will disappear and the institution of democratic socialism will emerge. Government should let the public know that all strikes and anti-national activities now going on in our country are due to political influences. Government should take emergent measures to curb all such anti-national activities.

श्री रामेश्वर टांटिया (सीकर) :  
उपाध्यक्ष महोदय, यह साढ़े बारह महीने में चौथा बजट रखा गया है। पहला बजट 17 फरवरी, 1965 को रखा गया, दूसरा बजट 28 फरवरी, 1965 को, तीसरा बजट 19 अगस्त, 1965 को और चौथा बजट 28 फरवरी, 1966 को रखा गया। इस प्रकार साढ़े बारह महीने में चार बजट रखना यह कोई शोभा की बात किसी भी देश के लिए नहीं है खास करके उस देश के लिए जो अपने उद्योगों को बढ़ा रहा है, नयी प्लानिंग करने जा रहा है। न तो विदेश की वित्तीय संस्थाओं को और न देश की वित्तीय संस्थाओं

को या व्यापारियों को या उद्योगों को इस तरह के बार बार के बजटों से कोई विश्वास जमता है। इन चार बजटों में 380 करोड़ रुपये के नये कर लगाये गये। जैसा कि मेरे से पहले श्री मोरारका जी ने कहा था कि इस बार हम प्लानिंग में कटौती करने जा रहे हैं। जो हमारी चौथी पंच वर्षीय योजना है वह भी शायद उतनी नहीं रहेगी। दूसरे यह भी हम सोचते हैं, बार बार कहते भी हैं कि खर्च में कटौती करेंगे, फिर इस तरह से प्रति वर्ष टैक्स बढ़ाते जाना और वह भी एक बार नहीं, चार बार, कहां तक यह बात उचित है, यह तो वित्त मंत्री जी जिन्होंने बजट रखा है, वह बता सकेंगे। पिछले दिनों प्रधान मंत्री और वित्त मंत्री दोनों ने कहा कि देश का उत्पादन बढ़ना जरूरी है, खेती का भी, खाद का भी और अन्य चीजों का भी। परन्तु मैं आपके द्वारा यह निवेदन करना चाहता हूँ कि इतने टैक्सों के लगाने के बाद लोगों के पास या उन कारखानों के पास क्या बचेगा कि वह उन में और रुपया लगा कर कारखानों को बढ़ा सकें जिससे कि देश का उत्पादन बढ़े। आज यही कारण है कि हमारा उत्पादन जरूरी चीजों का नहीं बढ़ा पा रहा है। आज हमें खाद के उत्पादन की बात करते हुए दस बारह वर्ष हो गये, परन्तु खाद आज भी हमें बाहर से मंगानी पड़ती है और वह भी पूरी नहीं मंगा पाते। इसलिए खेती की पदावार जो होनी चाहिए वह नहीं हो पाती। खाद के कारखाने बँठाने के लिए बहुत दिनों से बात कर रहे हैं परन्तु अभी तक सरकारी क्षेत्र में कोई भी बड़ा कारखाना नहीं बँठ सका। यह हमारा दुर्भाग्य है कि हम कोई बात भी करते हैं खाद का कारखाना बँठाने की तो हमारे सदस्य चाहे विरोधी हों चाहे उधर के हों चाहे इधर के हों वह उसका विरोध करते हैं। अगर हम रशिया से बात करें तो इधर वाले विरोध करते हैं और अमेरिका से करें तो उस पक्ष के लोग उसका विरोध करने के लिए उतारू हो जाते हैं। वह यह नहीं समझते कि देश में आज सब से ज्यादा जरूरत

है खेती के वस्तुओं के उत्पादन की, खेती खाद पर निर्भर करती है। तो आज खाद का कारखाना बँठाना बहुत जरूरी है। हमारे खाद मंत्री जो खाद के कारखाने के बारे में अमेरिका से एग्जीमेंट किया है उसका मैं समर्थन करता हूँ।

करों के बारे में वित्त मंत्री ने इस बार छोट छोटे तीन, चार करों की राहत दी है कारपोरेट सैक्टर में भी और निजी क्षेत्र में भी, परन्तु जैसे कि मेरे पूर्व वक्ताओं ने कहा कि जो रिहाई उन्होंने दी उस से बहुत ज्यादा टैक्स बढ़ा कर ले लिया है। 36 करोड़ रुपया कम्पनियों से और 22 करोड़ रुपया परसनल टैक्स से इस तरह बढ़ा कर 58 करोड़ रुपया ज्यादा लिया है। ऐक्साइज में भी 40 करोड़ रुपया ज्यादा लिए हैं। पहले ही कर भारतवर्ष में सबसे अधिक थे यह निश्चित धारणा है। अलग अलग मुल्कों की जो तालिका दी गई थी उस से पता चलता है कि सब से ज्यादा कर भारत में थे। उन करों में 100 करोड़ की वृद्धि करके हम कैसे उत्पादन बढ़ा सकेंगे और कैसे रुपया बचा कर उन कारखानों में लगा सकेंगे यह बात समझ में नहीं आती।

मैं आज सरकारी कारखानों का हिमायती हूँ। जो बड़े बड़े कारखाने हैं वह सरकारी क्षेत्र में बँठा सकेंगे क्योंकि आज 1000 करोड़ या 800 करोड़ रुपये के कारखाने बँठाना निजी क्षेत्र के लिए सम्भव नहीं है। आज 2 करोड़ का निजी कारखाना भी बँठाना सम्भव नहीं है। कोई शेयर बिकने का सवाल ही नहीं है। शेयरों में 70 परसेंट टैक्स कम्पनियों पर जाता है इस साल 75 तक जायेगा। जब इतना कर बढ़ता है उसके बाद क्या बचेगा कारखानों को कि वह कुछ लाभांश हिस्सेदारों को दे सकें? हिन्दुस्तान टाइम्स या दूसरे पेरों में रोज विज्ञापन आते हैं कि ब्याज की दर 13 से 15 प्रतिशत तक हो गई है यानी 1 रुपया दो आने सैकड़ा या सवा रुपये सैकड़ा प्रति मास ब्याज की दर है।

## [श्री रामेश्वर टांटिया]

उस हालत में किसी निजी कम्पनियों के शेयर थोड़ी मात्रा में बिकना एक असम्भव बात है। इसलिए कारखाने बैठाने होंगे सरकारी क्षेत्र में ही चाहे वह खाद के हों, लोहे के हों या दूसरे हों परन्तु हमें खेद तो तब होता है जब सरकारी कारखानों का, कारण चाहे कुछ हो, परन्तु जो नतीजा है वह अच्छा नहीं निकल रहा है। भूपाल और रांची के कारखानों में पहले से कह दिया गया है कि 1970 तक घाटा लगता रहेगा। अब तक सैकड़ों करोड़ रुपये का घाटा डेप्रीसियेशन को जोड़कर इस में और हिन्दुस्तान स्टील में है। इन दोनों कारखानों में घाटा रहने की बात पहले से कह दी गई जिससे कोई आदमी उस पर टिप्पणी न करे। सन् 1970 तक यह दोनों कारखाने घाटा देते रहेंगे। यह कहाँ की बात हुई कि 6 या 7 वर्ष से कारखाने चल रहे हैं और यह 5 वर्ष आग तक और घाटा देते रहेंगे? जनता का रुपया है उन कारखानों में लगा कर उनकी किस प्रकार भलाई होगी यह तो टैक्स लगाने वाली सरकार ही बतायेगी कि क्या उन्होंने हफ़ेखा की थी, वह किस प्रकार से या किसकी सलाह से ये कारखाने इस ढंग से बिठाये गये जो 10 वर्ष तक वह घाटा ही देते रहेंगे? मेरे कहने का मतलब यह है कि सरकारी कारखाने जरूर बिठाने चाहिए परन्तु यह भी ज्यादा जरूरी है कि जनता का, गरीब जनता का पैसा जो सरकारी कारखानों में लगाया जाता है उस पर पूरी जाच हो, उसकी सम्हाल हो और यह भी देखा जाय कि वह नफ़ा क्यों नहीं कर रहा है।

रुपये के बारे में मैं ने कहा कि रुपये का बाजार में इतना अभाव है कि रुपया मिल ही नहीं पाता फिर भी बड़े बड़े लोगों को रुपया मिल जाता है। एक तरफ़ सरकार कहती है हम साधारण लोगों को, साधारण जो व्यापारी हैं या उद्योग वाले हैं उन को हम रुपये की सुभीता देंगे परन्तु मैं आप के द्वारा यह निवेदन करना चाहता हूँ कि साधारण या

छोटे लोगों के लिए जिनको, छोटे इस मानी में, कि रुपया उनके पास कम है वैसे तो वह बहुत बड़े हैं, ख़ैर जैसे भी हैं उन के लिए रुपया आज न सरकार देती है न दूसरे बैंक देते हैं। 12 महीने तक वह रुपये के वास्ते या कोई लाइसेंस के वास्ते दिल्ली वगैरह में घूमते घूमते हैरान हो जाते हैं। 5, 10 हजार रुपया अपने पास से खर्च कर घर जाकर बैठ जाते हैं। यही हालत आज हमारी लाइफ़ इश्योरेंस कम्पनियों की है। उनके पास 900 करोड़ रुपया है। बारबार अडवार्सों में वह विज्ञापन देते हैं कि हम हाउसिंग के लिए मुलभ टर्म्स पर रुपया लोन देते हैं परन्तु मेरे पास कई आदमी आये, उन्होंने मकान बनाना चाहा और जमीन भी ले ली और उनकी शर्तें भी पूरी कर दीं लेकिन 6-8 महीने तक दौड़ने के बाद भी उन्हें कोई रुपया नहीं मिल पाया और उनके खुद के 100, 200 या 500 रुपये इधर, उधर भागदौड़ में खर्च हो गये। यह पता नहीं लाइफ़ इश्योरेंस कम्पनी या स्टेट बैंक जिनकी कि 800, 900 आंचें हैं रुपया किसको देते हैं? एक तरफ़ सरकार कहती है कि मोनोपली के हम विरुद्ध हैं। मैं भी मोनोपली के विरुद्ध हूँ परन्तु मैं यह कहना चाहता हूँ कि वह सारी सुभीता मोनोपली वाले लोगों को ही मिलती है, साधारण आदमियों को नहीं मिलता। आज कोई साधारण आदमी भले ही कितना ही जानकार हो या स्वयं इंजीनियर हो या एक्सपर्ट हो परन्तु उसको 1 लाख, 2 लाख अपने कारखाने के लिए वाजिब जमानत पर भी चाहिए तो वह भी नहीं मिलता है और वह हैरान होकर मन में तकलीफ़ महसूस करके घर में निराश होकर बैठा रहता है। यही हालत आज देश में वित्तीय संस्थाओं की है चाहे वह स्टेट बैंक हो, चाहे प्राइवेट बैंक हो, लाइफ़ इश्योरेंस कम्पनी हो, कोई भी संस्था हो, चाहे एन० आई० डी० सी० हो। सरकार बराबर कहती रहती है कि जो छोटे कारखाने वाले हैं छोटे उद्योग वाले हैं उन को हम

बराबर मदद देते हैं, खाली बात में न जाकर उसको भ्रमली रूप में लायेंगे तब जाकर देश का प्रोडक्शन बढ़ेगा। पिछले 10, 20 या 50 सालों में देश का उत्पादन बढ़ेगा ऐसा मुझे नहीं लगता है।

हमारे निर्यात के बारे में बताया गया कि 500 करोड़ रुपये का आयात से कम है इम्पोर्ट ज्यादा हो यहां भी सरकार को जो ध्यान देना चाहिए वह नहीं दे रही है। चाय का ऐक्सपोर्ट हमारा काफी बड़ा है बिना इंसैटिव के परन्तु जहां कि दूसरे ऐक्सपोर्ट में हम इंसैटिव देते हैं इम्पोर्ट का या कैंस का वहां चाय में कोई इंसैटिव हासिल ही नहीं। जो एक्सपोर्ट इयूटी चाय के प्रोडक्शन में लेते हैं वह ऐक्सपोर्ट पर भी ले रहे हैं। एक तरफ हम ऐक्सपोर्ट बढ़ाना चाहते हैं जैसे चीनी में। चीनी केवल बारह रुपये मन बेचते हैं जबकि यहां लोगों को 50 रुपये मन चीनी खरीदनी पड़ती है। उधर एक्सपोर्ट इयूटी हम लेते हैं चाय के प्रोडक्शन पर वह चाय के ऐक्सपोर्ट पर भी वापिस नहीं देते नतीजा यह हो रहा है कि हमारा 9 करोड़ का चाय ऐक्सपोर्ट इस साल घट गया है। यही हालत रही तो अगले वर्षों में हमारी चाय का ऐक्सपोर्ट और भी घट जाने वाला है।, उसका स्थान भी बहुत अंशों में सीलोन, ईस्ट अफ्रीका और इंडोनेशिया आदि मुल्क ले लेंगे। मैं ने वित्त मंत्री जी को इस के बारे में कहा भी है। इस मुझाव का भी कोई औचित्य नहीं है कि आज हम ऐक्सपोर्ट की चीज में एक्सपोर्ट इयूटी भी लें और उन को सवसिडी दें। इंसैटिव दें या न दें वह दूसरी बात है परन्तु एक्सपोर्ट भी लें हम ऐक्सपोर्ट की चीज पर जिसका कि हम ऐक्सपोर्ट बढ़ा सकते हैं मुझे यह उचित नहीं लगता है। हमारे पास चाय के काफी खेत हैं। उन खेतों में वह बढ़ सकती है। उन्होंने कुछ छोटे छोटे सुभीते दिये हैं परन्तु वह सुभीते क्या काम आयेंगे जबकि हम दूसरे मुल्कों को जो सीलोन और दूसरे अन्य चाय उत्पादक देश हैं और जिनका खर्चा कम है उनके कम्पटीशन में

अपनी चाय नहीं बेच सकेंगे ? इसलिए मैं आप के द्वारा यह अर्ज करूंगा कि चाय में वैसे एक्सपोर्ट इयूटी 18 पैसे से लेकर 45 पैसे तक है परन्तु सरकार ने जो एक चारी कमेटी बैठाई थी उस कमेटी की यह सिफारिश है कि 18 पैसे किसी ऐक्सपोर्ट की चाय में एक्सपोर्ट में रिबेट दे दिया जाय। इसलिए मैं निवेदन करूंगा कि वह इस रिपोर्ट को मान लें। उसे वित्त मंत्री को मान कर चाय में रिबेट दे देना चाहिए। उस में 4 करोड़ रुपये का कुल फर्क पड़ेगा लेकिन चाय का जो 125 करोड़ रुपये का ऐक्सपोर्ट हो रहा है उस में कमी नहीं आयेंगी।

एक बात रुपये के डिबैलुएशन के बारे में कही गई है। मैं भी इसी मत का हूं कि रुपये का डिबैलुएशन करने से देश की कोई भलाई नहीं है। क्योंकि हमें माल जितना आयात करना पड़ता है उतना हम ऐक्सपोर्ट कर नहीं सकते हैं परन्तु आज एक तरीके से हम ने जो डिबैलुएशन को मान लिया है वह बहुत गलत हुआ। 23 रुपये पाँड के भाव के आज से तीन महीने पहले जबकि अधिकतर दर 13 रुपये 6 आने थी परन्तु आज 31 रुपये पाँड के दाम हैं। हम ने नेशनल डिफेंस रीमीटेंस स्कीम रखी उस के हिसाब से कोई भी आदमी वहां से रुपया ले आये उस को 60 परसेंट इंसैटिव इम्पोर्ट के लिए कोई चीज का मिल जाता है। होता क्या है कि यहां से जो भाव में रुपया मिले भेजते रहते हैं वहां से जो रुपया वापिस आता है उसका 60 परसेंट इंसैटिव बाजार में बेच देते हैं। यह सरकार ने एक तरीके से खुली छूट दे दी। यह एक प्रकार से डिबैलुएशन करना सरकार ने मंजूर कर लिया जोकि गलत है। उससे रुपया भी कुल 10 करोड़ से भी कम आया है। मैं निवेदन करना चाहता हूं कि इस नेशनल डिफेंस रीमिटेस स्कीम पर विचार कर के इस को तुरन्त बन्द किया जाये, जिस से हमारे रुपये की जो बेइज्जती हो रही है—हमारे रुपये की कीमत पाकिस्तान के रुपये से भी

## [श्री रामेश्वर टांटिया]

30 प्रतिशत कम है—, उस को रोका जा सके ।

यद्यपि इस बार 7,500 रुपये से कम आमदनी वालों पर कर नहीं बढ़ाया गया है, लेकिन निजी करों में दस प्रतिशत की वृद्धि कर दी गई है । जो टैक्स देने वाले हैं, वे पहले हो बड़े हुए दामों के कारण कुछ नहीं बचा पाते हैं, जिस से वे अपने बच्चों को अच्छी शिक्षा दे सकें, कुछ बचा पायें, कुछ बीमा करा पायें । जिन लोगों को फिक्स्ड इनकम है, उन पर टैक्स बढ़ाना कहां तक उचित है ? हमारे पिछले वित्त मंत्री श्री टी० टी० कृष्णामाचारी ने कहा था कि भ्रगले साल हम निजी टैक्स में कुछ कटौती करेंगे और कार्पोरेशन टैक्स के बारे में भी सोचेंगे । ऐसी बातें बार-बार कही जाती हैं परन्तु जब बजट का समय आता है, तो टैक्स घटाना तो दूर रहा, उल्टे टैक्स बढ़ा दिये जाते हैं । वित्त मंत्री महोदय ने तीन चार छोटे छोटे टैक्स हटा दिये, परन्तु एक इतना बड़ा टैक्स लगा दिया कि लोग भ्रम में रह गये कि टैक्स बढ़े हैं या घटे हैं ।

मुझे इस बारे में एक सच्ची घटना याद आती है । एक आदमी एक रुपये की तम्बाकू लेने के लिए गया । दुकानदार ने उस की दो सेर तम्बाकू दे दी । उस आदमी ने कहा कि हम तो आप के परिचित आदमी हैं, हम को कुछ ज्यादा दे दीजिये । दुकानदार ने उस को थोड़ा तम्बाकू और दे दिया और वह आदमी खुशी खुशी घर चला गया । लेकिन जब उस ने उस तम्बाकू को तोला, तो वह पौने दो सेर निकला ।

वही बात वित्त मंत्री महोदय ने की है । उन्होंने सात आठ करोड़ रुपये के तीन चार छोटे छोटे टैक्स हटा दिये और चालीस करोड़ रुपये का एक बड़ा टैक्स लगा दिया । आज स्थिति यह है कि न तो देश की कम्पनियों और न निजी व्यक्ति ज्यादा टैक्स दे सकेंगे ।

भ्रगर ज्यादा टैक्स लगाया जाये, तो दूसरी बात है, परन्तु टैक्स की भ्रदायगी बहुत मुश्किल होगी, क्योंकि कम्पनियों का मुनाफा कम हो जायेगा ।

जापान, वैस्ट जर्मनी और अमरीका आदि देशों ने टैक्स घटा कर यह साबित कर दिया है कि टैक्स कम करने के बावजूद उन की भ्रदायगी बेसी हो सकती है, क्योंकि कारखाने ज्यादा कमाते हैं । उन्होंने यह साबित कर दिया है कि ज्यादा टैक्स लगाने से ज्यादा आमदनी हो जायेगी, ऐसी बात नहीं है । इसलिए मैं वित्त मंत्री से निवेदन करूंगा कि जो टैक्स उन्होंने इस साल बढ़ाये हैं, कम से कम उन में राहत दी जाये ।

यहां पर हम को 50, 55 रुपये मन चीनी लेनी पड़ती है और वह भी कोटे से, जब कि वही चीनी हम अमरीका को 12 रुपये मन के हिसाब से बेचते हैं । जो इतना धनाढ्य देश है कि एक मामूली ड्राइवर और झाड़ देने वाला भी 1800 रुपये पाता है, बहां पर लोगों को एक रुपये सेर चीनी मिलती है और हमारे यहां डेढ़ रुपये सेर मिलती है । यही हाल हमारे यहां गेहूं, चावल और दूध का भी है ।

हम बहुत लम्बी चौड़ी बात करते हैं । कहते रहते हैं कि हम बहुत ज्यादा उत्पादन बढ़ायेंगे, लेकिन हमारी जनता बराबर पिसती जा रही है । हर साल हम एक्साइज ड्यूटी लगा देते हैं नये कर लगा देते हैं, कम्पनियों पर कर लगा देते हैं । इस अवस्था में क्या वे लोग बचा पायेंगे और क्या खा पायेंगे ?

मेरा निवेदन है कि वित्त मंत्री महोदय सोच-समझ कर इन बढ़ाये हुए टैक्सों में कमी करें । मैं उन को विश्वास दिलाता हूं कि इस से निश्चित रूप से उन को घाटा नहीं रहेगा, बल्कि कुछ न कुछ लाभ ही होगा ।



**Shri Kamalnayan Bajaj:** Mr. Deputy-Speaker, Sir, I would be speaking mostly on the fiscal measures, but I might say that our serious problems are law and order, the food situation and the scarcity in the money market which has arrested or has rather retarded our growth of economic and industrial development. As far as the law and order is concerned, we are deeply distressed and we feel the agony. Our people are being exhorted to indulge in arson, loot and lawlessness. We are very sorry that, however reluctant, we have to take measures to keep the law and order in different places wherever it has become unavoidable. But the firmness of the Government whatever it should have been, is not apparent and because of that reason, there seems to be a feeling that the Government would only listen if they create more disorder, if they burn property and indulge in loot and arson. This kind of misapprehension is going on and it has been systematically spread by some political parties and the country is held to ransom. I hope the Government will firmly handle these unlawful elements in our country so that we may be saved from disasters.

Regarding food, I would like to take some other opportunity to go into the details. But I would only say that we do not have the administrative machinery to cope with the zonal systems and we must also restore the normal channel of trade and communications in food because without that there is increasing corruption and the amount of food which is available in the country is not coming to the extent it should have been normally in the market. In spite of the fact that 10 million tons of food are promised and are coming to this country, we are not able to improve the price line. It has gone down in some places but, on the whole the psychology is of scarcity, and I do not think the Government has succeeded considerably in improving the psychology in that respect.

Here, in many speeches, the Members have accused or rather they have felt apologetic. My friend, Mr. Tanti, also said that he does not like monopoly. I would also say that monopoly is not good if it is bad monopoly. But in a controlled and planned economy, a certain amount of protection is unavoidable. If the bad effects of the monopoly are completely checked, then what is the harm if there is a monopoly. The Government has absolute powers to check them. You can license the industry, you can restrict the production, you can fix the prices and all that and then the bad effects of the monopoly are not there. If the bad effects of the monopoly are not there, even the Monopolies Commission has said that certain groups which are tended to be the monopoly groups have assisted the growth of industrial development in the country. Why should we not take the advantage of such groups? Is there only a political bogey against it? We should see to the development of the country and if we can achieve the development of the country without having any harm of the monopolies, I think, we should encourage them by licensing, by controlling and by certain amount of other restrictions.

**Dr. M. S. Aney (Nagpur):** There should be equal distribution.

**Shri Kamalnayan Bajaj:** The Government can put restrictions on the distribution and so on. That is the distribution machinery. That is entirely different. But why blame the system which is able to produce more when you need more goods in our country? That is what I am asking. I am not in favour of monopoly otherwise. But in a planned economy, a certain amount of it is unavoidable.

The Monopolies Commission has done, on the whole, a very good job. They have given a list of about 70 people; they have given the number according to the capital investment that the group has made. My only

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objection is that they should not have given the emphasis so much on what is the amount that has been invested by the group and what has been the total sales. The emphasis should have been given in relation to what is the total amount of funds they are utilising, how much profit they are making, how much goods they are producing and what is the price that they are keeping. Unless you make efficiency as the target in giving the ranking, I feel that inefficiency will gain importance. That is what is done by giving that list. A general feeling is there already that if I can invest Rs. 15 lakhs and if the result is negligible comparatively, then we have the fund or we can borrow it and invest it and we can get it out of the depreciation and so on. Otherwise, people would be more discriminating. With the least amount of fund, there should be maximum amount of production and profit. That emphasis should have been there.

18 hrs.

I do not think that anybody, irrespective of which party he belongs to, will have any objection to whatever the Finance Minister has set for himself every year. He

has said that it should be more production oriented, it should be more export-oriented, there should be more savings and so on. We have no quarrel with him on that. But whatever he has done, whatever he has tried to achieve, he has not achieved the task that he has set for himself. For that reason he has not succeeded in whatever that he has professed or in the task that he has set for himself.

So far as the expenditure tax is concerned, I would like to regard it as an irksome tax. If you want to keep it for political reasons, by all means you may keep it, but what are the administrative expenses involved? Is it worthwhile to keep it? I would personally welcome abolition of this tax. But if you want to keep it for political reasons—because some people want it—I have no objection; you can keep it.

**Mr. Deputy-Speaker:** The hon. Member may continue tomorrow.

18-02 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 15, 1966/Phalguna 24, 1887 (Saka).*