

Date 09.12.2014

LOK SABHA DEBATES
(Part II—Proceedings other than Questions and Answers)

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LOK SABHA

Monday, 21st March, 1955.

—
*The Lok Sabha met at Eleven
of the Clock.*

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS
(See Part I)

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PRESIDENT'S ASSENT TO BILLS

Secretary: Sir, I have to inform the House that the following Bills, which were passed by the Houses of Parliament during the current Session, have been assented to by the President:

- (1) The Working Journalists (Industrial Disputes) Bill, 1955.
- (2) The Imports and Exports (Control) Amendment Bill, 1955.
- (3) The Andhra Appropriation Bill, 1955.
- (4) The Andhra Appropriation (Vote on Account) Bill, 1955.

GENERAL BUDGET FOR 1955-56

GENERAL DISCUSSION

Mr. Speaker: The House will now proceed with the further discussion of the General Budget. Of the 20 hours allotted for the general discussion, about 18 hours have already been availed of and 2 hours now remain.

As the Finance Minister requires about 1½ hours for his reply, I would

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call him at 12-30 P.M. Thereafter the House will take up the consideration of the Essential Commodities Bill, 1955, as reported by the Select Committee.

So, we have now about 30 minutes at the most—25 minutes to speak more correctly. Now, Shri D. D. Pant.

Shri Raghavachari (Penukonda): Sir, I want to make a submission for your consideration.

Mr. Speaker: Submission in respect of what?

Shri Raghavachari: The point is this. The Select Committee Report in respect of the Essential Commodities Bill was made available to us only yesterday. Under the Rules we must have two days' time. If this Bill is taken up today there is no time for us to give our amendments. Therefore, I want to submit that this may be taken up afterwards. That is the point which I wanted to submit.

Mr. Speaker: I should like to know what the Minister in charge has to say. He is not here now. The hon. Member may raise the point at the time when the Bill is taken up and when I expect the Minister will be present.

Dr. Lanka Sundaram (Visakhapatnam): When the Minister comes to the House it will not be possible for us to get time to move amendments to the Select Committee Report. That is the point, and therefore, some other Bill will have to be taken up.

Mr. Speaker: I am just sending for him now, if he can come. Then we will be able to decide. In any case, hon. Members are going to get two hours from now and the Bill was circulated yesterday. I am saying this

[Mr. Speaker]

because I have no idea of the particular urgency with which the Government want this Bill to be put through in this Session. I am speaking only from my impression.

Pandit Thakur Das Bhargava (Gurgaon): One solution is that the amendments may now be received and they may be taken up.

Mr. Speaker: Therefore, I am telling the hon. Member, to meet his objection, that I am just trying to clarify the ground. If there is any urgency then, of course, I shall have to consider the question of waiving notice in respect of the amendment. It is for that, that I want the presence of the hon. Minister.

Dr. Lanka Sundaram: There is one other point. There is not enough time for Members of this House to study the Joint Select Committee's Report also.

Mr. Speaker: It is for that purpose that the Rule is made. The Report was circulated on Saturday and some amendments, I understand, have been received.

Shri Raghavachari: It was circulated on Saturday night.

Pandit Thakur Das Bhargava: We received the Report yesterday morning, and we gave amendments today morning.

Mr. Speaker: What I am saying is: the hon. Member has raised an objection based on Rules. I am quite prepared to uphold what the Rule provides provided I have an opportunity of hearing on the merits and considering as to whether the case is one in which the Chair should waive notice. That is why I wanted the presence of the hon. Minister in charge. Let us take it up at that time. There is no intention of evading any amendment or depriving Members of an opportunity to give their amendments. Some people have already given amendments and other Members may take advantage of the two hours now

available to give such amendments as they like.

श्री श्री० श्री० बन्त (जिला अलमोड़ा—उत्तर पूर्व) : बजट के ऊपर बोलने के लिये बहुत कम समय मिला था, उस में भी बहुत सा समय और बातों में चला गया है। इतने थोड़े समय में मैं जो थोड़ी सी बातें आप के सामने अर्ज करना चाहता हूँ, वह यह है। आज तीन चार रोज़ से बजट के ऊपर स्पीचें सुन रहा हूँ। करीब करीब सब तरफ के लोग बोलते हैं, मगर मुझे ऐसा जान पड़ता है कि हम ने निष्पक्ष हो कर बजट को नहीं देखा है और इस समय हमारे वित्त मंत्री को जो कठिनाइयाँ हैं उन के ऊपर भी हम ने नहीं सोचा है। मैं मानता हूँ कि अगर हमारे देश में जिसे हम क्रान्ति कहते हैं वह बहुत जल्दी हो गई होती तो शायद वित्त मंत्री इस प्रकार का बजट न बनाते। पर देशवासियों की जैसी भावनाएँ हैं और जिस प्रकार का उन का आर्थिक विश्वास है उस में मैं नहीं समझता हूँ कि हमारे वित्त मंत्री इस के सवा और किसी तरह का बजट बना सकते थे।

कई भाइयों ने कहा है कि हमारे सामने देश की आर्थिक दशा की जो तस्वीर है उसे वित्त मंत्री ने नहीं रखा है। इस सोशलिस्ट पॅटर्न के बारे में तो मैं यही कह सकता हूँ कि वह इस पर निर्भर करेगा कि हम सोशलिस्ट पॅटर्न के क्या माने समझते हैं। अगर सोशलिस्ट पॅटर्न का मतलब यह है कि प्रत्येक मनुष्य की पहली अप्रैल से बराबर आमदनी वित्त मंत्री कर दें, तो यह बिल्कुल दूसरी बात है, मगर मैं समझता हूँ कि जो हमारा आवड़ी का प्रस्ताव है उस के अनुसार हम जिस चीज को सोशलिस्ट पॅटर्न समझ रहे हैं उस की बातों को हम धीरे धीरे करना चाहते हैं। जो हमारी खास नीति है वह यह है कि देश में हम ने किसी से जबर्दस्ती रुपया ले कर बांट सकते हैं और न हम ऐसा करना ठीक ही समझते हैं।

बजट की जो मुख्य बातें हैं वह बहुत थोड़ी सी हैं मगर उन के ऊपर बहस ज्यादा हुई है।

विशेषकर यह कि हमारा वित्त मंत्री को जो २६ करोड़ रुपया चाहिये वह उस को कैसे पैदा करें, जैसे उन्होंने कहा कि एकसाइज ड्यूटी कपड़े पर, कागज पर और एसी दूसरी चीजों पर लगा दी और इन्कम टैक्स स्लैब में कुछ फर्क कर दिया। मेरी समझ में उन के पास और भी तरीके थे जिस से कि रुपया इकट्ठा किया जा सकता था। अगर उनमें सेंटिमेंटल को धक्का नहीं पहुँचता तो मैं कहना चाहता हूँ कि अगर साल्ट के ऊपर ड्यूटी इम्पोज कर दी जाती तो बहुत ही अच्छा होता। मगर ऐसा हम नहीं कर रहे हैं। मैं नहीं समझता कि अगर ऐसा कर दिया जाता तो आर्थिक दृष्टि से हमारी हालत कुछ खराब हो जाती। सवाल ड्यूटी लगाने का नहीं है, सवाल तो यह रखने का है कि जो ड्यूटी लगाई जाती है उसका इंडीसेस किस पर पड़ता है। जो टैक्स आप न लगायें हैं उसका बोझ लोगों पर बहुत ज्यादा पड़ता है लेकिन साल्ट ड्यूटी अगर आप लगा देंगे तो यह एक प्रकार से एसी ड्यूटी भी जो कि गरीब से गरीब और अमीर से अमीर दे सकता था और सब लोग यह महसूस करने लग जाते कि राष्ट्र के निर्माण में हम योग्य रहे हैं और पूँजपतियों का यह दावा कि रुपया हम देते हैं और राष्ट्र का निर्माण हमारी बजह से हो रहा है गलत साबित हो सकता। अगर सेंटिमेंटल रीजन्स हमारे रास्ते में न आयें तो मैं समझता हूँ कि अगर हम यह राय लेने की कोशिश करें कि साल्ट ड्यूटी लगनी चाहिये या नहीं तो हर कोई कहेगा कि साल्ट ड्यूटी लगनी चाहिये। क्योंकि अब हालात बदल गये हैं। जिस समय साल्ट ड्यूटी के खिलाफ सत्याग्रह किया गया था उस समय मुझे याद है 'हरिजन' में यह शब्द लिखे गये थे और वही शब्द मुझे आज याद आ रहे हैं :

The British Empire rests on a pillar of salt.

यह शुद्ध शब्द 'हरिजन' में छपे थे। आज हालात बिल्कुल बदल गये हैं। ब्रिटिश एम्पायर यहां से चली गई है, वह अब यहां नहीं रही। हमारे सामने यह सवाल है कि रुपया कैसे आये। मैं

भी और मुल्क के लोग भी यह समझते हैं कि जब गांधी जी ने नमक सत्याग्रह किया था उस समय हालात कुछ और थे और अब हालात बदल चुके हैं और अब हमारे सामने सेंटिमेंटल रीजन्स नहीं रहने चाहिये और हमें साल्ट ड्यूटी लगाने से हिचकीचाना नहीं चाहिये।

दूसरी बात जो मैं कहना चाहता हूँ वह प्लॉनिंग के बारे में है। अपनी तमाम स्कीमों को पूरा करने के लिये आज हर एक स्टेट को कहा जा रहा है और इस बात के लिये मजबूर किया जा रहा है कि वह अधिक से अधिक रुपया पैदा करें लेकिन इसके साथ साथ हम उन को ठीक तरह से सोचने का मौका भी नहीं देते हैं। आज हम उनसे कह रहे हैं कि गाँ हत्या बन्द कर दो, प्रोहिबिशन लागू कर दो। यह चीजें गलत हैं। जैसे हमारे देश में शराब बन्दी आ रही है और जिस तरह से हम इसको लागू कर रहे हैं उसके तीन नतीजे निकले हैं। पहले तो यह कि बहुत सा रुपया जो कि हम जमा कर सकते थे वह हमें आज नहीं मिल रहा है। मैं यह नहीं कहता कि शराब बुरी चीज नहीं है और यह भी मैं जानता हूँ कि यह कहा जा रहा है कि शराब बद्माश लोग पीते हैं। मुझे यहां पर एक साधु की बात याद आती है। एक मेरे मित्र ने मुझे से कहा कि बकालत बहुत बुरी चीज है और मैं बकालत नहीं करना चाहता हूँ और इस बारे में मैं साधु से सलाह लेना चाहता हूँ। वह एक साधु के पास गया और उससे कहने लगा कि जो बकालत करते हैं उनके पास चोरों और बद्माशों का पैसा आता है और मैं ऐसा पैसा नहीं लेना चाहता हूँ। साधु जी ने कहा कि अगर तुम यह पैसा लेना नहीं चाहते तो कोई दूसरे ले जायेंगे इस वास्ते मेरी नसीहत यह है कि यह पैसा चोरों और बद्माशों से लेकर अच्छे काम में लगा दो। कुत्तों के मुँह से निकाल कर गाय के मुँह में डाल दो। इसी तरह से शराब बन्दी के बारे में हो रहा है। बहुत सा पैसा जो हमें मिलना है वह हम छोड़ रहे हैं और दूसरे यह कि प्रोहिबिशन को लागू करने के लिये हम बहुत सा रुपया फिजल खर्च कर रहे हैं। इस का नतीजा यह हो रहा है कि

[श्री डी० डी० पन्त]

लोग गंदी शराब पीने लग गये हैं, इंडिफिसिट डिस्टिलेशन हो रहा है और रद्दी शराब लोग पी रहे हैं। कई लोग तो कच्ची एल्कोहल भी पी लेते हैं। इस प्रोहिबिशन को लागू करने से यह सब बातें हो रही हैं। तो मैं कहता हूँ कि यह रुपया चोरों और बदमाशों के हाथ में से ले कर गाय के मूँह में डालो। आप यह धन इकट्ठा कर के अच्छे-अच्छे कामों में लगाइयें जिस से कि देश का भला हो। मैं नहीं समझता कि वित्त मंत्री किसी और जगह से रुपया ला सकते थे इस घाट को पूरा करने के लिये। यह जो टैक्स आप ने लगाये हैं आप कहते हैं कि कपड़े के दाम बढ़ेंगे, चीजों के दाम बढ़ेंगे, जरूर बढ़ेंगे। अगर आप खूब धन पैदा करना चाहते हैं तो मैं आपको वह तरीका जो कि अंग्रेजों ने अपनाया था बताना चाहता हूँ। उन्होंने खूब रुपया पैदा किया। आप भी शराब पर टैक्स लगा कर रुपया पैदा कर सकते हैं लेकिन जहां अंग्रेजों ने इतना रुपया कमा कर भी इसको भलाई के कामों में नहीं लगाया आप इस को अच्छी-अच्छी जगह खर्च कर सकते हैं। नहीं तो यह रुपया बदमाशों के पास नाजायज शराब बनाने वालों के पास चला जायगा। जो बजट वित्त मंत्री जी ने बनाया है मैं ने उसको बड़े गौर से देखा है और मैं समझता हूँ कि यह बजट ठीक ही बनाया गया है और मैं इस बात में भी उनको सपोर्ट करता हूँ कि जिस तरीके से वह रुपया इकट्ठा करना चाहते हैं वह ठीक ही तरीका है और इसके सिवा उनके पास और कोई और तरीका नहीं रह गया था जहां से वह रुपया पैदा करते। जैसा आदर्शवाद आपने अपने सामने रखा है उस आदर्शवाद तक पहुंचने के लिये यह बजट ठीक ही बनाया गया है। जब डा० मधोदास वित्त मंत्री थे उस समय मैं ने सुझाव दिया था कि इंडिफिसिट फाइनेंसिंग आप लोगों को ज्यादा नोट छाप कर करना चाहिये। आखिर वे मुल्क भी हैं जो लड़ाई के वक्त बीस बीस करोड़ रुपया हर रोज खर्च कर देते हैं। वे इतना रुपया कहां से लाते हैं। मेरे विचार में मैकडोनाल्ड आफ मनी एक ऐसा जाल है और उस

जाल को अभी हम अच्छी तरह से समझ नहीं सकते हैं और उसके फंद में हम फंसे रहते हैं। मुझे यहां एक बात याद आ गई है। आज तीन साल हो गये हैं। कॅम्ब्रिज यूनिवर्सिटी में प्रोफेसर डब्ल्यू (D bbs) ने रशियन प्लैनिंग के ऊपर तीन बार व्याख्यान दिये थे। एक बार उनसे एक हमारा प्रमुख इंडिस्ट्रियलस्ट ने पूछा कि साहब रूस वाले रुपया कैसे लाये, उन के सामने भी बड़ी बड़ी स्कीमें थीं जो कि उनको पूरी करनी थीं और उनके पास भी पैसे की कमी थी। इस के जवाब में डा० डब्ल्यू ने कहा कि वहां एक योजना है जिस के अनुसार वे यह जानने की कोशिश करते हैं कि किस चीज की मांग ज्यादा है और उस चीज की कास्ट एकाउंटिंग से क्या कीमत पड़ेगी और किस भाव पर उस चीज की बिक्री हो सकेगी। इस बात को जान लेने के बाद वे नोट छापते हैं उन नोटों के पीछे वह चीज रहती है जो बाजार में बिकेगी। इस तरह से वहां इन्फ्लेशन नहीं होती है। मैं आप से अर्ज करता हूँ कि आप भी कोई इसी तरह की स्कीम बनायें जिस से यहां पर इनफ्लेशन भी न हो और आप के पास रुपया भी आ जाय। ऐसा करने से आप आगे बढ़ सकते हैं। मैं मानता हूँ कि मुल्क में अभी ऐसी भावना नहीं आई कि वे दूसरों की भलाई के लिये रुपया लगा सकें। हर कोई यह चाहता है कि मेरे पास ज्यादा रुपया हो क्योंकि इस से उसकी इज्जत होती है। उन को चाहिये कि वे इस भावना को छोड़ दें। यह भावना कि रुपये की वजह से ही बड़ा होना चाहिये गलत भावना है। हर कोई यह चाहता है कि उसके पास ज्यादा रुपया हो। मैं तो गरीबों से भी कहता हूँ कि उन में भी यह भावना नहीं होनी चाहिये। आज तो छोटों के ऊपर बड़ा और बड़े के ऊपर और बड़ा आदमी है। अभी तक इन लोगों की मनोवृत्ति नहीं बदली है। मैं समझता हूँ कि जब तक आप यह अधिकार वित्त मंत्री को न दें तब तक कैसे काम चल सकता है। आप चाहते हैं कि जमींदारियां भी कायम रहें, महल भी रहें, एलाउसेज भी कायम रहें, शराब बन्दी भी

हो जायें, गाँ इत्या भी बन्द हो जायें तो सब बातें कैसे हो सकती हैं यह मंत्री समझ में नहीं आता है ।

बजट का दिन एक ऐसा दिन होता है जब कि हर प्रकार की जो सरकार की नीतियाँ हैं उनके ऊपर आलोचना की जाती है । मगर १५ मिनट का वक्त जो हमें दिया जाता है बहुत कम है और मैं नहीं समझ सकता कि इतने थोड़े से समय में क्या कुछ कोई बोल सकता है और किस तरह से अपने प्वाइंट्स को डिबेलोप कर सकता है । फिर भी मैं कहूँगा कि जो टैक्स आप लगा रहे हैं वह तो ठीक ही है लेकिन जो खर्चा हो रहा है उससे मैं संतुष्ट नहीं हूँ । इस सरकारी मशीनरी के बारे में मैं ने पहले भी आपकी तबज्जह इस तरफ दिखाई थी कि इस पर बहुत ज्यादा खर्च किया जा रहा है । हमारे एक मित्र मिस्टर जोशी थे और उनके पास जो कार थी वह एक गैलन में दो मील जाती थी जब कि बाकी कारें चालीस चालीस और पचास पचास मील जाती हैं । इस तरह से उनकी मशीनरी बहुत ज्यादा पेट्रोल चार्ज करती थी । बिल्कुल यही हालत आज हमारे एडीमिनिस्ट्रेशन की है । मैं दख रहा हूँ कि कम्युनिटी प्रोजेक्ट्स में भी जहाँ बहुत ज्यादा काम हो रहा है वहाँ अफसरों वगैरह के आने जाने में, उन के रहने सहने में, रिपोर्ट निकालने में और दूसरी कागजी कार्यवाही करने में बहुत ज्यादा फिजूल खर्च हो जाता है ।

[PANDIT THAKUR DAS BHARGAVA
in the Chair]

तो यह सब देखकर मैं सोचता हूँ कि हमारे वित्त मंत्री को एडीमिनिस्ट्रेशन की मशीनरी को सिम्पलीफाई कर देना चाहिये । अगर किसी इलाके में कुछ काम होने वाला है तो बजाय इसके कि हर बार दिल्ली और लखनऊ से एक्सपर्ट जायें यह अच्छा होगा कि एक्सपर्ट वहीं भोजपूर रहें और उस काम को देखें । मैं ने देखा है कि हमारे यहाँ मेलों में सार्वहंस आफ डिपार्टमेंट चले जाते हैं । उनसे पूछा जाय कि आप क्यों आये हैं तो वे कहते हैं कि यहाँ कम्युनिटी प्रोजेक्ट का काम होता है उसको देखने आये हैं । बाद को अगर उनसे पूछा जाय

कि आपने क्या देखा तो वे कुछ नहीं बतला सकेंगे । और सैकड़ों रुपये का टी० ए० बं खींच लेते हैं । तो इस तरह से सारा पेट्रोल दो ही मील चलने में खर्च हो जाता है बजाय इसके कि उससे गाड़ी २० या २५ मील जाती । तो हमारे माननीय वित्त मंत्री जी ने जो टैक्सेशन लगाया है वह हमारी वर्तमान मनावृत्ति को देखते हुए ठीक ही है । बहुत से लोग कहते हैं कि यह बजट कैपीटलिस्ट्स के खिलाफ है या इंडस्ट्रियलिस्ट्स के खिलाफ है । मैं तो देखता हूँ कि अभी हमारे देश में कैपीटलिस्ट पैदा ही नहीं हुए हैं । अगर हमारे देश में कैपीटलिस्ट होते तो वे देश को अमरीका और यूरोप की तरह ऊंचा उठा देते । हमारे यहाँ तो मनी ग्रूबर्स हैं कैपीटलिस्ट नहीं हैं । अगर किसी इंडस्ट्री को बरबाद करके भी उनको पैसा मिलने की सम्भावना हो तो वे उस पैसे को ले लेंगे और उस इंडस्ट्री को बरबाद कर देंगे । जब तक यह हालत है तब तक यह कहना कि यह बजट कैपीटलिस्ट्स के खिलाफ है, बिल्कुल गलत होगा । असल बात तो यह है कि जो हिन्दुस्तान का पूंजीवाद है वह विदेशी पूंजीवाद की नकल है । यहाँ की आत्मा से वह पूंजीवाद पैदा नहीं हुआ है । पूंजीवाद तो यूरोप और अमरीका में डेवलप हुआ है, जिसने उन देशों को आगे बढ़ा दिया है । यहाँ के कैपीटलिस्ट तो मनी ग्रूबर्स हैं । इसी तरह से यहाँ के कम्युनिस्ट सैबीटियर्स हैं । वे रूस की नकल करते हैं । जो कम्युनिज्म हमारे देश में बन सकता था उसे उन्होंने कभी बनाया नहीं ।

यहाँ पर जो पद्धति प्रचलित है उसे चाहे आप गांधीवाद कहिये या मानववाद कहिये, वह यह है कि अगर किसी को कर्ज दे दिया और वह नहीं दे सकता है तो उसको और सजाबता कर दी जायें ताकि जब वह संभल जाय तब दे दे, जैसे कि हम टुबली गाथ को खिलाते हैं ताकि वह स्वस्थ हो कर हमको दूध दे सके । यही पद्धति हमारे देशांत में प्रचलित है । यह नहीं कि अगर वह नहीं दे सकता है तो उसका मकान नीलाम करवा लें । यही पद्धति हमारे देश के लिये लाभकारी सिद्ध हो सकती है ।

[श्री डी० डी० पन्त]

अतः मैं समझता हूँ कि यह बजट तो ठीक है और मैं उसका समर्थन करता हूँ, लेकिन जैसा कि मैं ने कह दिया आप खर्च को देखें।

Mr. Chairman: There are only eight minutes now, before I call upon the Finance Minister. Shrimati Kale.

Shri U. M. Trivedi (Chittor): I have not spoken even once on the Budget within the last four days.

Mr. Chairman: Not only has she not spoken within the last four days, but the whole Session.

Shrimati A. Kale (Nagpur): Sir, I think on the whole the Budget is as welcome one as it tries to adjust without much affecting the common man. The cry that he is the person who has been unnecessarily taxed is a futile one. After all every citizen has to contribute to the exchequer.

The total increase in taxes on cloth is supposed to yield 9 crores. That means an increase of about 4 annas per head per annum. Now the poorer classes generally use medium or coarse cloth, so leaving the fine or superfine cloth the increase of tax will be to the tune of three annas. This works to one pice per month per head, which cannot be said to be a burden on even the poorest of the poor. If this so called protagonists of the poor are anxious to relieve them even of this burden then they should educate the poor in the art of spinning so that eventually they will take to *Khaddar* and thus save themselves from this excise duty on cloth.

Similarly, the increase in excise duty on sugar works to less than 9 pice per head per year. I would like to know from the critics whether this is an unbearable burden.

As regards goods like electric fans, sewing machines etc. when they used to be imported Government did get custom duty. Now that the imports are more or less stopped the same has

to be recovered by way of excise duty. According to me the most hard hit people are those whose income is between Rs. 7,500 to Rs. 10,000. The income tax rate has been increased from one anna nine pice to two annas three pice or a rise of 28 per cent. which is really too much to be borne by this class of people. However the increase in the rate of income tax on the next slab is just three pice in the rupee which works to about 8.5 per cent. I would therefore, suggest that the burden on the lower-income group should be reduced and that the higher slab should bear the burden. The rate of income tax need not be the multiple of pice. I would humbly suggest to the Finance Minister that he should examine the effect on his budget by reducing two pice that is $\frac{1}{2}$ anna in the rate on the slab of Rs. 7,500 to Rs. 10,000 and increase the same on the next slab of Rs. 10,000 to Rs. 15,000 on the next slab it should be one anna three pice and thus remove the anomaly that has crept in.

Having said so much in favour of the Budget proposals I now come to the general aspect of the same. It miserably fails towards an attempt to reach a Welfare State or what is called a socialist pattern of society. You have taxed the business people that is quite correct. The Income-tax Investigation Commission is there. They have so far only probed into the hidden gains of the business community but I fail to understand what stops this Commission from looking into the hidden gains of administrators and legislators I am sure a lot of money could be had if these gains are taxed properly. Similarly I do not know why funds of each political party are not open to public scrutiny. I am told that during the Andhra elections the Communists spent lavishly. I wonder where they got the money from. Another untapped source is the astrologers. They have amassed large amount of money why should Government not tax these people.

The constitution has certain objectives. It provides for equal opportunities to all but what we find in practice is lack of opportunities everywhere. This certainly is not in consonance with the avowed policy of socialist pattern of society. This is our ideal but does not seem to have been reflected in the Budget. For instance England is a welfare state where you get free education for all upto a certain standard. Similarly every individual gets free medical aid. There should be some provision like this in the Budget so that people might be assured of our *bona fides*.

Coming to the vexed question of mixed economy I hear a lot of noise that is created by a certain section of society. India has been accustomed to mixed economy for over a hundred years. No body seems to have complained about the establishment of Railways or that of postal system. Government has been running Forest Industries side by side with the zamindars. But there was no complaint even before the advent of Independence Factories like Sindri were established by the Government. No industrialist came forward to start the same. Even in the case of Iron and Steel for forty years no Industrialist came forward. Except two companies there was no expansion of this that the Government is with a lot of hue and cry is raised. Unless basic Industries are socialised equal opportunities for all will not be available. Baring Tatas what we find is that all the key posts of other business houses are given to their respective caste men. One of the main conditions of socialist pattern of Society is the right to work. But what have we done to proceed towards this.

Our Finance Minister has declared elsewhere that within the next five years of the employment opportunities will be doubled. With the mad increase in population and the trend of the present Budget I do not see any indication of achieving the same.

The Minister of Finance (Shri C. D. Deshmukh): Sir, the story of this

General Discussion can best be described as the story of the lion and the lamb.

Shri Lanka Sundaram: Who is the lamb?

Shri C. D. Deshmukh: The lamb is the Finance Minister who has walked into the lion's den. But I feel sure that there will be some way of co-existence in the manner indicated by the hon. Member who is not here, because, finally, I am quite sure that the lamb will be guided by what the lions have to say. In this debate the Finance Minister finds that Sinhas to the right of him, Sinhas to the left of him, Sinhas in front of him and Sinhas behind him roared and thundered. Nevertheless, there have been individual acts of kindness and understanding, among which stand out the speeches of the speakers who spoke last who seem to have supported the Budget almost unreservedly.

Sardar Hukam Singh (Kapurthala-Bhatinda): Only seem to have?

Shri C. D. Deshmukh: And I am very grateful to them.

Generally speaking, the criticism of the Budget would fall into three categories.

Firstly, there is the criticism made by the Communist Members to which this time the Praja Socialist Members seem to have lent their support. Their criticism was one which one would expect from their ideology, but this time they have attempted to make use of the Avadi Resolution as a sort of Trojan horse from behind which to direct their shafts—of course, the Trojan horse had the warriors concealed inside—of customary criticism, and in doing this, they have naturally given to the Resolution the content and significance of their own making. It seems to me that their anxiety was to prove that this encroachment on their patent was in reality a quack remedy or a sham, and much of their criticism arises, I think, from their perhaps natural annoyance, but in doing that I do not wish to ascribe

[Shri C. D. Deshmukh]

any motives because this is a natural feeling on the part of political parties, and I take this opportunity of paying my tribute to the spirit of earnestness with which Members of all parties have criticised or commented on the Budget.

Then, there was the criticism of some independent Members of the House who have spoken at great length on the so-called faults of Government in budgeting and in most cases they have used the criticism to come to the conclusion that the taxes which are sought to be levied should not have been levied.

And lastly, there is the criticism from Members of the Congress Party itself. Some of these criticisms have been of a doctrinaire kind, but in regard to the remaining criticism, it reflects the hon. Members' dissatisfaction with some points of detail or some points of emphasis. Now, I shall deal with all these as I go along.

As regards the criticism of the Communists and Praja-Socialist Party Members, much of it seems to be based on the implied assumption that in the socialistic pattern which we have adopted as our economic policy, there is no room at all for the private sector, apart from the small private sector of the cultivator and the small man and so forth, which private sector, according to them, that is to say of big business or what we recognise as private enterprise, should be relentlessly constricted, strangled and throttled, and hence their criticism of the development rebate and the concession given in regard to business losses and so on and so forth.

Now, I should like to remind the House at the outset of the Resolution on economic policy which the House passed last December. It was clearly understood there that we could not, at least for some time or some years to come, do without the private sector for purposes of the economic development of the country. That Resolution not only said that there was a place

for the private sector, but it also made it clear that as long as there is such a sector, and so long as it is subject to over-all social control, it has to be actively encouraged. Some of the provisions in the Finance Bill are calculated to do just this. The hon. Members on the other side of the House have interpreted this as a capitalistic gesture and as indicative of the Government's solicitude for big business. I am sure all reasonable Members in this House will agree that this sort of criticism is somewhat misconceived and that all we are trying to do is to be a little consistent and to carry out a policy honestly to which the House lent its support only a few months ago.

I had better deal first with this question of the development rebate, although I have already spoken at length, without any conviction I am afraid, to some Members, about this in the Rajya Sabha. Now, Members have asked why this concession has been made applicable to all enterprises while the Taxation Enquiry Commission recommended its use only on a selective basis. Firstly, I should like to say that the development rebate is not completely non-selective. It will not be given in respect of buildings, motor cars, typewriters, office equipment etc. As I stated in my reply to the Budget debate in the Rajya Sabha a few days ago, while the tax machinery can to a certain extent be used in directioning investment, that method has its limitations. I agree that in developmental planning, differential incentives have a place and we have at present certain devices like the capital issue control, the licensing of industries, through which investment along undesirable lines can be prevented. And in particular cases Government has been assisting industries by making loans. Now, all these are ways of directing investment, either through discouragement in some lines or through encouragement or assistance in other lines. Circumstances may conceivably arise—I think they

are almost sure to arise—in the context of the next Five Year Plan where a more detailed directing of the investment may be necessary and differential taxation or differential concessions may have to be thought of. The Taxation Commission itself has indicated only the broad criteria for differentiation and it has stated explicitly that it will be necessary—I am quoting—“for an appropriate body constituted by Government, such as the Planning Commission, to draw up a list of the industries that conform to the above criteria and which should receive the concession”. I am sure, the Planning Commission will consider this question in detail while formulating the Second Five Year Plan. For the time being, I think for the reasons that I have stated elsewhere and here, there is advantage in the case of a new measure like this in making it applicable at first on a general basis, especially in view of the fact that we are out for expanding employment opportunities all over. Later, in the light of experience and after drawing up the priorities for some period, we could if necessary consider if we should differentiate as between different types of investment.

Shrimati Renu Chakravartty (Basirhat): Are you sure it will not give place to rationalisation?

Shri C. D. Deshmukh: Prevention of rationalisation in the wrong sense can always be brought about by exercising other controls such as import control. For the last year or so I think there have been two applications pending before Government for the rationalisation of certain machinery in the cotton textile mills, and it is because we commanded that particular strategic height so to speak, namely the power to control imports, that we have been able to resist or to reject indirectly that particular application, and I am quite confident that we shall have all the powers to prevent any undesirable development apart from any question of this development rebate.

Some hon. Members quoted profusely from journals to show that the private

sector of industry had been making large profits. Now, I do not see in what way this can be a criticism of Government, when it is remembered that it is the avowed purpose of Government that the country's economy should develop, and that in this development, the private sector also has got a place. To say that industry as a whole has been faring better than before might perhaps be a vindication itself of Government's policy. What is important is that this development in the private sector should not take place at the expense of the public sector or at the expense of the general public as a whole. Now about that I can assure that Government are watchful, and if and when any steps are to be taken in this direction, they will certainly be taken. If it happens after a lapse of some time that certain individual units or industries are making much larger profits than normally because of certain windfall advantages that come to them as a consequence of the country's efforts at development, then certainly Government will not hesitate to take suitable action.

That brings me to another criticism that certain hon. Members have made, that Government's policy of deficit financing is only helping the private sector or is likely to help the private sector, and that it is a dangerous thing to indulge in deficit financing unless simultaneously we have also the provision for the excess profits tax. Now theoretically it is possible, it can be said, that deficit financing is a way of creating a profit inflation, and that this would benefit the richer classes at the expense of classes with fixed incomes. It must be borne in mind that a considerable part of the expenditure of the public sector under the Plan is likely to raise incomes over a wide area, and will not raise necessarily only the profits of big business. Such a situation may, however, arise—I mean the latter kind of situation—after a while, if deficit finance is continued and supplies do not increase quickly enough, that is when we get our profit inflation.

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When such a situation arises, then corrective measures will, I agree, have to be taken. But there is no evidence so far that profits are rising rapidly or that in other words a sellers' market is developing. It is not, therefore, deficit finance as such but the inflationary spiral that makes for concentration of wealth and economic power in the hands of big business. In the economic pattern we are trying to build up, with the public sector expanding in key-places, and with various controls on the private sector, I feel that there is little danger of further concentration of wealth and economic power.

The excess profits tax is a weapon to be used when inflationary pressures develop. The Deputy Leader of the Communist Party will probably not regard the Taxation Enquiry Commission as a good guide in this matter, although they quoted whenever the arguments appealed to them. But I should like to repeat what the Commission have said:

"While the excess profits tax like taxation on capital gains may be kept in reserve for possible use in a highly inflationary period, we do not recommend the levy of the excess profits tax or the business profits tax as a normal component of the tax system."

There was some criticism that Government have done nothing to see that the large reserves that certain units in organised industry are accumulating are properly diverted to socially desirable channels. This criticism implies an assumption that these reserves are lying idle. That, I need hardly say, is incorrect. Reserves are never idle. They are put into the business itself, and if any portion of the reserves is invested in any securities for the time being, even then, they cannot be considered to be idle. But I do agree that this is a potential problem, and Government are certainly cognisant of it. We are aware

that sometimes these reserves can form the nucleus of the concentration of economic power. But to talk of this at the present juncture as if it has already become a problem of serious dimensions is, I fear, to be somewhat unrealistic, and the demand made for the armoury of control which Government have I am quite certain, is based on somewhat doctrinaire grounds. That is, if I may say so, exactly where our approach differs from that of our friends on the opposite side. It is not as if we are not aware of the problems, but we do not get obsessed with how to cross the bridge till we come to it. To our friends opposite, however, it is the paraphernalia of control that is important, and therefore, it is natural that they should ask for such things because even in the small sector where we have thought that private enterprise has a place and a role to play, they want us to adopt measures, in our opinion untimely measures, which could scare off all progress in that sector.

Shrimati Renu Chakravartty: Have we anywhere said that we want control of the small units of industry?

Shri C. D. Deshmukh: No.

Shrimati Renu Chakravartty: That is what you said.

The Minister of Defence Organisation (Shri Tyagi): He questions the meaning.

Shri C. D. Deshmukh: I said, small sector. Small sector means, of the whole of the economic sector; the public sector is the major portion, and is going to be the major portion. The small sector is the whole of it that is left to the private sector. I did not mean small people in the small sector.

I shall now turn to a criticism of the second category, that is to say, the criticism that Government have been guilty of consistent over-estimation of expenditure and under-estimation of revenue as a kind of deliberate device for raising taxation. I

cannot tell you how this criticism irritates me, because I pride myself on the honesty with which I try to frame the estimates.

Mention was made by a number of Members about the large variations between the Budget Estimates and the actuals in the past, and a suggestion was made that in the light of this, I should allow the whole of the revenue deficit to remain uncovered. I have more than once expressed, and explained, on the floor of this House the reasons for the large variations and the extent to which they were unforeseen at the time the Budget was prepared. We do our best to frame the estimates as accurately as possible, and on the data available to us. But, Sir, I am only a Finance Minister, not an astrologer; and if unforeseen changes of circumstances during the course of the year upset these estimates, I do not feel that we should be justified in framing the Budget on the basis that such variations are bound to occur year after year.

Shri Sadhan Gupta (Calcutta South-East): Is it due to the vagaries of the stars?

Shri C. D. Deshmukh: That too I would not be qualified to answer, not being an astrologer. The trouble about these variations is that they cannot be foreseen. If they could be, I would have taken care of them obviously in framing the estimates.

I have looked into the figures again and what they show. In the last seven years, the estimates have been upset not so much on the expenditure side as on the revenue side. For example, in 1949-50, revenue exceeded the estimates by Rs. 27 crores while expenditure, on the whole, was only Rs. 6 crores shorter than the Budget. In 1950-51, revenue exceeded the estimates by Rs. 72 crores while the expenditure was Rs. 13 crores more than was budgeted for. In 1951-52, revenue was, again, Rs. 113 crores more, while expenditure exceeded—again an excess—the original Budget

by Rs. 11 crores. I believe it was in this year that we got special powers to put on export duties after the Budget was passed. In 1952-53, revenue was, again, more than the Budget by Rs. 30 crores while expenditure fell short of the estimates by only Rs. 5 crores. It would seem from these figures that we have not been materially out in the framing of expenditure estimates, although we have been dealing with a situation in which there have been inescapable uncertainties about the availability of stores and equipment for defence services and a period in which the tempo of expenditure under the Plan has been steadily rising.

Shri T. N. Singh (Banaras Distt.—East): May I know if the hon. Minister is quoting these figures of savings or increased expenditure on the basis of the original Budget figures or after the supplementary grants have been made?

Shri C. D. Deshmukh: Final actuals booked.

On the revenue side, the variations have been mostly under customs and income-tax, the former due largely to developments such as the post-Korean boom, rise in the prices of imported commodities and the anti-inflationary measures—this is very important—taken at short notice, such as the levy of new export duties and so on, details of which have been given from time to time to the House, because the papers have to be laid on the Table of the House. In fact, hon. Members may remember, as I said just now, that to enable Government to cope with these uncertainties as they arose, Parliament gave Government the power to enhance export duties and raise new duties without obtaining the usual prior approval of Parliament. Having given that power, it is no use complaining that additional revenue came in.

So far as the income-tax is concerned, the improvement in the estimates which, again, could not be foreseen at the time of the Budget, was largely

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due to the concentrated drive for the clearance of arrears and the introduction of the system of voluntary disclosures. I mention these figures not as any justification of any avoidable error but only to emphasise that the factors leading to these variations could not have been foreseen. The fact that such variations occurred in the past would not, I submit, justify me in making something of a gamble in my taxation policy. I must in the interest of the country's financial stability and its credit, maintain broadly—I say 'broadly', not in detail—the position which I mentioned in my Budget Speech and which, in my opinion, is basic to our financial policy, namely, that we should attempt to cover as much of our current expenditure as possible from current income. But in the economic conditions now prevailing, I have not sought rigidly to adhere to this principle, and I have left a substantial portion of the revenue gap uncovered, as I did last year. It may well be that by the time Government take a final view on their taxation measures in the light of what has been urged by hon. Members on the floor of the House, the gap left uncovered might be wider. So long as this gap is not unreasonably large, I do not mind its being left uncovered.

Shri Tyagi: Nobody would mind.

Shri C. D. Deshmukh: So I gather. But then it is difficult to accept as a proposition that because in the past for unpredictable reasons our revenues were better than estimated or our expenditure was less, I should take the risk of this happening again and just leave the whole of the revenue deficit uncovered as a matter of chosen policy.

A point was raised by Shri Bansal about the need to re-examine the classification of expenditure between revenue and capital, and he suggested that some sort of a committee should go into this question. I may inform

the House that we are ourselves keeping this under constant review and we are transferring to the capital, as far as possible, all expenditure of a productive nature or expenditure which creates some form of asset, not necessarily the property of the Central Government. We shall let our children pay for this. It is my intention to have another look into this problem and take the advice of the Comptroller and Auditor-General, but I doubt myself whether in expenditure finally borne by the Centre there is much more room for transfer from revenue to capital.

Now, one hon. Member made some scathing observations about the large variations between the revised estimates and the actuals and he asked why, since the revised estimates are based on 10 months' actuals, these variations should occur. I must, at the outset, mention that except for customs and excise duties, we really do not have 10 months' actuals to go upon, and the estimates are based largely on the actuals of 8 months. And on the expenditure side, the budgetary authorities provide for the anticipated expenditure in the last four months of the year so that so far as expenditure is concerned, the revised estimates are, I am free to admit, to some extent an exercise in optimism. So far as the development expenditure is concerned, in their anxiety to implement the Plan, the spending Ministries have pitched their hopes somewhat high. In considering the variations between the revised estimates and the actuals, the House must remember two important facts. The first is that no taxation policy is based on these estimates and the revised estimates are largely of use only as a guide to the future. Secondly, under the existing accounting system the control over expenditure is not as effective as it would be if the spending authorities themselves maintain the accounts and not the Accountant-General. Now, as the House is aware, we have ourselves recognised the need for a change in this position and we

are taking the major step in the direction of enforcing the maintenance of accounts by the spending authorities by separating accounts from audit in three big spending departments. We shall extend the scope of this experiment as we go on, but I think it will be some time before the changeover is completed, and meanwhile, we have to do the best we can with the available facilities for this control.

I should also like to place before the House some fuller details about the large variations, to which the hon. Members, Dr. Lanka Sundaram, referred. I mentioned earlier the scope of the variations between budget estimates and the actuals. In 1949-50 and 1950-51, revenue exceeded revised estimates by Rs. 18 crores and Rs. 23 crores respectively, and in both these years we were engaged in an effort to improve collections of revenue as much as possible as a counter to the threat of inflation, and the revenue from customs and income-tax was unusually buoyant. In the next two years, revenue again exceeded the revised estimates by Rs. 17 crores in each year.

Kumari Annie Mascarene (Trivandrum): Do these figures decrease or increase after five years?

Shri C. D. Deshmukh: I cannot say. We shall have to watch the trend.

Dr. Lanka Sundaram: You are not an astrologer.

Shri C. D. Deshmukh: I think the trend is in the direction of better estimation. But I shall come to the hon. Member presently.

1 P.M.

In the next two years, as I said, the revenue exceeded the revised estimates by Rs. 17 crores, accounted for largely by improved collections of income-tax. The position in all these years was that the revenue in the closing months of the year was unusually heavier than usual. I am sure, the House will realise that if revenue continued to come in a larger wave than expected, no Finance Minister

would wish to block it just to keep within the revised estimates.

On the expenditure side, there have been substantial variations, the average for the four years being roughly Rs. 23 crores, shared more or less equally between the Defence and Civil Estimates. Here again, I have explained the position a little earlier in my speech. On the civil side, the bulk of the shortfall was due to the inability of the spending Ministries to spend as much as we should have liked on the implementation of the development plans. On the Defence side, we have, in every year, been bedevilled by the difficulty of obtaining the quantity of stores and equipment that we wanted, which we have done our best to obtain in the interests of national security. But, in the last year or two—and that is an answer to the hon. Member—our revenue estimates have become much more stable. And, apart from factors affecting revenue under customs, where we have to make changes, particularly in the field of export duties, with reference not merely to revenue considerations but economic and trade considerations I do not myself think that there would be very wide variations in the future.

Dr. Lanka Sundaram: May I interrupt? Because the hon. Minister referred to the last two years, may I say in 1953-54 the budget estimates was Rs. 45 lakhs surplus, it became a deficit of Rs. 16.96 and the actuals were Rs. 8.50 crores deficit. There is not much of a change from the previous practice and the progression continues.

Shri C. D. Deshmukh: I have given the figures, Sir. The hon. Member will add up these figures. I have given the figures of both the surpluses and the difference between the revised estimates and the actuals and it is not my business to deny the figures; they are available to every one.

On the expenditure side, we are doing our best to improve the control and, to some extent, curb the enthusiasm of the spending Ministries in-

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making provisions in the revised estimates.

I sometimes wonder whether the somewhat unusual feature in the budgetary situation and, particularly the large revenue surplus, in 1951-52 has not got the situation somewhat out of perspective. I would recall to the House the anticipation of the Planning Commission that over the five years of the Plan, the Central Budget should yield a revenue surplus of roughly Rs. 26 crores a year. That was in the Plan which was approved by the House. Against this anticipation, the surplus was Rs. 128 crores in 1951-52, due wholly to exceptional circumstances. Customs revenue in that year was Rs. 75 crores more and income-tax Rs. 23 crores more. In 1952-53, the conditions returned nearer to normal and the surplus dropped to Rs. 39 crores. In 1953-54, it dropped still further to Rs. 8 crores so that in these three years the surpluses amounted to Rs. 175 crores against the total of Rs. 78 crores envisaged by the Plan. For the current year, I expect a deficit of Rs. 5 crores and for the next year I have assumed a deficit of Rs. 8 crores so that over the five-year period the cumulative surplus would have amounted to Rs. 162 crores against the Rs. 130 crores assumed in the Plan. I suggest that this variation of Rs. 32 crores in the total gross revenue for this period of Rs. 2,600 crores or so is not anything to be scared about. After all, this additional revenue had to be raised in the earlier years of the quinquennium to keep inflationary trends under control. I admit that the situation is entirely different today and hence our deficits. The surplus has been or will be utilised in implementing the Plan and meeting the shortfall in the resources in segments of the Plan such as that relating to railways and to the States. It will be recalled that we had to consider or we shall have to consider the transfer of Rs. 84 crores to the States as a result of the Finance Commission's Award and in the railways there is a shortfall of Rs. 60

crores in the estimated surplus over these years.

Now, Dr. Lanka Sundaram has also suggested certain improvements in the Explanatory Memorandum. I shall have them examined and I should like to give him an assurance that everything practicable would be done in the way of amplifying the information available to hon. Members in the Budget papers. With reference to his suggestion for the analysis of the capital budget, I would refer him to para. 48 of my Budget Speech in which I have given a broad analysis of the overall ways and means position.

A number of hon. Members referred to the recommendation of the Taxation Enquiry Commission that a high-power body should be set up to enquire into public expenditure. So far as the State Governments are concerned, this is a matter for them to decide. But, at the same time, we are continuously keeping an eye on the growth of expenditure and securing economy even where, because of the progress of the Plan, a need to increase the expenditure has taken place. As hon. Members know, we have an Economy Unit continuously re-assessing the staff requirements of the various Ministries and an Organisation and Methods Division, which has been recently set up to look into the existing organisation and methods and to put them on a more effective and economical basis. The Estimates Committee have the problem of economy in public expenditure under continuous review. It may be that in view of all this, any *ad hoc* committee to enquire into this problem may be found to be redundant. But, Government have not taken any decision on the Commission's recommendations which will all be taken into careful consideration. I must feel inclined to invite all the hon. Members who have drawn attention to the scope of economy to come together and suggest, in concrete terms, where such economy is possible.

Shrimati Kamlendu Mati Shah (Garhwa Distt.—West cum Tehri Garhwal Distt. cum Bijnor Distt.—North): May I invite his attention to items like the deal in Burma rice in which Rs. 45 crores were spent and that has been of no use to anybody?

Shri C. D. Deshmukh: I think the hon. Member is under some misapprehension in regard to Burma rice. Part of the price was settled against the debt. The loss has not yet occurred. There were two prices, one was £48 per ton and the other was £35. £35 was the price which we should have paid in any case and that on landing came to about Rs. 17/8 per maund.

Shrimati Kamlendu Mati Shah: What I mean is the loss that occurred in the godowns.

Shri C. D. Deshmukh: That is quite right. It is not wasted; it is still here. The point is that at that time the procurement price was also such as to yield a price of Rs. 17/8 for the distribution of the same. That was part of the common problem at that time. We had no reason to believe that we shall have this embarrassment of riches. What has happened in fact is that instead of our importing from other countries we have received an unsolicited import from the heavens. In other words, with the monsoon so much better than expected or than warranted by statistical data, we have suddenly found ourselves in possession of a surplus which, at least temporarily, is proving embarrassing. I do not believe that that makes unwise a transaction which we entered into on full deliberation in the case of Burma rice.

In this connection, I would like to refer to the criticism made by Shri S. N. Das about the growth of expenditure on civil administration. The percentage of increase in this expenditure in the next year's Budget is somewhat disproportionate mainly because a large amount of development expenditure has been included in the figure under this head. I think

you will agree that it is dangerous to compare mere percentages without taking into account the changes in the contents of the estimates.

A word about the criticism of the hon. lady Member opposite. I may say that I listened with a certain amount of bewilderment to the forceful speech of the hon. Member. She referred to a number of so-called inconsistencies in the figures given in the Reserve Bank's *Report on Currency and Finance*. I have had these figures looked into and I fear that these inconsistencies exist only in the lively imagination of the hon. Member.

Kumari Annie Mascarene: No.

Shri C. D. Deshmukh: I find that she has added up the cumulative figures for four quarters to give the total revenue of a year.

Shri T. N. Singh: She has the inherent right to be inconsistent.

Shri C. D. Deshmukh: I am not saying 'inconsistent'. I am saying that she has added the cumulative figures for each quarter in order to deduce the total revenue of a year. Similarly, she has added over the indices of production for four quarters to give the total production for the year. I only mention two examples of the confusion, if I might say so with respect, on which she has based her criticism of Government policies for the last eight years.

Kumari Annie Mascarene: What about the *per capita* income, which has decreased?

Shri C. D. Deshmukh: It has not decreased; it has increased.

That is a matter which often comes again and again. There was some figures by Dr. V. K. R. V. Rao, based on no enquiry comparable to the present enquiry, some time before the war. People take that figure, then multiply it by the index of wholesale price, four or five times, then deduce a figure, and then compare it with entirely different figures that have emerged from the National Income Enquiry Committee. Those two figures are not comparable at all. If we take

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the figures given by the National Income Enquiry Committee, we shall find that there has been a rise in our *per capita* income.

Kumari Annie Mascarene: Then, what are the Budget actuals....

Shri C. D. Deshmukh: The hon. Member has had her chance. I frankly confess that I have not been able to verify some of the figures which she gave in her speech—and in her letter she addressed to me, to which, of course, she will receive an answer as soon as possible—but I merely mention her criticism because I do not wish an impression to be created that the Reserve Bank's *Report on Currency and Finance*, with the preparation of which I have myself had something to do in another capacity in the past, is full of mistakes and inconsistencies. She used stronger words in criticising the Report, but I doubt whether she meant it. All this shows that ladies cannot be too careful in using figures and they are likely to trip the unwary. I would advise her that statistics must not be used just as sticks to beat someone else with.

In regard to improvement in Budget techniques, I should like to say a few words on some suggestions made by Shri Asoka Mehta in regard to the technique of budgeting. He raised several issues relating to the functions of the Budget and the assessment of the Budget in terms of its repercussions on the rest of the economy. As a Finance Minister, I welcome Shri Mehta's statement that the Budget is an important, indeed a principal, instrument for achieving basic social objectives. That is precisely why every effort has to be made to strengthen the receipt side of the Budget. In some advanced countries, as much as 30 or 40 per cent. of the national income is taken over into the Budget. Obviously, it is not possible, nor, I feel, is it desirable to go so far in this country. But it is not going to be possible to maintain a welfare State and a developing economy on a mere 7 or 8 per cent. of the

national income that we draw at present into the public exchequer. The hon. Member touched upon some wider questions in connection with budgeting such as, the shape, the proper form of Government accounts, the presentation of the Budget in terms of social accounting categories and re-classification of budgetary heads on more meaningful lines. The Government Budget has a number of functions and I agree with the hon. Member that different forms of presentation and of accounting are appropriate for different purposes, but the Budget, as presented now, is designed to ensure adequate Parliamentary control over Government revenue and expenditure. That is why it is an accounting Budget. In the case of Government undertakings of commercial and quasi-commercial character, accounts on a commercial basis are kept outside the general account of Budget. It would be useful, I feel, to pursue Shri Mehta's suggestion about performance Budget and I might mention that the Organisation and Methods Unit, set up recently in the Home Ministry, attempts to provide a check on performance in Government Departments. In India we also have the problem of presenting the Government Budget in a form which would make explicit the progress of expenditure on the Plan, but all these questions are receiving consideration, and I might mention that the problem is not peculiar to us; it has arisen in other countries also, because in most cases Government Budgets have hitherto been framed with a view to the limited objective of ensuring or facilitating control of the legislature over any irresponsible spending by the executive. But, now, the legislatures themselves want the executive to spend more. So long as taxation was regarded as an inescapable evil to be minimised and Government expenditure something always to be reduced, these methods of budgetary presentation might have been adequate. But now that the Budget is becoming more and more, the prime-

mover of the economy, and has a positive social import, new methods of presentation and accounting have to be devised. For us in India there is a special difficulty in that we have to take into account not only the Central Budget, but also the State Budgets, all of which are not available at the same time. The question of budgetary re-classification is under discussion at present by experts of the United Nations and there has also been some debate on whether the accounting categories used in advanced countries are applicable to underdeveloped economies. I understand that the Economic Commission for Asia and the Far East is at present studying this problem. It proposes to hold a conference at a technical level in the near future and we are keeping in touch with developments in this field.

I shall come to the portion of the other criticisms of the Budget, mostly from hon. Members in the Congress Party, some of which I consider legitimate, though perhaps not wholly justified. One hon. Member compared the economy to a patient and said that the portions prescribed by the apparently skilled physician were having no effect on the patient. I think that this is an unduly gloomy and lugubrious picture. The Indian economy now is in a much better and healthier state than when the Plan started. But, an anaemic or stunted person—and that is not our fault—does not emerge as a full-blooded wrestler overnight. Only credulous folk believe in magic-cures and only quacks can hold out the hopes of 'asthma cured in five minutes', and it is in this sense that I would request hon. Members like—he is not here—Shri Shibban Lal Saksena....

Dr. Lanka Sundaram: He is here.

Shri C. D. Deshmukh: But, he has changed his place.

Dr. Lanka Sundaram: But not his colour.

Shri C. D. Deshmukh: He is coming nearer to us.

In regard to the comparative progress of China and India, we really

have no comparable statistics. I am not quite sure if we know what China's national income is, and in any case we know that under the system that they have elected to operate, starting from their backwardness, as a result of many historical incidents, they are bound to make a better show in the beginning than we can.

An. Hon. Member: Statistics are not sticks.

Shri C. D. Deshmukh: I am not using them as such now.

Some Members have referred to shortfalls in the Plan. The reasons for these shortfalls have been explained from time to time. Everyone recognises that planning and development require strengthening of the administrative machinery all along the line. I think just this morning, one hon. Member referred to it, that it takes time to get together the necessary field staff. In some cases there is shortage of trained personnel. That is why I said in my Budget speech that the success of our effort will depend as much on organisation as on finance. Now, I think, it will depend more on organisation than on finance. In the last few years we have more than doubled the expenditure on the Plan and it is proposed that this process of acceleration should continue. As planning is a continuous process we learn as we plan and advance, and we adapt and re-adapt our Plan as we gather experience.

Then, a large number of Members made a reference to the recent fall in agricultural prices. The fall is certainly a problem in regard to which the Government will have to be watchful. A few years ago the question was being raised whether the targets of increased food production set out in the Plan were really realisable. I think, some research in our Parliament debates will illustrate this. In other words, doubt was expressed whether they were not too high. But, thanks partly to good luck, food production has exceeded the planned targets. This turn of good fortune, as

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I said, left on our hands a new problem in the form of all in agricultural prices. But, I myself believe that this is a somewhat short-period problem. With expenditure in the Government sector increasing at the rate envisaged in the Budget and with deficit financing of over Rs. 300 crores, the price situation must alter. I do not mean—I must take care to explain—that no other steps are necessary to correct the immediate problem. But, I wish to point out that the reduction in the purchasing power caused by my tax proposals should be viewed together with the impact of this deficit financing on employment and incomes. I do desire an increase in purchasing power all-round—there I am at one with other Members—especially among the lower income groups. And, although it is an obvious answer, the answer to this is the Plan as a whole. We must not forget that, what we are seeking is not merely redistribution of purchasing power but an increasing in purchasing power and this in the analysis means an increase in production all-round. These are circumstances under which certain increase can be impeded by insufficiency of productive credit. That is why I take the view that deficit financing geared to a well worked out plan has a positive role to play in promoting economic development.

Sir, Government has already announced support prices for some food-grains and it is necessary to make adequate arrangements for purchase, sale, storing—to which the hon. Member attaches a great deal of importance and rightly—and grading, in order to make the policy of price support fully effective. It is possible that we shall find an answer not only for the immediate problem but also for somewhat different situations which may arise hereafter in some kind of corporation which will undertake open market operations, in grains—I just throw an idea, Sir, it has not yet been considered fully or considered at all by Government—in the same way as the Reserve Bank does in respect of government securi-

ties. Such transactions should have the effect of steadying agricultural prices. Whether we need a corporation or some other institutional arrangement and how precisely they will work will have to be considered in detail as the problem is very complex.

Then I come to another important subject. That is the question of the employment situation in the country. I have listened to all the speeches intently or at least read the notes when I was not present here; but I confess I have not come across any solution or any suggestions for a solution along lines different from those that we have been pursuing. Unemployment in an under-developed economy is not on a par with the kind of unemployment which occurs from time to time in the advanced countries because that latter type of unemployment can be cured fairly quickly. The plant and equipment needed are already in existence in that case. In an under-developed economy the question is one of building a new edifice brick by brick; of stepping up investment thereby generating incomes; of expanding supply of consumer goods on which these incomes can be spent; of again ploughing back into investment a part of the new income generated and so, by stages of stepping up, accelerating the cumulative process.

In the First Five Year Plan the investment targets were modest because of the circumstances in which that Plan was formulated. Mechanised industries were carrying a considerable amount of surplus labour. The increase that has taken place in industrial production has, therefore, not led to correspondingly increased employment for labour. The need for small-scale and cottage industries was stressed and a beginning has been made through the newly set-up boards of which, if I have time, I shall give a few more particulars later.

Promotion of small-scale and cottage industries requires—and that is the

point—a great deal of detailed organisation which takes time and this explains the lag in spending. Granting all this, I think we should be making a mistake in thinking that the Plan has had no impact whatsoever or at least no significant impact on the employment situation. In these four out of five years of the Plan, the addition to our labour force must have been of the order of 7 millions because our labour force is increasing at the rate of 1.25 millions per year, calculated at about 40 per cent. of the annual addition to the total population, that is, 4.5 millions. In the urban areas alone, additions over the five year period would be about 1.5 millions. We are handicapped in the appraisal of the situation on account of lack of data which is being collected now and it is by no means easy to isolate the new employment generated by the Plan and to assess its precise magnitude. But, I should say that even if the Plan has provided gainful occupation to 4 million people so far, some 3 million of the increase in the new entrants to the labour market are bound to be without jobs.

Shrimati Renu Chakravartty: How do you calculate that?

Shri C. D. Deshmukh: Seven million in four years at the rate of 1.8 millions a year of the new population, and if we assume—as we can—that the Plan has found employment for four million people, then obviously....

Shrimati Renu Chakravartty: How do you arrive at that four million?

Shri C. D. Deshmukh: There are methods of calculating how much investment is required on an average to employ one person. We have calculated for the Second Five Year Plan that Rs. 3,000 would be required to employ one person. That figure may be different for the First Plan, I do not know, although it is not likely to vary very considerably because there was no great emphasis on industrialisation which requires a far larger proportion of investment per man employed.

Shri K. K. Basu (Diamond Harbour): That depends on the method of spending also. You cannot just say Rs. 3,000 spent is equal to one man employed. You cannot just mathematically calculate.

Shri C. D. Deshmukh: Some kind of mathematical figure emerges.

Shri K. K. Basu: That is true; it depends on the process.

Shri C. D. Deshmukh: I am not saying 4 million exactly. I am saying it must be some millions. I am saying that it cannot be that we have spent so much money and not a single person is employed. As we have spent about Rs. 1,000 crores on investment—I am not talking of development—in the public sector and may be another Rs. 1,000 crores in the private sector, or about Rs. 2,000 crores, dividing it by some kind of figure, so much for one person, we can work out a figure. It could not be as high as 7 million which is the addition to the number of job-seekers in this country. Therefore, there is bound to be an increase in the figure of....

Shrimati Sucheta Kripalani (New Delhi): Did you take into calculation the heavy retrenchment in some industries, like jute, etc.?

Shrimati Renu Chakravartty: And eviction?

Shri C. D. Deshmukh: I have referred to the fact that many industries carried a surplus labour. That only adds to the total number of unemployed people. I am developing the point. If I am allowed to proceed, I will make my point clear. Let us not quarrel whether it has been 1 million or 2 million or 3 million, left, because if hon. Members say that it is not so much, then, obviously, it means that the Plan has worked well. Supposing you say that all the 7 million are....

Shri T. S. A. Chettiar (Tiruppur): Nobody says that.

Shri C. D. Deshmukh: I say that I put it half and half. I said about

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3 million; it might have been 4 million. Therefore, 3 million are unemployed. There would be a large increase in the number seeking employment and a certain percentage of this would get registered on the Employment Exchanges. There may also be other factors making for increased registration, like people wanting to improve their lot. In other words, the conclusion is not that the Plan has not performed all that it promised, but that it did not promise enough; in other words, that it was not a big enough Plan, which is a charge to which we plead guilty together with the rest of the House. The Plan, therefore, could not attempt to tackle the problem of unemployment in a big way because, as I said, of the difficult economic conditions in the midst of which it was launched.

That brings me to the point raised by Shri Asoka Mehta regarding the relationship between investment and employment. It is evident that the amount of employment generated depends not only on the quantum of investment, but also on the pattern. That was a point which some other Members also have made. I stated on an earlier occasion that we must aim at creating 12 million jobs in the Second Plan period. This kind of target is necessary in order to provide jobs or gainful occupation to the additional labour force that would come in the next five years at the rate of 1.8 million and to make a visible impression on the existing unemployment which we do not know what it is. We shall know that in a few months time. Although we may hope to liquidate a part, not the whole, because we are working an accelerating economy, the subsequent Five Year Plan would enable us to deal not with 12 million, but a much larger figure if there is such a surplus or residue still left. How much investment will be necessary for this purpose is being worked out in terms of the employment potential of the various types of investment either on experience or *a priori* grounds. When

I mentioned the figure Rs. 5,000—I said 3,000, it should be Rs. 5,000—I was stating the kind of minimum that may have to be attempted, taking account of the fact that we intend to place greater emphasis on industrialisation. That matter is now being studied by the Planning Commission and an outline picture of the development envisaged in the economy as a whole and in the principal sectors will emerge shortly.

Shri Asoka Mehta (Bhandara): The point about the pattern of employment was raised by Acharya Kripalani. I hope you will say something on that question.

Shri C. D. Deshmukh: I have something to say about that.

In this year, that is, the year to which the Budget relates, I have provided an overall deficit of Rs. 300 crores. This money is not to be withdrawn from other uses because it is credit creation or deficit. It should increase the aggregate expenditure and hence employment.

The main weakness, therefore, of our economy is insufficiency of investment. The fall in food prices about which the House was rightly concerned, and the extent of unemployment and under-employment prevalent in the system are both, in a way, symptoms of this insufficiency of investment. In the Second Five Year Plan, on the preparation of which the Planning Commission is at present engaged, will. I am confident, provide for larger investment and it will attempt to work out a pattern of investment that would make an impact on the unemployment situation. That is bound to be the king-pin, as far as I can see, of the next Five Year Plan.

In this process of stepping up of investment, increasing employment and raising the living standards, the expansion of the public sector, supported by a commensurate growth of public savings has a crucial part to play and this, if I may say so, is the sum and substance of our economic policy.

I shall now come to the scheme of the Budget proposals. I have something to say about some of the other points. I must first get through some of the more important points. That also is important because many Members are interested.

श्री पी० एन० राजभोच (शोलापुर—रक्षित—अनुसूचित जातियां) : हुमर पवचलित और अछूत भाइयाँ के विषय में भी आपके पास कुछ कहने को हैं ?

Shri C. D. Deshmukh: I have something to say about Scheduled Castes also. It all depends on the time available to me.

श्री पी० एन० राजभोच : वह बहुत महत्वपूर्ण हैं, उस सम्बन्ध में आपको अवश्य कुछ बताना चाहिए ।

Shri C. D. Deshmukh: There will be plenty of other occasions on which I may have an opportunity of saying something about some of the other points.

I maintain that the proposals that I have placed before the House are the first and very significant step towards the socialistic pattern of society that we are envisaging. In my proposals for direct taxation, I can claim that I have followed the general line indicated by the Taxation Inquiry Commission and have carried a step further the principle of sharply progressive taxation which is an essential ingredient of what has come to be called a socialistic pattern. I need hardly repeat the figures I gave in the Rajya Sabha of incomes before and after taxation. Under these proposals I have made, the taxes in the higher slabs have been raised significantly. I have made an attempt which Shri Asoka Mehta, I am glad, commended, to plug some loopholes in the existing system. If Acharya Kripalani will look closer into these proposals, he will, I dare say, find some evidence of progression in the tax structure.

That leads me to another allied issue, namely the highest incomes left

at the disposal of assesseees are still much higher than the ceiling suggested by the Taxation Inquiry Commission. Shri Gadgil and some other Members referred to this matter. I wish to point out that the Commission has not prescribed an absolute ceiling. It has recommended a certain relationship between the average incomes and the maximum income. This means that the advance towards the objective can be made as much through a raising of the floor as by the lowering of the ceiling. Secondly, the Commission itself has stated that the objective should be attained by stages and over a period of time. In this connection, I should like to quote a further observation of the Commission. There is the quotation:

“The accomplishment of this objective cannot merely be the result of tax changes, but must be related to an integrated approach along several directions.”

At this stage, I do not think that I need say more on this point.

Now while on the subject of direct taxation, I must refer to the criticism voiced by a few Members that I have been rather harsh to the middle classes. Reference has been made to the increase of six pies in the slab of Rs. 7,500 to Rs. 10,000, as against three pies in the slab of Rs. 10,000 to Rs. 15,000. Now, I submit at the outset that it is misleading to take the tax effect on a particular slab. That is only a rate. One has to take the overall effect of the changes proposed. On an income of Rs. 10,000 a married person who wholly earns his income is now paying Rs. 517. In future he will pay Rs. 508, a reduction of Rs. 9. It is only when the income reaches the level of about Rs. 12,000 per annum, that is about Rs. 1,000 per month, that he will have to pay Rs. 44 more per year. That is about Rs. 3/8/- per month extra. Surely, this cannot be regarded as harsh, considering that at higher ranges the increases are much greater. I must repeat that in India we have a slab system of taxation and not a

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step system. The result is that tax on persons with higher incomes depends on the cumulative tax at various slabs and an increase in a lower slab, therefore, affects not only the person in that slab but also one on a higher slab of income. Therefore, there is no discrimination to the extent of Rs. 7,500; a man of Rs. 10,000 also pays the income-tax.

Now, Sir, a word about direct and indirect taxation, although I have dealt with this subject off and on. I think that it is out of date to talk of the proportion of direct and indirect taxation and I should have hoped that the Communist Members in particular would know this. I could also have quoted quite a number of figures relating to the proportion that these two categories of taxation occupy in some of the Communist countries. For example, I could say that direct taxation in a country like Soviet Russia is only 10 per cent. of the total taxation. I could also give figures to show that with all the indirect taxation which our friends have so acidly deprecated a shirt does not cost Rs. 50, which is said to be the price of a shirt in Soviet Russia. A pair of shoes there is known to cost Rs. 150, and an over-coat some Rs. 2,000.

Shri K. K. Basu: How does it relate to income?

Shri C. D. Deshmukh: These are all verifiable figures. The average income of an unskilled worker is about 700 roubles, and a rouble is the same as a rupee.

Shrimati Benu Chakravarty: What about free education, health and other facilities?

Shri C. D. Deshmukh: One can add all this. Nevertheless, I think it is absurd to have to pay Rs. 150 for a pair of sandals! But I do not wish to make any great point of it. I do not wish to go into these figures, or make any invidious comparison. I only wish to tell the hon. Member who quoted those figures that even in the country where things are going on according

to his liking, this distinction of direct and indirect taxation is not looked upon with such exaggerated importance as he is prone to give it, in my opinion.

Now, Sir, having said this much about indirect taxation, I do not wish to go at length into the criticism that was made in regard to the individual items of new taxes, or additional taxes that have been levied in this year's Finance Bill. The appropriate occasion for going into such criticism will be at the time of the discussion of the Finance Bill. But, as I said in the other House, I had promised to keep an open mind in regard to the proposals and that I would not regard them in any way as sacrosanct and indeed my mind has been so open that it has already been acted upon by some of the observations of hon. Members. I have reconsidered some matters. As regards sewing machines it has been urged by several Members that the sewing machine is not an article of luxury and quite a large number of refugee women and others have been using it as their only means of subsistence. It has also been urged that lack of purchasing power among consumers has compelled even the larger manufacturers to reduce the prices so as to be able to create a market. The general feeling, therefore I gather is that the excise duty proposed for sewing machines should be wholly removed. In deference to this feeling...

An Hon. Member: What about coarse cloth and sugar?

Shri C. D. Deshmukh: Hon. Members are very impatient.

Government have decided to use their executive powers to notify immediately a total exemption from the excise duty proposed in the Finance Bill on sewing machines and parts of sewing machines.

Again, all sections of the House have expressed concern about the fall in prices of agricultural commodities and

there has been widespread criticism of the wisdom of levying an increased excise on cotton cloth which forms a part of the Budget proposals. My difficulty is that although we have announced support prices, obviously they have not had time to act and it is possible that the cultivators may be wishing to make their purchases, while relief to them is yet to come. Government have carefully reconsidered the matter and in the light of the various considerations urged on the floor of the House and in the other House and the various representations which have been received by them, the House will be glad to know that Government have decided that the duty proposed in the Finance Bill on the categories of cloth most used by the middle and lower classes and the agricultural section of the community, namely coarse and medium cloth, should be reduced from one anna per square yard to half an anna per square yard, exclusive of the special cess of quarter of an anna per linear yard for the benefit of the handloom industry which will continue to be charged.

An Hon. Member: Abolish it also.

Dr. Lanka Sundaram: That is, the old rate? You restore the old rate.

Shri C. D. Deshmukh: If that is understood there will be some more clapping. I have no doubt that this relief which is being given effect to immediately by an executive notification would be widely welcomed and will meet the criticism of those who shared the genuine fear that the increase in duty in the context of the fall in agricultural prices may create hardship for large sections of the community.

Therefore with the excise on sewing machines excised and the rise on cloth having been taken out of the categories below fine, may I express with a modern Sanskrit poet the hope that the poet was singing of

निवाच काले प्रखरेष्वपि देहली । रायक्षी ।
सखीव रेजे विशदाम्बर प्रभा ।

Even in hot summer Delhi looks as if it had an autumn sky.

निवाच काले प्रखरेष्वपि देहली ।

सखीव रेजे विशदाम्बर प्रभा ।

शरदू भवाम्बोधरमी विहसिञ्च भिर ।

धत्तेमम्बली चम्बर सैम्बरावरेः

Everyone will have white cloth; therefore Delhi will shine.

Now, Sir, in the time that is available to me, I should like to deal with some of the other points. Acharya Kripalani quoted extensively from the Taxation Enquiry Commission's Report and he argued that the recommendations of the Taxation Enquiry Commission were an integrated whole, so that one could not pick and choose as between them. Now, it is true that the report of a Commission must be viewed as one whole and there is a certain underlying pattern in such recommendations which one must appreciate fully if one is not to miss the woods for the trees. This does not, however, mean that all the recommendations of the Taxation Enquiry Commission could or should have been implemented at once and immediately. I had with me the recommendations of the Commission for some time before I decided on my final Budget proposals, but I cannot say that I had the time to study fully or closely all its recommendations. The report is a voluminous document, and it will serve and is intended to serve as a guide to fiscal policy, as I have already said in the Budget speech, for many years to come. For the immediate present, all I was anxious to ensure was that the proposals I made were broadly in the same direction as was indicated by the Commission. Inevitably, while implementing these proposals, it is necessary to take into account the economic conditions of the time for which any taxation is being levied. Some Members of the House, I think Shrimati Renu Chakravartty stated that they do not accept the recommendations of the Taxation Enquiry

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Commission in their entirety. To them, the differences or reservations may be matters of principle, and others may have minor differences in emphasis, but even if one accepts the broad pattern and the basic approach underlying the Commission's recommendations, one may have to make adjustments in detail while implementing them. And therefore, Sir, the Taxation Enquiry Commission itself cannot have expected that all its recommendations should be implemented in this very budget, although some Members seem to be believers in the old *nyaya* which is called

अर्धं वीषासन्याय

or which says you cannot cook one half of a fowl and reserve the other half for laying eggs.

Shri Tulsidas referred to the public accountability in respect of State undertakings. In connection with the Company Law Amendment Bill which is before a Select Committee of Parliament, we are examining the question of inclusion of provisions in the Bill for the audit of these undertakings by or on behalf of the Comptroller and Auditor-General and for the placing of the accounts of these undertakings before Parliament. So, the House will have an opportunity of dealing with this matter at great length when the Bill comes before it, and therefore I refrain from making any observations on the subject, particularly as the Joint Select Committee of Parliament is already seized of the matter.

Then, some hon. Members referred to the growing volume of grants and loans to State Governments and suggested that a Committee should be appointed to go into the question of these loans and advances and scrutinise the expenditure incurred against them. And there was some reference to the Australian Grants Commission. We went into this matter in 1946 and came to the conclusion that as the Centre has not got a very large surplus to distribute, that particular

mechanism is of no great concern to us and in any case the same Comptroller and Auditor-General deals with the accounts of the States and what we cannot follow here can be followed by the Comptroller and Auditor-General in dealing with those accounts. But I admit that we should keep in close touch with the State Governments in regard to schemes financed from Central assistance or Central loans and that the Planning Commission should keep an over-all eye on this problem so far as it relates to developmental expenditure.

Then, Acharya Kripalani stressed the need for decentralisation. I agree with him that excessive centralisation is dangerous. It may even prove self-defeating. But a degree of centralisation is implicit in all planning and what we need therefore is a combination of central planning with decentralisation or devolution of administration and implementation or execution. And that is why we emphasize community projects and national extension, the development of small-scale and cottage industries, the establishment of autonomous public corporations in industry and finance to function without interference in their day to day work, then the strengthening of the co-operative movement, the programmes of local works, and association and participation of people in district and village planning, in social welfare projects and so on and so forth.

I must make a brief reference to the speech of Shri Tandonji. As I said last year, I am in very great sympathy with his ideas of the village beautiful, and I am sorry nothing very much came out of the transmission of that suggestion to the authorities concerned. I am trying another line now, to draw the attention of the Central Social Welfare Board to this. They have about a thousand centres in the rural areas. They are multi-purpose centres and each village now will have one *gram sevika* of one kind or the other, and I think myself—I

hope—that that will be the focus around which will grow his idea of a neat, orderly village, so that the villager can be house-proud. I am a great believer with Shri Tandonji in that. Once you are proud of whatever small possession you have, you will take care of it, and if everybody in the country does so, then, *eureka*, the work is done.

श्री पी० एन० राजभाज : वह तो सब ठीक है लेकिन वह चीज अमल में नहीं आती है। अमल में कब आयेगी ?

Shri C. D. Deshmukh: The hon. Member will be very cross if I do not say much about Scheduled Castes. I should imagine that their habitations should be those which should be first attended to. I should be greatly in favour of trying to do something about laying out those parts of the villages and to see what a difference it will make to the Scheduled Castes to live in houses which are no different from and perhaps better than those in which the other sections of the community live. The hon. Member has often referred to the grievances of the Scheduled Castes, but he will remember that one time I asked him for a concrete plan. I have not yet received it.

श्री पी० एन० राजभाज : नौ करोड़ एकड़ वेंकट लैंड पड़ा है। एक वॉरस्टर है, उसको कायद की नौकरी नहीं मिलती।

Shri C. D. Deshmukh: His plan is contained in that slip of paper. I wanted a bigger kind of plan.

Then, another hon. Member referred to the scholarships and he complained that the disbursal of the scholarships was held up because of some fancied ceiling. Now, I have taken note of his complaint and I shall try and see if we cannot issue some instructions which will enable them to deal with applications as they are received or after only a very short interval. Now, therefore...

श्री पी० एन० राजभाज : आर्थिक योजना के बारे में कुछ नहीं कहा, प्लानिंग कमिशन की

रिपोर्ट में आर्थिक योजना के बारे में कुछ नहीं है।

Shri C. D. Deshmukh: There are only two minutes left.

Mr. Chairman: There will be other occasions.

Shri C. D. Deshmukh: I should like now to conclude that our objective is an egalitarian and progressive society and to this end all the real resources available have fully to be harnessed. We recognise that men will not give of their best until the structural relations within society conform to reasonable standards of equality and social justice, and for this we recognise that institutional changes are needed. The tempo of such changes may be slow in the beginning though I do not subscribe to the view that what has been achieved in this direction in the last few years is insignificant. The abolition of zamindari, the liquidation of other feudal elements in the system, the imposition of the estate duty, the steady substitution of institutional for private credit in rural areas—and we have yet to implement the rural credit survey recommendations—and the amendment of the Company Law in hand, the Stock Exchange Regulation Bill under way, all these represent an excellent beginning and they are portents of the coming times. The House has before it proposals for the amendment of the Constitution. In all this I perceive clearly the emergence of a new pattern, but institutional changes have to be made peacefully and democratically. That seems to limit our pace at first, but in reality that is not so. I do not wish to elaborate on this, but I might say that it is only an inexperienced swimmer who has to make all kinds of violent movements of his hands and legs in order to keep afloat. The skilled swimmer looks by comparison placid and inactive, but I am confident he will show better results.

2 P.M.

Mr. Chairman: The first stage of the Budget is now over. We shall take up the Demands for Grants stage from tomorrow. Now, we shall proceed with legislative business.

ESSENTIAL COMMODITIES BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

"That the Bill to provide, in the interests of the general public, for the control of the production, supply and distribution of, and trade and commerce in, certain commodities, as reported by the Select Committee, be taken into consideration."

The Report of the Select Committee is in the hands of hon. Members, and a perusal of the Report, I hope, would convince hon. Members that the Committee went into the various provisions of this proposed measure thoroughly, and as a result, certain changes have been made.

Shri S. L. Saksena (Gorakhpur Dist.—North): A question was raised as to whether amendments can be given now.

Mr. Chairman: So far as amendments are concerned, I propose to make a statement after the hon. Minister has moved for consideration. For the present, I shall just say that as a matter of fact, the Report was circulated on 19th March, and it was received by the Members probably yesterday.

Shri S. L. Saksena: Last night.

Mr. Chairman: Or yesterday morning. So, I realise that the Members had not enough time to enable them to give their amendments; yesterday, the office was closed. At the same time, the House must remember that this Bill has got to be passed by 3rd April. There is an Ordinance at present in existence, and this Bill seeks to substitute that Ordinance, and this

Bill has to be passed by both Houses before the Ordinance expires. Therefore, it is necessary that it gets passed by this House in such time that it can go to the other House and get passed by both Houses by then. From tomorrow, we have got the Demands for Grants for discussion; so, there is no other time available for this Bill. I am therefore inclined to waive the rules about notice, and every amendment that comes before me before the hon. Minister closes may be allowed to be moved and discussed in the House.

[SARDAR HUKAM SINGH in the Chair]

Shri T. T. Krishnamachari: The changes made by the Select Committee are mentioned in the Report submitted by the Chairman of the Select Committee. By and large they are not of very great consequence.

Provision has been made to place on the Table of the House every order made by the Central Government, as soon as that is made. Also a question was raised whether there would be any further scrutiny of these orders. The House is aware that there is a committee of the House sitting continuously and scrutinising what is called subordinate legislation. Nevertheless, I gave an assurance to the Members of the Select Committee, which I repeat on the floor of the House, that I shall invite criticisms of these orders from time to time from the *ad hoc* Consultative Committee of the House, that has been constituted, and any other Member that might be interested in this measure. I hope that assurance would satisfy hon. Members that due scrutiny would be exercised wherever necessary.

The other amendment that was made was in clause 7, which differentiated between the offences categorised in the Bill, and provided punishments of a different character in regard to such offences as were considered by the Select Committee as not being very heinous. Therefore,