

[Shri Kamath]

earlier question and the earlier answers, to put supplementaries to the corrected answer.

Shri K. K. Basu (Diamond Harbour): There should be prior notice.

Mr. Speaker: I do not want to take away the time of the House. Hon. Members may consider this other point. The question list is printed some days in advance, and the Minister is given notice after the questions are printed. So, it would be too late to include those questions also, to which wrong answers had been given earlier. These are all matters which I shall consider.

Shri Kamath: It is there on the Order Paper.

Mr. Speaker: I shall consider it.

The Minister of Natural Resources (Shri K. D. Malaviya): I have a correction to make. While answering a supplementary....

Mr. Speaker: The Minister must first of all tell the House why he was not in his seat when he was called earlier.

Shri K. D. Malaviya: I apologise to the House. I was called outside, and so I had gone there.

Mr. Speaker: He must have said that first. What I would insist upon is this. When an hon. Member is called, whether he is a Minister or otherwise, he is not in his seat at that time, but he comes later and when I am proceeding to some other item, suddenly stands up and proceeds with his item, as if there is no other person in charge here to call him; I do not want that such a thing should happen.

When the Minister got up, he must have asked for the permission of the Chair to correct the mistake that had been made, and thereafter for permission to speak.

Now, Shri K. D. Malaviya.

Shri K. D. Malaviya: I apologise to the House for my absence. But I had sought your permission while standing up earlier.

While answering a supplementary put by Shri V. P. Nayar on starred question No. 531 asked in the Lok

Sabha on 7th March 1956, my colleague Sardar Majithia, on my behalf, gave the following reply:

"As I said, this Ministry has got no further information about it excepting this. There is also some material available in Yernad taluk in Malabar, but the results have still not come in, although on a preliminary enquiry I can say that they are encouraging."

The words 'are encouraging' stated therein should be 'were not encouraging'.

Shri Kamath: Diametrically opposite answer.

DEMANDS FOR GRANTS*

Mr. Speaker: The House will now resume further discussion of the Demands for Grants relating to the Ministry of Finance. Out of 6 hours allotted for the Demands of this Ministry, 30 minutes have already been availed of, and 5 hours and 30 minutes now remain.

Hon. Members may hand over the numbers of the cut motions at the Table, if they have not already done so.

Shri Mohanlal Saxena was in possession of the House. So, he may continue his speech now.

Shri Kamath (Hoshangabad): Will you kindly permit me to remind you of a promise that was held out by the Minister of Parliamentary Affairs that time will be found in the third week of this month for the discussion of the Travancore-Cochin budget. That promise has gone under-ground, it appears.

Mr. Speaker: The Business Advisory Committee have looked into this matter, and they have recommended some time for it. It will be coming up.

Shri Mohanlal Saxena (Lucknow Distt. cum Bara Banki Distt.): When the House adjourned yesterday, I was referring to the recommendations of the Taxation Enquiry Commission, stressing the need for economy in expenditure, particularly non-developmental expenditure. I had pointed out that their report has mentioned that out of every one rupee that was spent, 9½ annas were spent on non-developmental expenditure, 3 annas on social services, and only the

*Moved with the recommendation of the President.

balance of 3½ annas on economic investment expenditure. The Minister had assured the House that a high-powered committee was being appointed to go into this question. But my contention was that he was not serious about it, because if he were serious, he would have taken into account the savings that would result from the economies that will be effected by this committee.

Only the other day he had delivered a long speech before the planning forum. Although he had said there that the more advice he received, the more confused he became, I feel that the more he and the other members of Government speak about the Plan, they make confusion worse confounded. He had pointed out that the expenditure was likely to go up by another Rs. 400 crores, perhaps due to the payment of subsidies for Ambar Charkha or to other expensos. Besides, this he had also said that Rs. 400 crores was the optimum that he was expecting from foreign aid, as against Rs. 800 crores provided for it. On the top of this all was a sum of Rs. 400 crores, for which there was no provision.

And yet the Minister had never mentioned a word about economies. If he were really serious, he should have said that he was looking into that question. But we find that he is not looking in that direction at all. I realise that his task is a difficult one, and I sympathise with him. I submit that he is becoming confused, only because he is looking in a particular direction.

All the time, he is looking in the direction of raising taxes even on essential articles. And not only that, but he depends upon foreign aid and deficit financing. I am one of those who do not believe in that. I believe, as the Taxation Enquiry Commission have suggested, that there is surplus labour in this country, and we could explore the possibilities of utilising that surplus labour. But I submit that more than a year has passed, and yet no steps have been taken in that direction.

I had submitted a proposal for labour levy by means of which we could raise about Rs. 500 crores during the Plan period. But nothing has come out. I know that the Prime Minister has taken a little interest in it and it has been circulated to State Governments. But I think it should have been the first concern of the Finance Ministry to have

considered the possibilities of this and the possibilities of effecting economies.

In regard to effecting economies, I have already submitted a note. Here I may point out briefly the heads under which they could be effected. It is not only a question of retrenching personnel of low salary. But there are high salaried personnel. We know that the other day our sister, Shrimati Maniben Patel, informed us that there were 8 or 9 Secretaries in 1947, but now there are about 51 or thereabouts including Secretaries, Additional Secretaries, Advisers and others enjoying the same status as Secretaries. Not only this. Many of the officers are being paid special pay. There is the item of staff cars. There is an item of contingencies. My suggestion that in respect of the contingency provision alone, there could be a cut of 50 per cent. and the Ministries could be asked to come back, if necessary, for a supplementary demand. They could be told that there could be no harm in this. But nothing is being done in that direction.

Then there is the question of contracts. The income-tax department presumes that the contractors make at least 20 per cent. profit on their contracts. I think this is wrong. I had pointed this out to the officers of the Ministry, but they said: 'We are giving by one hand and we are taking by the other'. But I know that they also realise that we are not getting exactly what we are giving them. So for any contractor to make more than 10 per cent on public contracts and thus take away substantial slice of the money that is going to be spent on contracts is, I think, highly unsatisfactory, and steps should be taken to remedy it.

Shri K. K. Basu (Diamond Harbour): From where will election funds come?

Shri Mohanlal Saksena: There is no question of election funds. After all, it is not individuals but it is ideas, it is leadership that matters. Unfortunately, our friends on the other side have neither leadership nor following.

Shri Kamath: What happened at Agra yesterday?

Shri Mohanlal Saksena: I know we lost there because of our policies. But I know the time will come when the country has to choose between one party and another. In an individual case, they might vote in one way or the other. But

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when it is a question of handing over the government of the country to an established party, to leaders who command the confidence of the country, I know the Congress is bound to come back to power, though it may be with a smaller majority than it is today (*Interruptions*).

Shri Kamath : Smaller majority. Quite right. You tell the truth.

Shri Mohanlal Saksena : I am not a prophet, but I speak out as I feel and mean what I say.

I was submitting that we have to effect economies. We have to proceed with these measures of economy immediately. It need not await the appointment of the Committee. There is the question of special pay. If there are any officers who are paid on the same scale as those officers who have been guaranteed under the Constitution, why should they be so paid?

There is another thing. I do not know whether the hon. Finance Minister is aware of it. In the disposals department, they have arbitration proceedings. Arbitrators are appointed, ex-Judges who are paid on a daily basis at the rate of Rs. 400 or Rs. 500. Lawyers are appointed and paid at the rate of Rs. 1,200 or Rs. 1,500 a day. This was the position in one case alone. I know it is against the instructions of the Prime Minister. But still the case is going on. The Judge had died, and now it has begun *de novo*. These persons are being paid on a daily basis. So the House will see that there is so much of extravagance and waste. All this has to be avoided. As was pointed out by the Panel of economists, if this Plan is to succeed, there must be an atmosphere of austerity. We have to avoid all this by cutting down all superfluous expenditure and avoiding all waste.

Then I come to another item. The hon. Finance Minister has pointed out that he requires Rs. 4,800 crores for the Second Five Year Plan. Out of this, he has provided from loans and small savings a sum of Rs. 1,200 crores. Rs. 1,200 are to be provided by deficit financing. Out of the balance, a sum of Rs. 800 is estimated from foreign aid, and Rs. 400 crores are left uncovered. Now, he has said that he expects foreign aid only to the extent of Rs. 400 crores, and that he is depending upon the Surplus Commodity Corporation of the U.S.A. to get articles to the tune of Rs. 400 crores.

What are these articles? These are wheat, eggs, milk and butter. These are the things we are going to import. This, I think, is again a move in the wrong direction. Is it not possible to raise money in this country? I feel that even in respect of small savings and loans we can raise Rs. 500 crores a year, if we draw up proper schemes and approach the people in the right manner.

I know that if we issue housing bonds for 2 lakh housing sites—there is plenty of land in the country—there will be persons who will be willing to contribute from Rs. 1,000 to Rs. 3,000 for housing sites which can be developed in five years' time. This will bring us—I have worked it out—about Rs. 30 crores or so.

Then again, we can have a scheme for orchards. I may say that people are not interested in a low rate of interest, say 3½ per cent. or 3 per cent. But if we float a loan for a scheme of 2 lakhs orchards of 5 to 10 acres each which will be yielding a regular income in five years, we can get money from the people. At the end of these five years, we will have these orchards yielding an income to the tune of several crores.

Then there can be a milk supply scheme. We are going to import milk from U.S.A. I think in this very country, there will be at least 2 to 5 lakh people who will be prepared to pay anything between Rs. 300 to Rs. 500 the average cost of cow if you have a proper milk supply scheme in the towns and in the suburbs. They won't be interested in the interest aspect of it. You may pay them even half per cent interest. But they will be satisfied if, as a result of the scheme, there is an improvement in the milk supply and in the maintenance of cows.

Again, I might suggest another scheme in this connection. If you can assure people that they will get wheat supplies at the rate of 2½ seers a rupee, they will be prepared to invest Rs. 100 to Rs. 200 each per annum each, on which you may pay one per cent or even half per cent interest and with this money you can help co-operative farms. As a result of this, on the one hand, you will get money from them; and on the other you will be assuring them that they will get supplies proper at certain fixed rates. You will also be helping the farmer whom we have to subsidise by price support.

If this suggestion is accepted, there will be 10 lakh people or more who will be prepared to contribute Rs. 200 each per annum. That will make about Rs. 20 crores or more per year.

Then there is the question of black-market money. What has happened to that? We thought that there was something like Rs. 400 to Rs. 500 under this category. We have the Income-tax Investigation Commission. It is no use beating a dead horse. I know that it has not been able to achieve what we wanted. The money is still there. Those who have got this black market money should be induced to disclose it. In this connection, I had made a suggestion as early as 1949 that Government should issue bearer bonds for the rehabilitation of refugees at a premium of 30 or 35 per cent. These persons may then be persuaded to bring out the black market money. Of course, I do not want that the Income-tax Investigation Commission should stop its work or that the Finance Ministry should stop its activities in that direction. But these persons who have black money may be allowed to convert it into white money in this way. What is the harm in this? You may not get Rs. 400 crores, but you will certainly get at least Rs. 50 crores. That will mean a great thing. That will save us from depending on foreign aid to that extent.

Then, there are a number of persons who have got to be given some employment. We have got to provide them something. We have to work out some schemes by which we can give them some means of livelihood. We will have to work out schemes to meet the requirements of different sections of people. We have to help them and I submit that in doing so, we can raise more and more money instead of looking to foreign aid and try to get whatever surplus is available. We have been told by no less a person than a former Secretary of State of U.S.A. that there are strings attached to whatever aid that the under-developed countries are getting from U.S.A.

I may again submit that I am opposed to the imposition of additional taxation on essential articles like food. For that, so far as I am concerned, there are three reasons. Our country has always been underfed. The imposition of multiple-point sales-tax on articles of food is, I think, undesirable and should never be undertaken, unless we have tapped all the avenues of economy and

of raising money in the country. We are anxious to tax all sorts of articles. At present, we are only taxing certain articles of food but when you want to tax all things, there may be difficulty. I may be, at present, supporting an unemployed brother but if articles of food are taxed it means that you want me to pay tax for him as well.

You may say that in the interests of the Plan itself which we want to work out, all these taxes are being imposed. My submission is this. Under a democratic set-up and in a democratic country, no Plan can work or succeed or can be implemented without the sympathy, co-operation and support of all the people. I am sure that by this you will alienate their sympathy rather than get their support and co-operation. I am not opposed to taxing articles of luxury and there is much scope for it. I only oppose the taxation of essential articles.

We are told that we can get much more than what we are now getting—more than double—from whatever taxes which we have already imposed, if only we tighten the machinery for collection. We are told that we could raise much more money and, somehow or other, the machinery is not satisfactory. It may be due to corruption or inefficiency.

I understand a professor from England an expert in income-tax says that if you tighten up the machinery for collecting income-tax, you can raise much more than what you are getting and there is so much of tax evasion. Therefore, as has been pointed out in the Taxation Enquiry Commission Report, before we impose any additional taxes, we must satisfy three conditions.

Firstly, we must see that all superficial and extravagant expenditure is curtailed.

Secondly, you must see that those persons who are now evading taxes should be made to pay before you impose any additional taxation on the honest tax-payer.

Thirdly, if the people are satisfied that whatever money that comes in by way of taxation is spent on items which are likely to be conducive to their welfare, they may not grudge to pay.

But, what happens now? Out of every rupee that is realised, it is not the whole that goes to welfare schemes. The bulk of it goes towards running the administration etc., and only a small portion goes towards welfare schemes.

Shri B. Das (Jajpur—Keonjhar): Sir, the report of the Finance Ministry this year is an interesting document and I was very gratified to read that the Finance Ministry has, at last, been able to control the finances of the Government of India. As a former member of the Economy Committee, I found that just at the beginning—after independence—there was no control of the Finance Department over the spending departments. The Secretaries of the various Ministries went their merry ways and they never thought that it was one of their primary functions and duties to look into the expenditure and have financial control and that they were morally responsible for that. Thereafter, I was closely identified with the Public Accounts Committee. In that committee, I and my colleagues did our best to see that proper financial control is established over the Budget and budgetary expenditure. So, I feel gratified that this present report says that the Finance Ministry has attempted to control expenditure and that it has created sectors and sections by which it will go on controlling. This financial control is much more necessary now when the first Plan is over and we are at the beginning of the Second Plan. Unless there is proper financial control over the Budget and the expenditure, there will be trouble. With deficit financing on the horizon, we will have to see that our Budgets are controlled.

The Finance Ministry has now got three Secretaries. There are not only three Secretaries, but, there are some 10 or 12 Joint Secretaries with a number of Deputy Secretaries to assist them. I feel that the expansion of the Finance Ministry is essential and that it has reached its maximum size and I hope that it will go on controlling the expenditure of the various Ministries. It is for the Comptroller and Auditor-General and also the Finance Minister assisted by the Finance Ministry, to control all expenditure and to see that there is proper financial control. It is not for the Auditor-General or the Audit people to compile the accounts of the Ministries in the States or in the Union. Therefore, I welcome the step taken by the Auditor-General. A couple of years ago, the accounting department was separated from audit in the Delhi State. I read that the Auditor-General went to Travancore-Cochin the other day and advised that the accounting section of the State should be taken over by the

Ministry and not by the audit department.

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I find in this Report, and the Finance Minister spoke about it also, that they are creating technical cells to look into the expenditure, particularly, the one referring to the Irrigation Ministry where a technical and financial cell has been formed so that the Irrigation Ministry watches the expenditure on the various projects.

The Report deals with State-sponsored organisations on page 13 and gives a list of 40 quasi-Government or autonomous organisations, whose financial control is being exercised by the Finance Ministry. They are either members of the Revenue Section or of the Economic Affairs Department. I also find from the list of administrative organisations given on page 44, paragraph 15, controlled by the Finance Ministry, that five of them are being controlled by the Department of Revenue and Expenditure, and the others by the Department of Economic Affairs. This is the first time these statements have appeared in the Report of the Finance Ministry. This shows that the Finance Ministry is alive to its responsibility and the state of mind that existed in the Financial Advisers, be they Joint Secretaries or Deputy Secretaries—they could not interfere with the Ministries or departments to see that proper financial control over budgetary expenditure is exercised. After so many years I am glad to find that the Ministries are co-operating and the Secretaries are not thinking in their old bureaucratic traditions but they think that it is their duty to co-operate with the Financial Advisers and to see that the budgetary expenditure and budget estimates are as much their responsibility as that of the Finance Ministry. They will feel soon the idea that accounts should be separated from audit and the Auditor-General should only audit accounts. That means that it makes the Secretaries of the Ministries responsible for the expenditure. They must be knowing from period to period the expenditure that is incurred. Therefore, I am glad to find that the Finance Ministry has improved its production of monthly statements of budgetary expenditure and so on.

While I feel that steps are being taken as far as possible by the Finance Ministry for financial control, I do not yet feel satisfied that for the sector of State-sponsored organisations or Government

companies, there is a proper system introduced. Under the Companies Act, 51 per cent of the shares of the company would be Government-owned. That does not mean that the tradition of State-sponsored companies has in it anything to be proud of. For years the Auditor-General and the Public Accounts Committee insisted that whenever Government wants to have any company, that project must be placed before the Parliament and must be approved by Parliament. Each new project should be approved by this House. Under section 639 or some such section of the Companies Act, balance sheets are to be given to this House and also audit report. There is difference between the private sector and the public sector and I am not here treading on somebody's feet. In the private sector there is economy and they strictly observe the Companies Act. Unfortunately, the Companies Act could not go into those things which are included in the five or six sections—624 to 629, I think. Whenever Government want to start any undertaking, whether in partnership of 51 per cent or wholly as it is in the case of Sindri and other companies, where the entire capital is that of Government, the estimates of the project of the undertaking should be approved by this House although we are the shareholders—the Members of Parliament and the people. The hon. Finance Minister would not at that time think of including a proper chapter to control Government companies in the companies Act. It should be done.

The Planning Commission has introduced more difficulties for the Finance Ministry. Although there is a Committee of three or four Cabinet Ministers to look into the planning of the projects, the financial control of those projects, during the course of their progress, requires much stricter control. I am glad to find that the budgetary control and financial control by the Finance Ministry have increased. I am glad to find that it has put a stop to the feeling in the various Ministries that they can go on estimating and spending the money as they like, and it is the Auditor-General to account for the expenditure.

Shri Kamath : Unfortunately, you are not now Chairman of the P.A.C.

Shri B. Das : I am not. I am glad I am not. I am not well and so I wanted to get out of it.

The Finance Minister said two or three days ago something about a small technical committee to go into the projects. But that is not the only approach to the problem. The Finance Ministry must control the expenditure of each project and then it should also go into the expenditure of the Plan—the community projects and others. It should see whether money is properly expended and whether money is spent for the benefit of the people. The Finance Minister will be hard pressed to find money for the Second Plan. He should see that money is not squandered.

I do not wish to say any more. I am glad that the difference that existed among the various Ministries and the Finance Ministry over financial control has been done away with. I am also glad that the officers—Secretaries and others—now feel that there should be co-ordination of expenditure and that the Finance Ministry should control the expenditure. I am glad that this stage has come and the next stage will be to see that there is no squandering of money.

Shri Tulsidas (Mehsana West) : My cut motions Nos. 1186 to 1189 relate to the question of budgetary reforms and the accountability of the State undertakings. The Finance Ministry deals with activities which are all-pervasive and vital to the economic life of the country. Its importance lies in its task of keeping vigilance over the pulse of the economic life in the country. It is this Ministry which is responsible for taking policy decisions in fiscal and monetary matters. The inauguration of the Second Plan has added much to its responsibilities by putting on it the burden of keeping a very vigilant watch over the nation's expenditure on various developmental schemes. This is largely so in view of all these highly essential functions of this Ministry. The country must thank the Finance Minister for his deep insight and understanding of the intractable economic issues and his great abilities as an administrator.

On this occasion, I shall restrict myself to the particular and specific matters of economic importance for whose administration the Finance Ministry is responsible. First of all, I shall refer to the imperative need for the budgetary reform in this country. My friend, Shri Das, made certain suggestions just now. I also wish to offer my suggestions for

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remodelling the budgetary system to ensure a more detailed and careful examination and scrutiny of the country's finances by this House which is the supreme and sovereign legislative body in the country.

In this context, I would make a reference to the recent ideas about national accounting. It will be agreed that the present system of budgeting does not fully permit a clear picture of the country's economic strength and of the various deficiencies and shortcomings that might prevail in its economic fabric from time to time. The present budgetary system has a somewhat restricted field in so far as it does not give an account of the changes in the country's national income, per capita income, inter-relationships between the different sectors reflected through prices, production, costs, etc., and also the state of affairs in different sectors—rural, urban, primary, secondary and tertiary sectors—of the economy. Similar difficulties had arisen in the past in Great Britain and since a few years, the Parliament in that country has adopted a system of national accounting whereby the Chancellor of Exchequer presents an account of the nation's economic health when he submits the budget in the House of Commons. A White paper is brought out giving a detailed account of all these various aspects which obviously enable the Parliament and the entire country to take a comprehensive view of the economic conditions.

Shri A. M. Thomas (Ernakulam): What do you say about Part A of the Budget speech?

Shri Tulsidas: That does not give a complete picture. Therefore, I suggest that the Finance Minister should consider the necessity of bringing out at the time of Budget a similar White Paper which will provide the country with sufficient economic data to judge the Budget in its proper perspective.

There is another point—the manner and method in which the Budget is dealt with in this country. The Finance Minister comes out with his Budget at the end of February every year and this House is called upon to go through the Budget proposals of expenditure and fresh taxation, if any, within a period of six weeks. I know there is a general feeling that the time available to this House is not sufficient and there has always been a cry for more time to scrutinise the Budget. (*Interruptions*).

Shri U. M. Trivedi (Chittor): It is a bungling department.

Shri Tulsidas: The existing system works almost like a steamroller; it is moved on the floor of this House with great haste. This is largely so, because, in an era of planning for rapid economic development and industrial progress, each Budget brings forth proposals for an accelerated tempo of expenditure. Further, the purview of Government's activities and powers in economic matters is fast expanding.

The Second Plan, for instance, envisages a great expansion of the State's activities. Thus, planning has completely changed the nature and complexion of our country's Budgets. In the pre-Independence days, the Budgets had restricted importance because the then foreign Government had only very limited aims but in the post-Independence period the planning and developmental activities at the Centre and States level have completely changed the complexion of the Budget. It will be conceded that the present budget procedure hardly offers my time for the House to study the proposals in great detail and I discuss them threadbare. Besides, the manner of presentation of the Demands for Grants and the annual reports of the Ministries and other departments is cumbersome and makes the task of proper understanding of the Budget more difficult.

At present, no detailed information is given on the expenditure items like the States undertakings, irrigation and power projects and Central assistance in the form of grants-in-aid, subventions and loans to States and other schemes which involve huge capital outlay. For instance, last year the Budget provided Rs. 355 crores for expenditure in the form of loans to the State Governments and others mostly for the execution of the projects in the Plan. The provision made for this year on this account is Rs. 386 crores. The details of expenditure on civil administration, particularly in respect of staff recruitment etc., do not seem to be as important considering the huge expenditure we are undertaking both in the States as well as in the Centre. The proposed expenditure on items like staff recruitment is small compared to the larger expenditure on the Plan and the development activities.

Thus, it will be realised that the present system of budget presentation and its passage through the various phases has all these drawbacks. This House is, as I said earlier, a sovereign legislative body and the representatives of the people sitting here have a great responsibility for the expenditure of every rupee sanctioned. A strict and vigilant control over the country's finances is both the supreme right and responsibility of this House, which is rightly called as the 'custodian of the country's finances'. Therefore, no effort should be spared to strengthen the financial control of the Parliament over the governmental expenditure.

With this end in view, Sir, I recommend the budgetary practice and procedure adopted in the United Kingdom in the recent times. I would suggest the acceptance of the British model of budgeting in order that the time schedule for the presentation of budget should be so arranged that the estimates of receipts and expenditure may be presented in February and the budget proposals of the Finance Ministry may be submitted to the House at a later stage, say, in the middle of April or May. Perhaps, I may be told that our financial year closes with the end of March and therefore we are required to put up the budget proposals and everything before that period. But, my reply is that we can change this year now, because we are now embarking upon very big and huge schemes where a large expenditure takes place and, therefore, it is much better to have these different aspects to be considered in details. Soon after the presentation of the estimates of receipts and expenditure in February, the House should refer this matter to the Estimates Committee which should be enlarged to form itself into several sub-committees. These sub-committees should go through these estimates and report back to the House in the course of about two or three months. The discussion on Demands for Grants can thus start in April or May onwards along with the budget proposals of the Finance Minister which may be presented by this time.

One of the advantages of this procedure will be that frequent changes in the budget proposals will be avoided. Sir, you know very well that in the last year practically far-reaching proposals were brought in and they were amended and changed. Practically most of the proposals were changed and, therefore, I am suggesting that by this

method the House can form into different committees, may be as part of the Estimates Committee, and go into the details of the estimates of receipts and expenditure. Then it will be much better that the discussions are done on the report of the sub-committees. This is how the budget is being now tackled in the House of Commons.

Then there is another trend at present. In the Finance Bill they bring in amendments of very far-reaching importance to the Income-tax Act, Customs Act and so on. This is also not a very healthy practice. When any Act has to be amended, particularly the Income-tax Act and other Acts, there should be an amending Bill, which should be brought forward, and discussed at least in a Select Committee before the Act is amended. Sir, you know, last year we had very far-reaching changes in the Act. For example, the definition of dividend was completely changed. The whole of section 23 A was changed. This year we have got a number of amendments to the Income-tax Act. We have got to pass these in this House. These are very far-reaching changes to the Income-tax Act and we have to pass them without understanding the importance and the implications of these changes. We have to go through them in a hurry in order to pass the budget proposals and the Finance Bill.

I, therefore, submit that the present method of presentation of budget proposals is cumbersome. To avoid this, I suggest that each Ministry should supply the estimates or receipts and expenditure separately, both on current and capital accounts, annual reports etc., in a well documented form for the purpose of better appraisal. Further, I would suggest that the planned expenditure of each Ministry should be separated from the normal expenditure on civil administration. This is necessary because it is not clear as to how much of expenditure asked for by each Ministry is meant for development and how much for normal administration. This is also necessary in view of our heavy expenditure and the Plan that we are envisaging which is of a very high proportion.

Another matter which I would like to deal with is the question of State undertakings. The other day—Saturday—on a Private Member's Resolution there was a certain amount of discussion. I do not wish to go into the question of the merits and demerits with regard to the

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different sectors. But, I do wish to make it clear that the main purpose of that particular Resolution has been defeated by making charges and counter-charges against the different sectors. The main purpose was the accountability of the State undertakings to this House and, to that extent, that particular aim was missed in the debate.

You know very well, during the last two or three years I have been rather asking for very detailed accounts of the different State undertakings. It is after pressing for two years that the Finance Minister very kindly suggested that the balance-sheet and profit and loss account should be published. They are now being published in the reports of the different Ministries. What I am suggesting is that there should be a White Paper in which the whole accounts of all the public undertakings may be collated together. Then we can have a better appraisal of all the State undertakings, whether the State undertakings are functioning in the larger interests of the country or not. For example, we have the Railway Ministry whose capital expenditure at present is nearly Rs. 700 crores. The extent of capital expenditure on State industrial undertakings in the First Five-Year Plan comes to about Rs. 60 crores. The expenditure on State undertakings is going to be ten times more during the Second Five-Year Plan and the capital expenditure would, therefore, be in the region of Rs. 600 crores. The State undertakings have now therefore, reached the proportion of the Railway Ministry. We have got a separate budget for the Railway Ministry. We discuss the budget of the Railway Ministry in a separate way. Now, if we are to have State undertakings of such proportion and the House should have an opportunity of considering every aspect of the State undertakings then we should have a consolidated White Paper, if I may call it so, where the balance-sheets and profit and loss accounts of all the State undertakings must be collated together so that the House would be able to form itself into committees and look into the details. If you like, let the Estimates Committee also go into the details before the House takes up the White Paper for discussion. I suggest this for the sake of accountability, for the sake of proper scrutiny and for the information of this House.

The hon. Finance Minister said the other day that just as in the private sector in the public sector also there

are share-holders and that this House is a share-holder of these public undertakings. After all, we represent the people and the people are the real shareholders of these public undertakings. As such we are responsible for every rupee that we sanction. Therefore, we must know about the expenditure and the way in which that expenditure has been done. We should be able to understand the exact nature of how these public undertakings function.

In this connection I would like to point out one thing. From the accounts here I find that these are framed in a different manner. The accounts of each undertaking is different in form from that of the other. Take for example the case of Chittaranjan Locomotive Factory. I cannot find from the accounts the total value of the production which this factory has been able to do in one year. It is not mentioned anywhere. In regard to the Sindri Factory they have been able to get the total production and the total sales. As my friend Shri Das has pointed out, in the public undertakings the Government has taken powers though no Acts apply. Most of the sections of the different Acts are not applicable to the public undertakings. For example, in the Companies Act, there are many sections detailing how balance-sheets are to be made up, how the profit and loss accounts are to be made up. But, if it is a question of the public undertakings, the Indian Companies Act is not applicable to them. The public undertakings must be formed in a different manner I just want to point out that in certain undertaking we do not understand what is actually happening and what is the actual expenditure and we do not know what has actually been produced in the course of a year.

I would like to suggest that the accounts must be standardised in the manner provided in the Indian Companies Act. We must also have a standardised year. There are different years for different companies. We cannot understand how anybody can guess the different standards and the different systems of accounting. Therefore, there must be standardisation in a particular form. All the details must be available for the information and scrutiny of this House. This is very important because we are now going to have larger and larger amounts of expenditure on the public undertakings and we will have more and more of such undertakings. Therefore, accountability is very important and

this House must have all the information that is necessary to appraise the situation in all the different undertakings.

Then there is another important point and it is in regard to the loans and grants given to the State Governments. We are in this House voting for large amounts by way of loans subventions, grants, etc., to the various State Governments. But we do not know what is happening in the States. All that expenditure is voted by the House. In Australia, they have got a Grants Commission. I have been mentioning this for the last two years. They have a system wherein the Grants Commission goes into the different loans and grants which are given to the States. The Commission scrutinises the allotments and assures itself whether the loans and grants given by the Centre have been properly spent or not and whether the monies which have been given by the Centre to the States have been properly utilised and in a proper manner and whether they are spent for the purpose for which they were meant. But here we have no accounts at all. We do not know what is happening to all these large amounts of expenditure that we are voting here in this House. We have got no scrutiny and have no basis on which we can see how these different accounts and expenditure sanctioned by this House are made out.

Shri A. M. Thomas : Are not the State Governments exercising control and is not the Auditor-General functioning in the States as well as in the Centre ?

Shri Tulsidas : But I would like to know the position. Recently, there has been certain dissatisfaction regarding the State undertakings. The Accountant-General has not even kept the accounts. There is always an auditor who is appointed by the Government to audit the accounts. The Accountant-General's control is also not there. Of course, he can take over the control if he wants to and he can check the accounts. Take, for example, the State Bank of India. A provision has been made that the auditors would be private auditors appointed by Government. The Auditor-General does not come in there. Similarly, in the Life Insurance Corporation, auditors are appointed by the Government, and they will be auditing the accounts. I would like the House to appreciate this point. I am not quarrelling or saying anything against anybody. But I say that this House is entitled to know the facts, because this House votes very large am-

ounts for expenditure and the amounts will be greater and greater in the years to come. So, unless we have got a system by which we may be able to know what is happening in the States' as well as in the Union Government's undertakings, it is not possible for us to scrutinise or to make any comments. It is therefore necessary that in future, whatever the allocations that we give to the States, we must form or evolve a method by which we may have certain amount of information and we should try and see that the amount granted by this House is well spent. We must see that this House gets the information that is required, and that it is placed on the Table of the House and is available to every Member.

Then there is the question of company administration. There has been a lot of discussion about this when the Company Law was passed. A new Department of Company Law Administration has been formed in the Ministry of Finance. It is only on the 1st of April that the new Act came into force. I would like the hon. Finance Minister to let me know whether, in view of this new Act, there have been practical difficulties in the day-to-day work of the companies. We have tried to put in this Act a number of clauses which have been a source of unnecessary trouble. If there was any reason for it, I can understand : I can cite one or two examples. There are associations which are non-profit making bodies. They are called association-committees or something like that under the new Act. Under the new Act, each director has to give information to the Government regarding such bodies. Such information is normally given only by the companies. For example, information as to whether there are relatives who are interested in any other business has also to be given. How is such an association interested in this matter ? I pointed this out at the time when the Bill was under discussion, but unfortunately, my suggestion was not accepted.

Take the question of relatives. This question is so wide, and it has now become much widened. There are 108 categories of relatives about whom each director has to give information. He must say whether any of these large number of relatives is interested in any company or in any partnership company, or is doing any business in any company. In case a relation has to do some business in a company in which the director is interested, you will appreciate

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the amount of difficulty that is created. I have been noticing this for long. Notices are given by the directors saying that they have got to take the permission at the general meeting. I have analysed these cases. 40 or 45 companies have had to give such notices. Such notices have appeared in the press and they are mostly in Bombay. I can of course take note of the companies only in Bombay. But you must know that there are hardly one or two or at the most three relatives of ten or eight directors who are in the firm, either employed as clerk or as a worker. The purpose of this clause was that there was the question of nepotism. Where is the nepotism here? Eight or ten directors of a company have just one or two men in the subordinate posts, I can also give an example of a company where, for three thousand employees, there are just two persons related to the directors. Is there any nepotism here?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): What is wrong in putting such a restriction?

Shri Tulsidas: I am only pointing out the amount of difficulty that is created, and you will be able to appreciate it when you actually face these things. The Company Law Administration has been approached by every company, saying how this particular clause has come in the way of the normal, day-to-day working of the company. If there is a relation, automatically the director has to vacate the office. Only the other day, in a big company, the Associated Cement Company, someone became a relative of the director or the chairman, and therefore, the chairman—I think it was the chairman—had to resign. He automatically vacates the office. Because somebody gets married and therefore that man becomes the relation of the chairman, the chairman has to vacate his office! After all, the man who marries, becomes the relation of the chairman after he marries, and then, because he marries, the chairman has to vacate the office. Is there any purpose in this provision? What was the reason for this? The director or the chairman has first to get the permission and then perhaps he has to take the permission as to whether he is interested in the man or not!

Shri M. C. Shah: The hon. Member knows that the House put in that section deliberately.

Shri Tulsidas: I only hope that all this thing should apply to the Government also, and to the Government Secretariat. Then, I can understand. You should say that no relative of Ministers can be employed in the Government or in the Ministry concerned. If you have such a provision as regards your services, then I can understand a similar provision in the Companies Act. I want to know why this discrimination has been made.

Shri M. C. Shah: You had advanced that argument, and it was rejected by the House. That is the difficulty.

Shri Tulsidas: I am just pointing out these difficulties. I would like to know whether they have found out these difficulties in what they have proposed to do.

Now I come to the question of extraordinary powers which the Government take under the Land and Sea Customs Act and so on. I know this matter has been discussed in this House very thoroughly when particular Act—the Sea Customs Act—was amended. Extraordinary powers were taken under this Act. I know that the House was given an assurance that this Act would be administered in such a manner that normally it will not create any difficulties. But I know that by the particular amendment to the Act, there have been a certain amount of difficulties. Those difficulties have been unnecessarily created. The customs people go and search the houses and do everything and say, "Here is something". I am not here to defend the persons who have done something bad. To do bad things is unsocial. I say you can punish such people as much as you can. But I do feel that there must be enough protection and safeguards in any law that we make. An honest person should not unnecessarily be harassed. That is all that I would like to say. But unfortunately, with these powers what has happened is that the honest person is squeezed out of this country. It is only the dishonest person who can continue. That is the position. I would only appeal to the Minister in this matter, because this is under the Finance Ministry. I would like the hon. Finance Minister to take note of what I have said. I have given my suggestions in a constructive manner. I have not suggested anything in which there is any criticism. I have made my suggestion only in a constructive way and with the hope

that things would be done in a constructive way. We are now on the threshold of a much bigger plan. We want everyone in this country to do more and more work. We want everyone in this country to work harder without any undue interference on the part of the Government or their administration.

Shri Viswanatha Reddy (Chittoor): I have to take up the trend of arguments advanced by Shri Mohanlal Saksena with regard to the creation of incentives for production during the second Five-Year Plan period. He suggested that during the Second plan period, you must create lots of services and consumer goods. How that is to be done is the matter which is being discussed in the country all over.

In this matter, the hon. Finance Minister and the hon. Commerce and Industry Minister are speaking in two voices. Day before yesterday, the hon. Finance Minister speaking at a certain place suggested that consumer goods should be imported from America and other countries in order to make up the excess amount of money. Yesterday, in the course of reply to the debate, the Commerce and Industry Minister said that we must produce as much consumer goods in this country as possible in order to achieve the same objective. The relative merits of these two suggestions are certainly worth discussing on this occasion.

Shri A. M. Thomas: The Finance Minister said that with a view to finance the Plan, we may import some of the surplus commodities from the U.S.A.

Shri Viswanatha Reddy: I propose to discuss the financing aspect also. I have been studying for a few days a very interesting subject, the subject of incentive taxation, as proposed by an author by name William Hazlitt. I do not say that even in our present taxation structure, there is no incentive taxation; but, as I see, in our tax structure today, we do not have that amount of emphasis on incentives to production. In other words, our tax structure is such that excess production is taxed on a much larger scale than what is possible under what is called incentive taxation. Incentive taxation is based on the living standard of a person. Therefore, the living standard is the rate of tax. According to the author of this very intriguing subject, the living standard consists of two aspects. One is the

amount of money that an individual spends on his own personal luxuries plus the average normal rental of the property he holds. The combined money value of these two constitutes the living standard of an individual. I may be permitted to read a few lines from a book entitled *Practical Answers to Inflation, Unemployment, Taxation and Political Leadership* by William Hazlitt. He says:

“In the revenue phase of Incentive Taxation, it is assumed that the total economic benefits to any individual under any government is represented by his living standards which is his real income. It proposes this real income as the one base for taxation in lieu of nearly all other forms of revenue taxation. Such a tax is clearly in proportion to both ability to pay and benefits received, the two basic principles of sound taxation. If the individual uses his money income to raise the living standards of others, the latter pay the taxes. A taxpayer's living standard is the sum of two items: his personal spendings and the fair rental value of his property not used for business purposes. Under such a tax the individual controls the flow of money from himself to the government by adopting a certain living standard just as he now does in his local taxes on his home. The taxpayer would thereby levy his own taxes.”

That means, we are going to give adequate incentive for production of goods and services in this country. A tax structure which gives incentives to production of consumer goods is the need of the hour today. Unless we do this, the amount of money that is available to the community for second Five-Year Plan will certainly result in a great deal of inflation. We would not know when the inflationary spiral will start. Once it starts, it would be very difficult for anyone to prevent that spiral from mounting up and up.

The claim that is made on behalf of this Incentive Taxation has been summed up in one sentence:

“The greatest opportunity to share the wealth occurs when production is the greatest and most continuous. Incentive Taxation under capitalism will make this opportunity universal.”

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According to this author, the new definition of the philosophy of capitalism is this :

"In the future, the philosophy of capitalism can be 'From each according to his ability, to each according to his need and more': to each according to his contribution'."

That is the claim that is made by the author. Although I do not subscribe to the view of this author, I do feel that an element of incentive in our tax structure is absolutely necessary in the present context.

I would now like to refer to a subject which, to my mind was not discussed so far in this House, namely, the subject of the public debt of the Government of India as well as of the State Governments. Although I am not one of those who feel very apprehensive of the content or the extent of the public debts of our Government—both at the Centre as well as in the States—I do feel that the time has come when an adequate explanation of the content of the public debt is needed. From the Explanatory Memorandum, I find that the total debt of the Government of India at the end of 1956-57 is Rs. 3,112 crores. To this are to be added the various unfunded debts, namely, the liabilities on account of safe deposits like the provident fund, postal savings bank, railway funds etc., which amount to Rs. 1,043 crores. The total, therefore, comes to Rs. 4,133 crores. An analysis of this public debt is also made in the Explanatory Memorandum. In this it is stated that the interest-bearing debt is Rs. 3,931 crores and the interest-yielding assets out of this public debt come to Rs. 2,996 crores. Therefore, the total uncovered debt, or in other words the dead investment is of the order of the Rs. 885 crores. To this should be added a sum of Rs. 300 crores which Pakistan owes us and which they are not going to repay in the foreseeable future. We are not even receiving the interest obligations for the sum of Rs. 300 crores. Therefore, the total uncovered obligation is Rs. 1,200 crores. We have to pay interest on this every year. Taking the average interest rate at 3 per cent., it will work out to Rs. 36 crores. That is, every year, the revenues of the Central Government are obliged to pay an interest of Rs. 36 crores. I should think that, when we are finding it so difficult to find the

resources for our Plan, to surrender nearly Rs. 36 crores by way of interest is a very heavy burden on the revenues of the Central Government.

Shri K. C. Sodhia (Sagar) : The interest charges are not Rs. 36 crores. They are Rs. 108 crores.

Shri Viswanatha Reddy : I am only calculating on the basis of the minimum charges of interest that are to be paid on the uncovered liability. You are calculating on the total.

Shri K. C. Sodhia : That is what is given in the explanatory memorandum. A sum of Rs. 108 crores is paid by way of interest by the Central Government.

Shri Viswanatha Reddy : I say that the total interest charges come to Rs. 108 crores. That portion of the interest charges due on the uncovered liabilities is Rs. 36 crores. I say that the interest charges on dead investment is Rs. 36 crores out of Rs. 108 crores. This is unnecessary waste.

Shri B. S. Murthy (Eluru) : If it is Rs. 108 crores, it is still worse.

Shri Viswanatha Reddy : As against this amount of Rs. 108 crores, we have got interest yielding assets.

The position of the State Governments in regard to debt is still worse. The State Governments are charged with developmental activities as well as welfare activities. Therefore, the amount of debt that the State Governments have to incur in order to balance their budget and also in order to finance their various Plans is going to be increased from year to year. The interest charges on this debt will have to be borne from out of the revenues of the State Governments and the burden will go on increasing from year to year unless the capital investments of the State Governments are diverted to those undertakings which pay a heavy return. That is not possible taking into account the functions that the State Governments are asked to perform. For instance, if there should be a capital investment on education, health or the construction of village roads, it is not possible for the State Governments to realise any significant return out of this capital investment. All the same, though this investment yields invisible returns, it does not make any significant addition to the revenues of the State Government. Therefore, their revenues are and will be unduly strained unless the

new Finance Commission that is going to come next year is going to allocate better sources of revenue to the State Governments and also the principles on which grants in aid are granted to the States are thoroughly changed and revised in order to help the revenues of the State Government. Therefore, I feel that the Government owes to this House an adequate explanation of the various pressures of interest that our revenues are asked to bear on this account.

Now, I should like to refer to the inflationary pressures about which apprehensions are felt in the country. There is a great deal of controversy raging over the question of inflation. As regards quantum of inflation, there is a good deal of difference of opinion. I think it is better that the Government brings out a White Paper detailing the various implications of deficit financing and the inflationary pressures that it is likely to cause, the prices of the various essential commodities that are likely to be affected on account of the inflation, etc. The fears expressed by some of the members of the community in our country with regard to the pressure of inflation may be summarised in the piquant sentences of this author called Paul Einzig on the subject of inflation. He says :

“If a currency is inflated for the sake of increasing goods for civilian requirements then the effect of the larger volume of currency on the price level may be largely neutralised by the increase in the supply of goods available for purchase. On the other hand, if the counterpart of the additional purchasing power put into circulation consists of guns and war planes, or even hospitals and roads, then the whole weight of the additional purchasing power bears on a diminished volume of goods available for civilian requirements.”

Another point that has been made on this subject of inflation and the apprehension felt is put thus :

“The extent of inflation caused by the functioning of the Welfare state might in given circumstances go a long way towards wiping out its advantages. By the time all sections of lower paid groups have secured their advantages, the rise in the cost of living caused by the granting of these advantages will have deprived the recipients of much of the real benefit.”

Again, he says :

“Even during periods when there is unemployment to absorb, an expansionary monetary policy usually results in a rise in prices. For expansion of production puts purchasing power into circulation before the goods produced come on the market to offset the effects of the additional purchasing power on prices.”

These three are the general apprehensions felt in our country. I think the Finance Minister must produce a White Paper in order to set aside doubts and apprehensions expressed in various quarters. I think the worst thing about inflation is the scare and lack of confidence that it creates. Therefore, it should be our endeavour to see that this scare and lack of confidence is not there.

I wish to say a word about the Income-tax administration in our country. It has been said that nearly 70 per cent. of the tax is collected in the two metropolitan cities of Bombay and Calcutta. The rest of the tax is collected in the districts. It is my knowledge that most of the big companies have their head offices either in Bombay or Calcutta and some individuals deliberately keep their head offices in Bombay or Calcutta for one very important reason and it is this. In these two cities, it is not possible for the Income-tax administration to go into their accounts and scrutinise the amounts as closely as the Income-tax authorities in the districts are able to do. Therefore, there is a possibility of evading the tax in these two cities. Therefore, some of the people who can easily have their head offices in the district headquarters, deliberately keep a small board in the cities in order to be able to be assessed by the Income-tax authorities in the city so that they may have scope to escape the impact of the Income-tax on them. How this law is functioning in the districts is a matter which must concern us very much now. In the districts, generally, the officers who are juniors in the department are posted. These officers are anxious to get their Grade I or Class I and they are anxious to show progress in the collections in that particular district. If the previous officer had collected Rs. 5 lakhs, the next officer would like to show his mettle by collecting an inflated figure. In doing so, he causes a lot of harassment to the assessee, with the result that the tendency to evade in the districts is much more than in any

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other place because of the unhelpful attitude and discourtesy on the part of these Income-tax officers. I know that last year a circular was sent by the Central Board of revenue particularly to the district officers that the assesseees should be treated with a great deal of courtesy and that a lot of consideration should be shown to them.

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But that circular has been disregarded by the officers and today you find a lot of discourtesy and unnecessary harassment to the assesseees shown by these officers in their anxiety to promote their own personal ambitions in the department. I suggest that the small fry who live in the districts, probably earning some Rs. 10,000 or Rs. 20,000, should not be harassed because it is this small fry who are the future investors in our country. As the Commerce and Industry Minister said yesterday the possibility of investment in the small scale industry and the possibility of small scale industry contributing to our production of consumer goods is very great in this country. Unless we encourage the small investor, unless we see that he is not killed, even in his very first attempts, I think the progress of industrialisation of our country is not likely to be rapid. Therefore, I suggest that the administration of income-tax law, particularly in districts needs looking into.

Shri Bansal (Jhajjar—Rewari) : Mr. Speaker, I must preface my remarks on the Demands of the Finance Ministry by a few words of tribute to the splendid work the Ministry has been doing during the past five years of the first Five-Year Plan. Sir, it was no small task that devolved on the Finance Ministry to look after the growing expenditure, both on revenue and capital account to see through our First Five-Year Plan successfully. Whatever the shortcomings and whatever shortfalls in the final figures of expenditure and investment, I must say that the Ministry has done a very good job of work and the Ministry and all the officers of the Ministry deserve hearty thanks of this House on that score.

Sir, in this House we always emphasise the aspect of scrutiny of expenditure. It is quite natural. As a number of speakers who have preceded me have made their valuable observations on that aspect of the question, I would devote my attention to another side of

that question, namely, as to whether all the expenditure that we are budgeting here is being incurred both at the Centre and in the States. I had occasions in the past to refer to the allocations made for the development of small scale industries. I said that in one case the expenditure incurred was actually less than 30 per cent. In another case it was less than 8 per cent. I have some other examples also to which I would like to invite the attention of the House today, *i.e.*, on some very vital nation-building activities in rural areas and small towns.

In spite of all the big schemes that we are having and seeing through successfully, the common man who lives in villages and in small towns, in my view is yet very far from seeing the benefits of these huge developmental schemes, and particularly in my constituency which happens to be a backward area.

Shri D. C. Sharma : (Hoshiarpur) : Mine too.

Shri Bansal : Then we are on common ground.

In my constituency there are three or four towns and from the very first year I was told by the municipal committees of those towns that they need water-works schemes very badly. Their condition can be well imagined when I inform the House that in one town in summer there is no sweet drinking water with the result that the whole population of about 40,000 or 50,000 drunk throughout summer brackish water. In another town, the water-supply is very negligible and of course there are no proper water-works and people have to draw their water from the wells. Hence the necessity of having some water-works schemes. The Government of India gives the State Governments loans on a liberal scale. The State Governments are also supposed to give some loans and grants for such water works schemes. But the difficulty is that when it comes to the question of implementing the scheme it not only takes years and years but there is no authority which knows as to whose function it is either to apply for the loan or to sanction the loan or to implement the scheme of water works. I have before me a letter from the Chief Engineer of a particular State, dated the 4th of this month in which he expresses his ignorance of the fact that Government of India gives a grant, outright grant, of 10 per cent on such schemes.

You may as well tell me that it is a matter which falls within the purview of the State Governments and I should in fact knock at their door. Yes, Sir, I know that. But what I am suggesting today is that just as the Finance Ministry has a Planning Division, they should also have a Progress Division under that Ministry and it should be manned properly with adequate staff and its functions should be to see that all the normal developmental expenditure that is budgeted is actually incurred. Today what happens is that towards the close of the year on certain items orders come to the officials at the districts that on such and such a scheme such and such amount was allotted and the amount has not been spent; therefore, something should be done to spend the money. I know that for the last two years in my State the amounts which are sanctioned for the uplift of Harijans are spent only in the month of March for holding conferences for Harijan uplift. I have attended three or four of these conferences, all in the month of March, when we are busy here, and throughout the year nothing happens.

The same is the story of the tube-well scheme and it is an appropriate subject for me to mention, because in my constituency a part of it has absolutely no prospect of canal irrigation because it is slightly on a higher terrain and it was for this reason that a scheme of exploratory tube-wells was sanctioned. We were first told that we will have some exploratory tube-wells in 1954; then we were told it would be in 1955, which later was extended to 1956. We have no signs of it at all and now I find from the explanatory memorandum that the scheme will fructify only in 1958.

Shri Kamath : Still exploring !

Shri Bansal : Now, these are items where if proper expenditure is not incurred, the majority of our people are not going to see the benefits of independence, and it is for this reason that I emphasise this aspect of the question of seeing that whatever amounts are budgeted here for developmental works are actually incurred.

I know there are difficulties of personnel. In a large number of cases, expenditure is not incurred because adequately trained personnel is not available. This question has been raised before the House again and again. Our Estimates Committee have gone into this question and have made a large number of suggestions. One difficulty I

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find with regard to some of the backward areas is that the community project schemes which have been launched in areas which were slightly more developed than the backward areas have left those backward areas absolutely high and dry. I mentioned this point on a previous occasion also. What is happening is that all the district machinery gets busy and geared to seeing the work at the community projects centre. And in areas where there are no community projects, even the normal type of developmental work does not take place. I would therefore suggest that a special circular should be issued to the various State Governments inviting their attention to this aspect of the developmental work. They should be told that simply because there are community projects in certain selected areas, the other areas should not be left high and dry.

The question of administrative and technical personnel has been raised again and again. One of the handicaps which we suffer from in our country is the lack of adequately trained engineers, overseers, draughtsmen and, on the social services side, doctors. I have been suggesting that as far as the engineers are concerned, we must give up for some time to come the question of very high standards. We must somehow see that the courses for the engineering classes are only for a period of three years. Train your engineers in the colleges for three years, and send them to the works; after five years of work there, let them again go to the engineering colleges for one year's refresher course, so that at least for the time being, we shall be able to tide over the difficulties.

As far as doctors are concerned, we used to have the licentiate's courses for three years. I think we are now having colleges where a person can qualify only in a period of five years, as a doctor. My suggestion is that we must give a licentiate's degree to a doctor in three years. Let him go to the rural areas and towns where we are experiencing a lot of difficulties in getting adequately qualified doctors—I can speak at least about my constituency here—to man the dispensaries which are being opened in those places. After working there for five years, let him again go back to the college, take training for a year more, and then he can become a full-fledged M.B.B.S doctor.

The question of inflation has been referred to by a large number of speakers who have preceded me. On reference

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to the statistics of wholesale price indices, I find that during the last three months, there has been a substantial rise in the general index of wholesale prices, of as much as 20 points.

Shri K. C. Sodhia : 34 points.

Shri Bansal : In January, the index number in respect of all commodities was 375, in March, it was 387. That shows that there was a rise of only 12 points.

Shri K. C. Sodhia : I was telling you of the rise during the period from December 1954 to December 1955.

Shri Bansal : From December, the rise is even more. If you go to April last year, you will find that the rise is still greater. In April 1955, the index was 345, and in March this year it was 387. That means that there was a rise of about 40 points. A rise of 40 points over an index of about 345 means a rise of almost 10 per cent, which is quite a sharp rise, in my view.

But here there are one or two factors that we should not forget, and the first is that there has been a steeper rise after November, when the index was 365; in March, it was 387, which means a rise of about 22 points during the last five months. The reasons for this, in my view, are the scarcity of foodstuffs and the prospects of a slightly unfavourable winter crop. I am glad that the Food Ministry have now entered into some arrangement for importing foodstuffs, and maintaining a stock of reserves, and I think that this will have some effect on the price situation. The figures for the last few days of April are not available, but from whatever indications are there, we can hope that we shall have a downward trend in the commodity index.

I do not take a pessimistic view as some of my friends have done, and I do not think that there is any cause for alarm. But the fact remains that we shall have to watch the price situation very carefully. My suggestion is that if there is no adequate machinery at present in the Finance Ministry, we must have a sort of vigilance department there which will be watching the red signs of inflation, and go on advising the various Ministries concerned, as to the immediate steps that have to be taken to see that the price trend is stabilised.

I have said again and again that in a backward country like India, the impact of any additional money that is created is going to be felt most on cloth and on food. As far as food is concerned, there is one relieving feature, namely that its demand cannot be so elastic, and if we have a reasonable crop, the prices of foodgrains can be kept within reasonable check. So, the main impact is going to be felt on cloth, and in my view, also on building materials, for in our country the rural population, whenever they get slightly more money in their hands, try to invest it in house-building. At least, that is my experience of my constituency. It is for that very reason that I have been saying again and again that we must see to it that coal for brick-burning is made available to our rural areas as rapidly as possible. On the last occasion, when I had spoken on this question, I was wrongly reported in the papers as having said that coal should be made available for cement. Well, it should be made available for cement, but what I was trying to say was that brick-burning coal should be made available for smaller towns and rural areas, so that when a villager wants to spend money on building a house, he will not experience much difficulty in getting building material, which is nothing more than bricks. No steel is used in our rural houses, and only very little of cement is used. So, if brick-burning coal is given to our rural population, they will be quite satisfied with it, and the impact of inflation which is being feared so much by our friends will be kept in check.

I know that all deficit financing must lead to some sort of inflation. But what is the alternative before us? The Finance Minister, while speaking the other day, before the planning forum, has pointed out that we may perhaps have to increase the size of the Plan. He was also pessimistic about the quantum of foreign aid that we might receive. That again leaves us with two alternatives, firstly that of raising the financial resources within the country by means of taxation or savings, and secondly that of deficit financing. I know that we shall have to keep a proper proportion between deficit financing and savings by way of taxation or voluntary savings. But the House has to face the fact that if it wants a developmental programme of any sizable order, then it has to take the risk. All that human beings can do is to watch the situation continuously, and go on taking immediate

steps to see that the price situation is not allowed to go out of our hands. If we had taken a decision to import about a million tons of wheat in December itself, even the rise that we have at present would perhaps not have been there.

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

Now, I come to one or two small matters. We are having now a number of agreements with foreign countries in regard to the various projects that we are launching in our country. The Estimates Committee, while going into this question, has said that all the information and knowledge in regard to our agreements with various foreign countries and firms should be pooled together so that in any new agreement that we might negotiate, we have the background of all that information and we do not easily trip up. It is no secret that in some of the agreements which are signed, we have made mistakes. I do not say that only Government have made mistakes; I know that there are cases of even private persons entering into agreements with foreign countries on terms more favourable to them than were absolutely necessary. That only emphasises the point made by the Estimates Committee that all this information should be pooled in the Finance Ministry, so that whenever we are entering into agreements or negotiating with foreign companies or foreign countries regarding any new project, we have this background of information which will enable us to avoid the pit falls and get the best possible terms.

I will mention one or two points more and then I would have done.

Mr. Deputy-Speaker : Only the points may be mentioned because he has exceeded the time.

Shri Bansal : Shri Tulsidas referred to the company law administration. I am very glad that the Secretary of the department recently undertook a tour of the various commercial towns and discussed with the business community the manner in which the Act has to be implemented. But my information is that during the course of these discussions, a number of points emerged which would require looking into. Without going into details, I would request the hon. Finance Minister to get an elaborate report from that officer, so that he can see in what manner the various provisions of the Act have to be implemented

Shri Tulsidas referred to one or two aspects. I would just give one example from my own experience. The Federation of Indian Chambers of Commerce and Industry is a purely non-profit making body. Its membership is absolutely voluntary and its balance sheets and report are open to the public. Only the members of the business community are its members. Now, under the Act, it will not be possible for my office to enter into a contract for purchase of any item of consumption in my office with any of the suppliers who are members of the Federation. It means that even the stationery cannot be purchased from a manufacturer of stationery, without going through a lot of procedure involved in this particular Act. The same situation will apply to a large number of chambers of commerce, because businessmen and manufacturers are by definition going to be the members of such bodies. If they are not going to purchase from or enter into contracts with, a member, then I do not know with whom they are going to enter into contracts.

This is just one type of difficulty which I am pointing out. I have no strong views on the subject. But I would suggest that it would lead to better working of the Companies Act if the hon. Finance Minister calls for a report from his officers sits down with them and patiently goes into such kinds of complaints and difficulties, and tries to see that at least administratively, the Act is so worked that these difficulties are not there.

Mr. Deputy-Speaker : Some other opportunity might be utilised.

Shri Bansal : I will just make one remark about financial control. We have been talking about internal financial control for a number of years now. Referring to the Explanatory Memorandum and to the Report of the Finance Ministry, I find that this kind of internal financial control is being introduced only in one Ministry, and the Organisation and Methods Division, perhaps in one or two Ministries. I would very much like to know from the Finance Minister as to what are his views on this question of financial control? Because, as I said in the very beginning unless we look into this whole question, our developmental plan will not progress. My other suggestion to the Finance Minister is to call a conference of financial officers from all the States and go into the procedure of the

[Shri Bansal]

matching grants and the various types of loans which we make to the States for specific purposes, to examine the difficulties in the way of these matching grants and loans being utilised. As you know, what happens in the case of a matching grant is that the department of the State Government concerned has to make a scheme. Then that scheme has to get the administrative approval of that particular State. After the administrative approval, budgetary approval has to be obtained. I am told on definite authority that this process takes about seven or eight months. Then the scheme comes to the Central Government. Here again, it is bound to take two or three months, with the result that for one year no scheme can be put through, where matching grants or specific loans are being given by the Government of India. Therefore, let the hon. Minister call the persons who are faced with these difficulties in the various States to a conference. No harm will be done by calling the heads of the finance departments of all the States or most of the States and sitting round and discussing with them the difficulties they are having in implementing the various programmes where the Central Government are giving money.

Mr. Deputy-Speaker: The following are the selected cut motions relating to various Demands under the Ministry of Finance which have been indicated by the Members to be moved :

Demands No.	No. of Cut motions
26	824, 825, 827, 1186 1187, 1188, 1189.
29	832.
30	894, 895.
38	1020.

Irregularities in recruitment of Central Excise Inspectors

Shri Gadilingana Gowd (Kurnool): I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Working of Industrial Finance Corporation.

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Failure to introduce pilot schemes under Rural Credit Survey in Andhra.

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Reform of Existing Budgetary System

Shri Tulsidas: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Need for greater Parliamentary controls of State undertakings.

Shri Tulsidas: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Need for greater Parliamentary control over Central assistance to States

Shri Tulsidas: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Practical difficulties in Administration of the Companies Act, 1956

Shri Tulsidas: I beg to move :

"That the demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Failure to investigate into cases of evasion of payment of income-tax

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Taxes on Income including Corporation Tax and Estate Duty' be reduced by Rs. 100."

Discontent prevailing in Opium Factory staff at Neemuch on account of continued insecurity of service

Shri U. M. Trivedi: I beg to move :

"That the demand under the head 'Opium' be reduced by Rs. 100."

Categorisation of Opium Patrols as Ziladars and its adverse effects on their terms of service

Shri U. M. Trivedi: I beg to move :

"That the demand under the head 'Opium' be reduced by Rs. 100."

Ineffective implementation of schemes under Community Projects, Community Development Blocks and National Extension Services

Shri Gadlingana Gowd : I beg to move :

"That the demand under the head 'Miscellaneous Departments and other Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Mr. Deputy-Speaker : All these cut motions are now before the House.

Shri M. S. Gurupadaswamy (Mysore): Sir, the First Five-Year Plan is just over and we are now at the threshold of the Second Five-Year Plan. It is desirable, at this stage, to look at the past with a view to take stock of some of the achievements we have made. And also we must assess the trends of the present position so that we may be able to understand the future possibilities.

When I look at the First Five-Year Plan and its achievements, I find that it was not a complete success, nor was it a complete failure. It was a Plan of half success, half-failure, if I may say so. In certain respects, the Plan achieved some success. For instance, we have been able to overcome the shortages in food and industrial raw materials. Again, we have been able, in the earlier period, to counteract the inflationary impact and also, to a certain extent, to control prices. But if we look at the present level of living standards and also *per capita* income. I think the Plan has been a failure. In 1930, *per capita* income of our people was about Rs. 62. Now it is Rs. 285. But if you take into consideration the monetary value which was prevalent in 1930 and which is prevalent today (1:4) I feel there is not much significant progress in the *per capita* income.

Then, we may take into consideration the employment problem. I feel very much distressed and pained to point out that the Plan has been a complete failure in this respect. Though attempts were made in the later stages of the Plan to provide more liquid resources for the purpose of providing more employment opportunities, I am very sorry to say that all those attempts were a failure and there was no significant addition to employment.

During the five year period, we have been able to absorb about 4.5 million people in various jobs and there has been a considerable carry-over of the

unemployed from the previous period. According to the draft Plan of the Planning Commission, the total number of jobs that could be provided during the present quinquennium would be about 8 million. But the total number of people who would be seeking employment would be nearabout 16 million. In that case, we will be able to provide jobs only for 50 per cent. So, from the point of view of employment, both the First Five-Year Plan and the Second Five-Year Plan would be a failure.

You know the law of economics. If you spend a certain amount of money, it is bound to yield certain results, whether there is plan or no plan. If there is heavy spending programme on various schemes it is bound to produce certain economic results. *Ad hoc* departmental or public spending without Plan would have produced the same kind of result. Our conscious planning has not created any scope for absorbing more man-power. Why has it been so? It is a point worth considering. I think the basic fault of our planning is that it is not man-power planning. In other words, we do not take into consideration the man-power available in the country and we do not relate that fact to our planning.

The Planning Commission has mentioned four objectives in its draft plan and one of the four is to create more jobs for the people. To that extent, I feel it is right but the emphasis is not on employment alone. Various objectives have been mentioned in the Plan. In consequence the plan suffers from lack of bias towards employment. There has been no special emphasis on employment. It has been put down as one of the various objectives that have to be achieved. We have now to consider whether we should sacrifice other objectives for the sake of providing full employment. I am rather of opinion that other objectives would be achieved substantially if you keep in view only full employment.

Shri K. C. Sodhia : How will it be possible without planning?

Shri M. S. Gurupadaswamy : I want such a planning which gives top priority to the question of employment and not this kind of planning where there is interlocking of many objectives. I certainly want inequality to be reduced. I want industrialisation also. But, all these things would be steadily realised if we keep in view employment as the

[Shri M. S. Gurupadaswamy]

goal for the time being. We cannot afford to think of various kinds of objectives in the context of one or two plans. It is very difficult to achieve a very high standard of life or to bring about absolute equality within a period of 5 years. That should be a distant goal. But the present aim should be to reduce the strain on the economy resulting from heavy and large-scale unemployment.

The Finance Minister may ask me, whether it would not be possible to balance all these things and whether it would not be possible to create employment opportunities by making an effort to realise all the objectives. That is a valid argument. But the difference in result would be great if there is difference in emphasis. If you lay emphasis on employment and employment alone, then, the pattern of industry and the pattern of trade will change. If employment is the ultimate and immediate objective, then the emphasis might be on consumer goods industries, small and medium sized industries and cottage industries and not on heavy industries.

Shri K. C. Sodhia : Are they not all attempted by the Commission at present ?

Shri M. S. Gurupadaswamy : No. The employment potential of basic and heavy industries, would be far less than that of small and medium sized industries and consumer goods industries. Therefore we have to make a choice. Our resources are very limited as the Finance Minister himself has admitted in one of his speeches. So, we will have to make a choice between small-scale industries, consumer goods industries, and heavy industries and producer goods industries. It is very difficult for a backward economy to have heavy industries and to achieve self-sufficiency in the matter of producer goods, say, within a period of 10 years we have to ask ourselves this question—What is the present imperative necessity ? To me it is employment that is the dominant question. If we fail to make it as the sole objective, and if we take other objectives also into consideration, it may mean that we may achieve little progress here and little progress there but no systematic and steady progress would be achieved from the point of view of the ordinary man. The plan then will have no good result.

This takes me to another important question. If you do not start adequate consumer goods or small-scale industries, not only will the employment opportunities be narrowed down but the people will also suffer from acute distress as a result of increase in prices. The First Five-Year Plan itself has, in its later stages, produced a certain high level of prices. The Finance Minister may say that it is not inflation; he may say that the price rise in the recent months is not due to the extra amount of credit which is injected into our economy. But I feel that the recent price increase is mostly due to the extra amount of credit which has been brought to bear upon our economy. The other day—day before yesterday, I think—the Finance Minister suggested that deficit financing to the extent of Rs. 1,200 crores may have to be extended further; it may be Rs. 1,400 or Rs. 1,500 crores even. If you take the entire public sector into consideration during the Second Five-Year Plan period, you will realise that out of Rs. 4,800 crores, nearly Rs. 2,400 crores have to be found by other means, that is to say by deficit finance, by foreign assistance, and borrowing.

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

Shri M. S. Gurupadaswamy : I shall only take five minutes more.

Shri Kamath : He is the only speaker from our group.

Shri M. S. Gurupadaswamy : The result will be that the inflationary trend, which is already affecting the society will further increase. The result will be that the prices will increase as there will be too much of money and too little goods in the market. So, this increase in prices during the next five-year period would react very unfavourably on the common man. The Minister may say that deficit financing of Rs. 1,200 crores is a reasonable limit. The limit has to be somewhat arbitrary, but from the present trend I would say that it cannot be described a fair limit.

In this connection I want to make a suggestion to the Finance Minister whether it will not be wise to limit the Plan. He is now thinking of enlarging the Plan. He himself knows that it is not possible to find the required liquid resources for financing the Second Plan. There is already an uncovered gap of Rs. 400 crores. In view of this, would it not be advisable to have a sort of a

smaller Plan with a change in the emphasis of the Plan on employment instead on heavy industries? If that is done, I am sure that the economy would be more strengthened, the emerging imbalance would be prevented and the prices would be stabilised. The inflationary pressure might be sucked up if a decentralised pattern were to be adopted. According to the draft Five-Year Plan, there will be activities only in selected centres where heavy industries are located. But, if the Finance Minister adopts a different approach, that is, if he encourages small-scale industries and medium-scale industries, there will be greater scope for employment. He may ask whether we should sacrifice heavy industrialisation. After all, we have to sacrifice something for the achievement of the very dire imperative, that is, employment. We have to do it and there is no other go. So, from this point of view I say there should be a man-power budget every year and we must follow a policy of full employment in the next five-year period. If you just study the present population trend, you will find that the decennial increase is about 15 per cent. We are already 36 crores in number, and out of the 36 crores, 30 crores are living on the land, that is, seven out of ten are dependent upon agriculture. Even if you provide many heavy industries like steel, cement and the like, it will be very difficult to introduce the necessary dynamic element into our economy for some time to come. We are always sluggish in our movement, our economy is sluggish, and if at all there is any progress, it is a sluggish progress. There has been sluggishness partly because there is no economy and efficiency in regard to our public spending. I may cite an instance to illustrate it. I had the opportunity of going to one or two Community Project Areas and there I collected some statistics. It is very revealing. The Engineering Department officials themselves stated to me that nearly 40 to 45 per cent of expenditure is sheer waste. For instance, there is a wing called the Bharat Sevak Samaj and they are allowed to make roads, construct wells, and for any work they do they are asked to submit bills for payment. It came to my notice that they always submit exaggerated bills—I do not say false bills. They perform about 50 per cent of the work and they send bills for 100 per cent. It is clear that nearly 40 to 45 per cent of money spent in these development projects in the rural areas is mere waste. You may

say that it is a necessary waste concomitant to planning. But should this necessary waste be to the extent of 45 per cent? If this trend is to continue in public expenditure in the next quinquennium then for Rs. 7,000 and odd crores provided for the next Five-Year Plan, I think we will be having the work of about Rs. 3,500 and odd crores only. So, I say, mere fiscal or financial plan will not carry us forward. We must combine both fiscal and physical plans and the whole thing should have a bearing on employment. If that is done, we will have a better perspective for planning and we will get better results.

Shri G. H. Deshpande (Nasik Central): I rise to congratulate the Finance Ministry for the good work that they have done during the year under review. They have taken many steps which will lead us towards the goal of socialist pattern of society. During the First Five-Year Plan also, they have done fairly well and we are just embarking on the Second Five-Year Plan, and for that also they have prepared themselves and the country very well. I entirely disagree from the hon. Member who preceded me. I do not know how it is possible for this country to make progress in any direction without certain basic industries. There cannot be two opinions that employment is the main problem before this nation and this has been taken into consideration in the Second Five-Year Plan also. But I do not know how the problems of the country can be solved without certain basic industries being undertaken. For instance, if you want all-round progress in the country, it is absolutely necessary to have good transport. You cannot have progress without better housing conditions. How can you achieve that without adequate supply of steel and cement. For all these things, it is absolutely necessary to have the basic industries. While the Plan has laid some stress on basic industries, it has not neglected the cottage industries. Much stress is laid on cottage industries and they will give adequate employment. But neither agriculture nor cottage industries can make progress without certain basic industries. If the country is to progress, we must have industrialisation. Even from the defence point of view, it is impossible to make any progress or to have any security without some stress on industrialisation. I do not think it is wrong to lay stress, in India today, on industrialisation or on basic industries.

[Shri G. H. Deshpande]

Having said that, I want to place before this House one special fact, At Nasik Road, this Ministry runs an institution known as the India Security Press. I have some suggestions to make regarding the welfare of the employees there. It is a unique institution in Asia. I would like the hon. Members and hon. Ministers to come and visit that institution. The work in that institution is increasing every day and the number of employees is also increasing. I know the expansion of the building there has been undertaken. Recently, I witnessed the conditions under which the workers are working there. In certain sections, they are required to work for hours together in a very crowded condition. It is injurious to health. Some device must be found out by which this could be avoided so that they could work in better conditions.

A number of workers come there to work from long distances—say about ten miles or so. They return the same day. They come early morning and return late in the evening. Doing so continuously for years together has affected the health of many people. There is dearth of housing accommodation at Nasik Road. Something is being done. Even last year some allotment was made for labour quarters but for want of cement and steel no work was undertaken. The housing conditions of the industrial labourers must be improved. I must thank the hon. Finance Minister for having agreed to introduce pension benefits to the Government servants there. But the industrial labour is suffering from many disabilities. They have not yet got the privilege of leave and holidays. Last year privileges were granted to Government servants but not to industrial labour. Many of their grievances will be solved if they are also classified as Government servants.

In the vicinity of this press, last year a new press under a different Ministry was started. There, there is no distinction of this type between the men that are engaged in that press. I would request the Finance Ministry to go into these and see if their grievances could be removed so that they may get the same privileges as others who are working in the same press under the same conditions are getting.

There is no hospital there. This has been conceded sometime back. There are more than 3,000 men there. So it is high time that the institution has an

hospital of its own. I think it has been agreed to and some allotment has also been made. My request is that this should be implemented without any further delay.

So far as their housing condition is concerned, very few of them have got houses. Of course they are good houses. They had asked for electricity and it was supplied to them. There were no meters. That also has been sanctioned a couple of years back but the decision has not been given effect to. These are small things. My grievance is that decisions are not implemented. There should be some shade so that they can go there during the hours of rest and take their meals etc. These are all things which have been accepted. But they have not been implemented.

I take this opportunity to place these general things before this House and before the Finance Ministry. I do hope that these things will be implemented very soon. I have already said that the Finance Ministry has done well during this year and I have no doubt that they will not be found wanting to shoulder the responsibility that lies ahead in the implementation of the Second Plan.

Shri Bahadur Singh (Ferozepur—Ludhiana—Reserved—Sch. Castes): I shall confine my speech to the working of the Rehabilitation Finance Administration. The P.A.C., in its 15th report, has made some comments about it and has demanded the appointment of a committee to enquire into the appointment of officers, fixation of salaries, overhauling the administration, etc. I learn that no such committee has been appointed so far.

In 1948 an Act was passed known as the Rehabilitation Finance Administration Act and under that Act certain rules were framed. When recruitment was made, it was made on an All India basis and the servants were transferable to any part of the country. It is very painful for me to make certain statements here. But, things have reached such a stage that I am compelled to make them. I feel that it is in the interest of the country and that facts should be brought before this House and the Government.

As far as recruitment is concerned, there are certain grievances against the officers, high-ups—the Chief Administrator and the Deputy Chief Administrator. Unfortunately, the question which should not have arisen, has arisen—

that is, the question of Bengali and non-Bengali staff. There is no provision in the staff regulation that the staff has to be recruited from a particular region and that people of other regions should be turned out. At present, some arguments and reasons are given, and the non-Bengali employees are turned out from the service on this or that plea. In the beginning there was no question of eastern or western region. People were recruited from all classes, castes, creeds, regions, etc. Now, they say that the work in the western region is more or less over and so they need people who are well conversant with Bengali language, and with the economic conditions, psychology, etc. of the people of the particular region. Therefore, they are recruiting Bengali staff.

2 P.M.

Another reason given is that the staff is surplus and therefore they are retrenching. As far as retrenchment is concerned, it is very strange that the people with experience are retrenched first. Ordinarily, people who are recruited recently are retrenched first and the people who have got longer tenure of service are retrenched later. But, in this case it is the other way round. People are picked up and who do not belong to Bengal are retrenched even though they are the people who have got several years experience and their position in the seniority list is within 25. They are turned out first and their juniors are still allowed to continue. This is a very strange type of retrenchment. They say that the staff is surplus. If the staff is surplus, I do not understand why they are recruiting new staff.

The other plea given is that people who know a particular language, people who are conversant with the language of the eastern region or Bengali language are needed. In this connection I would like to say that when this Rehabilitation Finance Administration started working and people were recruited including several Bengalis, even though they were working in the western region this difficulty of language did not come up in their way. They have been working very well. Now to come out with this plea that the work is to be done in the eastern region, therefore the staff should know a language of that region, is false and flimsy. If that argument is put up, may I most humbly ask, why these officers, who now bring forward this plea that the staff must know a language of the region,

did not honestly vacate the seats as they did not know the language of the people who have come from Western Punjab, Sind and Pakhtoonistan? At that time this difficulty was not there. Now, when the people have got experience for 6 or 7 years, they are being turned out on this plea and new staff is being recruited.

There is another interesting thing. On the one hand they say that the staff is surplus and, on the other hand they say that Bengali people are needed. I can quote here some examples where they have transferred some of the trained Bengali staff to some other departments. One man has been transferred to the Company Law Administration Department, another employee who belongs to Bengal has been transferred to the Community Project Administration, and a third man has been transferred to the Economic Adviser's Office. According to Government rules, a person who is desired in a particular office is not allowed to go to any other department. That person cannot even apply to the U.P.S.C. for higher posts. When people belonging to Bengal are required in this office I do not understand why these people who have received training in their posts for some years, have been transferred to other departments.

I took up this case and wrote a letter to the hon. Finance Minister. I got a reply from him in which various arguments have been given. It is written therein that the persons whose record was not up to the mark were turned out. Here I want to ask: is it only the non-Bengali staff whose record is not up to the mark? May I also humbly ask, what is the number of Bengali staff whose record was not up to the mark, who have been transferred and who have been turned out from their offices? People who have got seven years experience are being turned out on the plea that they do not know the language, people who are raw hands, who do not know anything about the administration are being appointed; and Bengali staff who have got training is transferred to other departments. I have referred to three cases where Bengali people were transferred to other departments. If the Rehabilitation Finance Administration wanted Bengali people they should have kept these three and the poor employees who do not belong to Bengal should have been transferred in their place.

[Shri Bahadur Singh]

Then, Sir, according to the rule 19 of the Staff Regulations, relating to termination of services of an employee, an employee who has been incapacitated from service by bodily or mental infirmity may be discharged from service without any notice or pay in lieu thereof. I may point out here that an Assistant Inspector who served in the Rehabilitation Finance Administration for seven years and who had an overall experience of 22 years, when he was transferred from Karnal to Calcutta, was served with a notice when he fell sick. No reasons were given and no charges were framed against him. As I said, according to the rules, only when a person is infirm bodily or mentally can be served with a notice of termination of service without any charges being framed. Here, this man was not suffering from any mental disease and he was served with a notice without any reasons being given. No alternative job was also provided for him. This is the kind of discrimination that is going on at present in the Rehabilitation Finance Administration.

Shri B. S. Murthy : So, who was suffering from mental disease ?

Mr. Deputy-Speaker : He said, the man was not suffering from any mental disease.

Shri B. S. Murthy : But, someone must have been suffering from mental disease.

Shri Bahadur Singh : That I do not know. The hon. Minister will be able to reply it better as to who is suffering from mental disease.

Then, Sir, in that letter it is pointed out that nobody has been retrenched within the last year or so. As far as I know nearly about 20 Assistant Inspectors have been retrenched and about 20 Assistant Inspectors have been demoted. These persons have got many years experience and are pretty seniors. But the staff who have been promoted have got less experience and are not so conversant with the work. There are many such cases but I do not want to take the time of the House taking up all the cases.

I only want to urge upon the hon. Minister to look into the matter very seriously. This has also been recommended by the Public Accounts Committee. Therefore, an independent inquiry should be made into the working of the Rehabilitation Finance Administration

and the persons who have been victimised unnecessarily should be reinstated, or at least alternate jobs should be provided to them.

May I say a word, Sir, and then finish ? If in that inquiry it comes out that there are certain people in high posts who are responsible for creating such a kind of discrimination, they should be punished heavily, because it will be in the interests of our country. If we are, as is said everywhere, heading towards a socialist pattern of society, I do not know how this provincialism comes in there. If we do not check it, it will prove to be very harmful. Therefore, I again repeat that an independent inquiry should be instituted.

Shri K. C. Sodhia : I have heard with great pleasure the speeches that have been delivered today on the Demands of Finance Ministry. We have finished the First Five-Year Plan and I should congratulate the hon. Finance Minister for his stout heart and his broad back. Finances for these plans come from the country ; there is no doubt about it. But all this requires a man who stands courageously and can command those resources. I am glad that that difficulty is over and to those who say that there has been no good in the Five-Year Plans, I attach no value. The First Five-Year Plan has produced good results. It has created a plan-consciousness in our people. I wish that the Second Five-Year Plan may also be safely piloted by our Finance Minister and he may be put in charge of the finances of our country for many more Plans to come.

On a gigantic Plan like the present, there are many points on which there may be differences of opinion, and I would like to place some of my observations before the Finance Minister, and these are points which I have found out during the course of my study of the economic plans that are followed in the country. I would invite his attention to the fact that during the present year, the Reserve Bank has issued notes and one-rupee Government currencies to the tune of over Rs. 471 crores. Expansion of currency to such a large extent is likely to increase the inflationary tendency and I should invite the attention of the authorities to the fact that inflationary trends have already set in. It is time that measures were taken to mop off some of this huge volume of notes that has been issued by the Reserve Bank.

The second point that I want to bring to the attention of the Finance Minister is that huge sums of money have been lent to the State Governments during the last five years and their total, as has been given by him in the explanatory memorandum, is something like Rs. 1,100 crores. My question to the Finance Minister is whether he thinks that the State Governments will be in a position, during the immediate future—say five or ten years—to pay off these loans to the Central Government. Do their resources permit them to carry on the ordinary administration and the new functions that are assigned to them for the execution of the second Plan and also to find out the money for the payment of these loans? It is time for us to think over this matter. Either the resources of the State Governments should be properly augmented or these loans should be written off. Unless we do that or take some other step towards that direction, I think the State Governments will remain in the same position in which they are now. Of course, they may find out money by taxing the ordinary necessities of life and may go against the spirit of the Essential Commodities Act passed by Parliament. But then, if they do that, there will be a great outcry against those measures. Therefore, it is necessary that the allotment of new sources of income should also be made to the States. As the new Finance Commission has been appointed, I would request the Finance Minister to draw the Finance Commission's pointed attention to this matter and ask them to enquire and report on it.

I now refer to the expansion of the administrative services that has taken place during the last five years. One of the tables appended to the explanatory memorandum says that out of Rs. 524 crores on civil expenditure, no less than Rs. 241 crores—including the interest charges—go towards the maintenance of our civil establishments. Of course, when activities of the State are expanding, it is but natural that there should be a corresponding increase in the personnel of the civil administration. But we have to take care that the expenditure on civil administration does not outstrip the amount of money that we are going to spend over the development of the public utility and other services.

As has been observed by my friend Shri Tulsidas I think that there is great room for reform both in the form and

in the way in which the budget is prepared and discussed. The skeleton form in which it is presented now and the haste with which we finish up the discussion on it are matters for consideration by this House, especially when this House has been put in charge of financing this country, by the Constitution.

I wish to say a few words about the Community Projects. I have looked into one or two of them. Lately, when I visited a project in the Gwalior district, I was much satisfied with the work that has been done there. From my observation of other Community Projects I find that the progress in these projects depends much upon the personnel that has been placed in charge. Accordingly, my submission is that in the selection of personnel for the direction of the Community Projects, at least the head of the project should be a man of experience and a man of drive. He should believe in his work and he should enthuse the people in his charge to do the work with zeal. Of course, as has been said, much work is being done in these community projects; but, the remaining part of the district where no such work is done is left in the condition in which it has been before. Even the personnel of the development departments are taken away from that part of the district and are placed in the community projects, because though we have been training people for these projects, still there is much deficiency, and in order to make up that deficiency, the State Governments have been transferring people from the remaining parts of the district to work in the community projects. This has got its own effect on the people who are remaining away from the community projects. Therefore, I would humbly request the Finance Minister and the community projects administration to speed up the training of a selected type of persons for work in the community projects.

Regarding income-tax and customs, I would invite the attention of the Finance Minister to the need for taking steps to bring in the reforms suggested by the Taxation Enquiry Commission regarding the various matters which have been explained lucidly in that report.

Lastly, I would beg the Finance Minister to arrange his taxation proposals in such a way as to be proportionate to the increase in income among the different sectors of the community and the

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different types of people living in the different parts of the country. There are persons who have been benefited and whose income has increased very much by the execution of the first Plan; but, there is also a section—a considerable section—which has not derived much benefit from it. Therefore, in the matter of taxation, if all these sections are put on an equal footing, it will not be doing justice. Therefore, some attention may be given to this aspect of the matter.

श्री एच० पी० सिंह (जिला गाजीपुर पश्चिम) : मैं वित्त मंत्रालय के अनुदानों पर जो की इस समय हाउस की स्वीकृति के लिये पेश किये गये हैं, कुछ बातें रखना चाहता हूँ।

हमारे बजट में १७.६८ करोड़ रुपये के घाटे का प्राविजन (व्यवस्था) दिखाया गया है। इसके सम्बन्ध में मुझे यह कहना है कि जो बजट में रुपया आता है वह बहुत छोटी छोटी मदों से लेकर बड़ी बड़ी मदों के जरिये इकट्ठा किया जाता है और महिला बचत योजना और दूसरी अन्य छोटी बड़ी इसी प्रकार की योजनाओं से काफ़ी रुपया गवर्नमेंट की प्राप्त होता है। आज हम देखते हैं कि इस तरह से इकट्ठे किये हुये पैसे का दुरुपयोग, सरकार द्वारा कराये जाने वाले कामों में गांवों और कस्बों में होता है और इस तरह का पैसे का दुरुपयोग होता देख कर ग्रामीण जनता के हृदय पर सरकार के लिये बुरा भाव पैदा होता है। मैं आपको अपने जिले गाजीपुर की बात बतलाना चाहता हूँ। जब कि सेंट्रल गवर्नमेंट (केन्द्रीय सरकार) ने यह लिखा था कि करीब १५.०० रुपये में एक कुम्हा बन जाता है वहा मेरे जिले में ७८४० रुपये में एक कुम्हा तैयार किया गया है। उसका पानी आबपाशी के लिये नहीं है बल्कि अस्पताल में पानी पीने के लिये है, उसको तैयार कराने के लिये ७८४० रुपये का ठीका दिया गया था।

इसके अतिरिक्त यह जो गांवों को उंचा करने के वास्ते सड़कों पर, बांदों पर मिट्टी फेंकने का काम होता है इसमें भी हमारे देखने में आया है कि सरकारी पैसे का दुरुपयोग हो रहा है और जहां एक लाख का काम होता है वहां दो लाख रुपया खर्च किया जाता है। मेरा कहना यह है कि आज जब कि हम की देश की तरक्की करने के लिये जनता से काफ़ी रुपया इकट्ठा करना है, तब यह बहुत जरूरी हो जाता है कि आज यह जो सरकारी कार्यों में पैसे का अपव्यय हो रहा है, इसको रोका जाय। जब

वह देखते हैं कि सरकार उनसे टैकसो की शकल में पैसे या अन्य प्रकारसे काफ़ी रुपया बसूल करती है और दूसरी तरफ उस रुपयेकी बर्बादी उस के द्वारा किये जाने वाले कामों में होती है तो उनके दिलों को बड़ी ठेस पहुंचती है और सरकार के प्रति उनके मन में एक प्रकार का घणा का भाव पैदा हो जाता है।

यह जो घाटे की रकम बजट में दिखाई गई है, मैं समझता हूँ कि वह नगण्य है। हम अपनी खर्च होने वाली रकम को ठीक से कंट्रोल करें और यह देखें कि उसका अपव्यय न हो तो हमारे समझ घाटेका कठिन प्रश्न नहीं रह जाता। प्लानिंग कमेटियों में इस विषय पर हमने कई मर्तबा सरकार का ध्यान आकषित किया है कि हमारा जो सरकारी इंजीनियर्स और दूसरे जिम्मेदार लोग हैं उनको ठीकसे एस्टिमेट्स (प्राक्कलन) बनाने चाहिये और मैं समझता हूँ कि अगर वे सही तौर पर और कायदे से एस्टिमेट्स बनायें तो कोई कारण नहीं है कि आज मकान बनाने में और गांवों को उंचा करने के लिये सड़कों पर मिट्टी फेंकने के कामों में जो रुपये की बर्बादी होती है, वह रोकी न जा सके। और आज इन कामों पर जो धन का अपव्यय हो रहा है उसका जनता के दिल और दिमाग पर कोई अच्छा असर नहीं पड़ रहा है...

वित्त मंत्री (श्री सी० डी० बेशमुख) : क्या मैं पूछ सकता हूँ कि यह केन्द्रीय सरकार के पैसे से बना है या प्रदेशीय सरकार के पैसे से बना है ?

श्री एच० पी० सिंह : मेरा निवेदन यह है कि प्लानिंग के जरिये जो रुपया आप स्टेट गवर्नमेंट (राज्य सरकार) की देते है, वही रुपया इसमें खर्च हुआ है।

आप खुद उन के ऊपर ताकीद रखें। आप उन्हें खुद ऐसी बातें बतलायें कि तुम रुपयोंका दुरुपयोग न करो क्योंकि तुम उस से बहुत ज्यादा काम कर सकते हो।

उपाध्यक्ष महोदय : अगर कहने से ही मान जाते तो कई दफा कह दिया जाता।

श्री एच० पी० सिंह : दूसरी चीज मुझे अपने गाजीपुर की ओपियम फैक्ट्री के सम्बन्ध में कहनी है। गाजीपुर में इस देश की सबसे बड़ी अफीम की फैक्ट्री चलती है। इस फैक्ट्री में सन १९१० में जितना काम होता था अब

उस का बारहवां हिस्सा के ही करीब काम बर्हा पर होता है। केवल कुछ थोड़े से हिस्से में अफीम का काम होता है जिस से दवायें तैयार होकर बिदेशों को जाती हैं। मैं समझता हूँ कि इस से सरकार को करीब ढाई करोड़ रुपये सालाना का फायदा होता है। ऐसी फँकट्रीज हमारे देश से केवल दो हैं, एक तो गाजीपुर में है और दूसरी नीमच में; लेकिन गाजीपुर की फँकट्री बहुत बड़ी है जब कि उस के लिये काम पुरा नहीं है। अगर सरकार गाजीपुर की अफीमा बनाने की मशीन वगैरेह नीमच ले जाय तो उस में सरकार का कोई नुकसान नहीं है। जो गाजीपुर की फँकट्री है उस को दूसरे कामों में इस्तेमाल किया जा सकता है। मैं इस फँकट्री को इस लिये दूसरी फँकट्री में परिणत करने के लिये कहता हूँ कि यह बहुत बड़ी फँकट्री है और इस में इस समय करीब सात या आठ सौ ही आदमी काम करते हैं। पहले इस में दस हजार तक आदमी काम करते थे, लेकिन अब बहुत कम हो गये हैं। आप इस फँकट्री को किसी भी दूसरे काम के लिये इस्तेमाल कर सकते हैं, जैसे शूगर फँकट्री है, कपड़े की फँकट्री है, जूट (पटासन) की फँकट्री है, किसी भी रूप में इस को सरकार चला सकती है। इस प्रकार से ज्यादा आदमियों को काम भी मिल सकेगा और सरकार को भी लाभ होगा।

गाजीपुरकी अफीम फँकट्री के आस पास काफी जमीन है मैं समझता हूँ कि करीब ४०० या ५०० बीघा होगी जिसे दयार की जमीन कहते हैं। फँकट्री के अधिकारी ही उसको जोतते हैं। मेरा यह सुझाव है कि यह जो जमीन गंगा की मिट्टी के पड़नेसे इकट्ठी निकल आई है उस जमीन को या तो काठी के मजदूरों को दिया जाय, या गैर किसानों को दिया जाय जो कि लैंडलेस (भूमि विहीन) हैं, जिनके पास जमीन नहीं है। अधिकारी वर्ग जो उस को जोतते हैं और फायदा उठाते हैं यह नामुनासिब है।

उपाध्यक्ष महोदय : आपने कहा कि उस अफीम की फँकट्री को शूगर फँकट्री में तब्दील कर दिया जाय, मैं जानना चाहता हूँ कि अफीम से खांड कैसी हो जायेगी ?

Shri C. D. Deshmukh : The premises should be used apparently for the sugar factory.

श्री एच० पी० सिंह : तीसरी चीज यह है कि राज्य कृषि ऋण जो प्रांतीय सरकार की जमानत पर जिला सरकारी बैंकों को दिया

जाता है, उस के संबंध में मैंने रिपोर्ट में देखा कि जो पहले प्रतिबन्ध था कि उन के कैपिटल (पंजी) से ज्यादा रुपया उन को न दिया जाय वह हटा लिया गया है। लेकिन अभी तक पुराना कायदा ही रुपया देने के लिये हमारे बैंकों में लागू है। इस लिये मैं आप को तवज्जह (ध्यान) दिलाना चाहता हूँ कि इस नये कायदे को जरा मजबूती से लागू किया जाय और इस पर ऐकशन लिया जाय ताकि जो अड़चने जिला साहकारी बैंकों को रिजर्व बैंक से रुपया पाने में होती हैं वह न हों।

साथ ही मैं यह कहना चाहता हूँ कि गाजीपुर फँकट्री में जो मजदूर हैं उन की एक छोटीसी मांग है कि फँकट्री ऐक्ट के मुताबिक किसी भी फँकट्री के मजदूरों को जो सुविधायें मिलनी चाहिये या मिलती हैं वह उनको नहीं मिलती है। कुछ ऐसा किया जाय जिससे यह सुविधायें उन लोगों को भी मिलने लें।

Shri U. M. Trivedi : Mr. Deputy-Speaker, the department of the Government of India ruled by the Finance Minister is really the only representative of the Government of India because it holds the reins of all our expenditure and of all of our income. It practically rules all the several Ministries to which it allots money to be spent.

Shri B. S. Murthy : Both the public and private sectors.

Shri U. M. Trivedi : Everywhere it is. It mints your coins and you spend. It feeds you also.

Shri B. S. Murthy : It gives me coins and gives you notes.

Shri U. M. Trivedi : Therefore, all sorts of criticisms can be levelled against this Ministry.

Shri K. K. Basu : Level them.

Mr. Deputy-Speaker : If the hon. Member yields to these temptations, he will not be able to make any speech.

Shri U. M. Trivedi : I will stray away from these temptations and concentrate my efforts in saying a few words which you have been pleased to allow me to say.

The hon. Member who has just preceded me pointed out the existence of two opium factories in India, namely the factory at Neemuch and the one at Ghazipur. It is a queer sort of arrangement which exists that all the opium

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practically is produced at Neemuch, processed at Neemuch and sent out in insured parcels from Neemuch to Ghazipur. Then, at Ghazipur, the particular alkaloids that are to be prepared are prepared. Why this process is still kept in force, one cannot understand. The whole of the factory can be located at Neemuch. The production is at Neemuch. We can save thousands and thousands of rupees in sending all the opium across the whole length of India.

The other thing which is pertinent is that the Government should change its policy about opium and if necessary, its disbursement and sale must be taken entirely under the control of the Government. Today, all the work, producing the opium, bringing it to the factory and processing it, is done by the Union Government. All the benefits that are to be derived there from are derived by the State Governments. We sell the opium to the State Governments at a very standard rate, on a no-profit basis. The State Governments make enormous profits out of the sales, so much so that they do not wish any control to be exercised by the Union Government in fixing the prices or sales in the States, with the net result that smuggling takes place on account of the different rates prevailing in the different States. To prevent that smuggling also, the Union Government has to apply its mind, and keep its patrols. This anomalous position which exists about the working of the Opium department should be put an end to and it must be brought directly under the control of the Government of India.

Somehow or other, this Opium department has been treated as a department under the Customs and Excise department of the Government of India. But, the step-motherly attitude that is adopted by the officers *vis-a-vis* the Opium department is doing great harm to the employees of this department. Some people are there in service for the last 20 years or even 30 years. All these people are treated as if they are temporary. Some of them are now being classified as quasi permanent—not permanent, yet. In some cases, the *hammals* have put in a service of about twenty years, and they are yet to derive any benefit out of the service that they have rendered so far. A person who goes and joins the customs department becomes permanent and becomes an officer very soon. But a person who is foolish enough to go and join the opium

department remains temporary, and does not enjoy the benefits of permanent service. This sort of inequality of treatment to the staff of the opium department and the opium factories should be put a stop to. It is high time that the matter is looked into. If, however, it is the definite policy of the Government of India which they are not going to change, and that opium-growing is going to be put a complete stop to from 1959 onwards, then steps must be taken from now onwards to see what security of service can be offered to those who are already employed in the opium department, and what should be their future. In any case, they should not be left in the lurch until the year 1959.

One of the previous speakers had pointed out that while we give enormous sums to the various States, for expenditure on various projects, or for State trading purposes, we have no control over the manner in which those sums are spent. The defects that I had pointed out last year are still going on. Nepotism of the worst type and jobbery are obtaining in the various States. When I say, various States, I should say that my experience is confined to the Part B States of Madhya Bharat and Rajasthan.

I remember cases in Madhya Bharat, where grants have been made to those who were members of the opposition party, simply for the sake of winning them over to the ruling party. In some cases, the person is asked, "Oh! you are the person, how much money would you require?", and he replies, "Rs. 2,000 or Rs. 5,000". Then, he is told, "All right, you will have Rs. 5,000, because you are running a *mangori* and *pappad* factory." If that man is making *mangori* and *pappad*, then his industry becomes a cottage industry, and he is given a grant of Rs. 5,000. In another case, a grant of Rs. 2,000 is given for a *pappad* factory. In a third case, a *halwæe* is caught hold of and he is given a grant of Rs. 2,000. In this way, money is given to those people, as if it is their father's money, or they have earned it by their own sweat; and it is given over to the persons merely for political purposes so that they may catch votes.

Shri D. C. Sharma : Is it fact or fiction ?

Shri U. M. Trivedi : It is a fact. If the hon. Member wants, I can give him the names, the details of the grants, and the dates on which those grants were given.

Shri K. K. Basu : Give some more opium to the professor.

Shri U. M. Trivedi : This is not the way in which money that is given by the Central Government is to be utilised by the State Governments.

I know of cases where people who deserved pensions, and who ought to have been given pensions, have not been given pensions; their cases are yet to come up, whereas pensions have been given to relatives of Ministers. Even when they happen to be concubines, they have been given pensions. I can cite the case of one Gafooran John. She was a concubine of the Maharaja of Karoli and she was given a pension of Rs. 150.

Mr. Deputy-Speaker : That is not out of the Central grants.

Shri U. M. Trivedi : It is given from the money which was given for political pensions by the Centre. That is what I am told.

Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareli Distt.—East): Who got the pension?

Shri U. M. Trivedi : I have already given the name of that person. I do not wish to repeat those things. But what I would like to point out is that this makes out a case that the Government of India should exercise control over the State Governments in regard to the manner in which they spend the money given to them by the Government of India. That is the only point which I wish to make.

Pandit K. C. Sharma (Meerut. Distt.—South): Good point, but with bad illustrations.

Shri Feroze Gandhi : In which State, Madhya Bharat or Rajasthan?

Shri U. M. Trivedi : The next point that I would like to make is that before trying to set up various nationalised industries, and before trying to nationalise the existing industries and thus increasing the burden on our head, we must try to consolidate the position which we have reached so far; we must study all the aspects of it. It is quite true that there are some people who would say offhand, and we also feel like that immediately. That nationalisation is good and that it is in the interests of the country, and the public at large.

But what is happening is that nationalisation has not done any real benefit to the public at large. For instance, I could cite the example of the nationalisation of road transport at various places. When the private owner was running a bus, he used to see to it that a man standing on the wayside could have a lift, if he wanted such lift. But when it is a nationalised concern, the conductor *saheb* who is sitting there in the bus is the only person who decides whether that man should be taken in or not. That man may be standing on the roadside with his wife and child, but the conductor *saheb* will say: आप एक, दो, तीन हैं, एक आ जाओ। come on. The ignorant man may get in, but when his wife and child also want to get in, there comes the conductor *saheb*, and he immediately kicks them out, because the position here is not as in the railways. At least in the railways, you can go in somehow; with all the difficulties that may be there, you can get in and find some space, and there is somebody or other on the spot, to whom you can go and complain. But in the case of the bus, which is passing through a jungle, such a thing is not possible, because the conductor *saheb* of the nationalised transport service does not care a twopence for what is happening to the man standing on the roadside.

Nationalisation, however, may have its own good aspects, but still before we go on to nationalise further, we should cry a halt and find out whether or not our policy of nationalising our industries has really proved helpful to the public, or is merely creating difficulties for the public in a manner which we had not foreseen.

The same is the case with the public and private corporations that we have set up. I was just reading the report of the board of directors of the National Industrial Development corporation Ltd. Many of our good Ministers are there, and many important persons are there also. I am giving this just by way of illustration. If you look at the balance-sheet, you will find that although absolutely nothing has been done so far by the corporation—that is admitted in the report itself—yet the expenditure is mounting up like anything, on heads like salaries and allowances, filing fees, and so on. For instance, the salary and allowances to the member-secretary of Jute Loans Advisory Committee are to the tune of about Rs. 5,000, salary and allowances to steno-

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grapher to legal adviser are about Rs. 500, directors' fees Rs. 1,400, director's travelling expenses about Rs. 4,025, travelling expenses Rs. 1,102 and so on. All these expenses are being incurred by a corporation which has been floated and which has a subscribed capital of only Rs. 10 lakhs, and which has not done a pie's worth of work at all. That is what the report itself says. They have done nothing worth the name, not even a pie's worth of work. We have to look into these things very seriously, and see whether we are to incur expenditure on these things, and thus go on building up the burden on our heads.

Pandit K. C. Sharma : The hon. Member is making very important points, but there is no quorum.

Shri U. M. Trivedi : Let there be no quorum. You can have it if you like.

Mr. Deputy-Speaker : The bell is being rung—Now, there is quorum. The hon. Member, Shri U. M. Trivedi, may continue.

Shri U. M. Trivedi : On that point I will stop. I would like to bring another pertinent point to the attention of the Finance Minister. Our budget is a deficit budget. We are trying to pull here, there and everywhere to make both ends meet, so much so that we are making a provision in our Finance Bill to the effect that income-tax matters as old as of 1941 will be dug up, to find out how things stand. Very scrupulously, on sentimental grounds, we have kept away from this fact that taxation on salt is to be levied. Now, ordinarily, if the old salt tax could be levied again on the salt which is being produced in India, with the present index of standard of living, it will not make any difference, while we will get a net income of about Rs. 27 crores. I for one cannot understand this sentiment any longer. There were reasons when our great leader, Mahatma Gandhi, wanted to make this a symbol of our struggle. But those days are gone. Today who profits by the high rates that are obtaining for salt? It is the ordinary middleman who has not to sweat for anything. He gets the benefit. You and I go into the market and get the salt at a far costlier rate than we ever paid for it. I remember, when I was a child, when there was taxation on salt, that the rate of Sambhar salt was hardly 2½ annas per maund. The rate of tax was about Rs. 1-4 per maund.

Pandit K. C. Sharma : He will get salt at the same rate again in his second childhood.

Shri U. M. Trivedi : We are today getting salt at a higher rate. It is at least Rs. 4 per maund; in some places, I hear it is Rs. 8 per maund. If only a tax of Rs. 1-4 or Rs. 2 per maund could be levied again on salt, our deficit will be wiped out and we will add to our revenue.

I am not an economist. I believe only in one thing, to spend less than what I earn. I can never afford to spend beyond what I earn. I think that will be a happy motto for all of us and for the country at large, that we should spend less than what we earn. That should apply to the whole of the Budget. Economists may have their own theory :

ऋणं कृत्वा घृतं पिबेत्

But I do not believe in borrowing and doing all sorts of things. I hope the country will also believe in this proposition that we should not live beyond our means, that we must live within our means.

Shri Sadhan Gupta (Calcutta South—East) : Mr. Deputy-Speaker, Sir, before I proceed to more important subjects, I would like to draw the Finance Minister's attention to legalised smuggling of silver, to which a correspondent has drawn my attention. I understand that there has recently been imposed a ban on the import of silver into India from other countries. Now, traders who trade in Tibet are, I understand, allowed to accept payment in Tibetan silver dollars and to bring those silver dollars into India. Those silver dollars, I believe, are exchanged at the official rate of Rs. 2-10 each. But when they are brought to India, they are re-melted and the silver contents are sold at Rs. 3-6 each. This kind of legalised smuggling should stop. There should either be compulsion to convert dollars which are imported into India currency or to pay an import duty on those dollars.

I now proceed to more important matters connected with the conditions of our country and with the taxation policy of Finance Ministry. About 70 per cent of our revenue still consists of indirect taxation. Indirect taxation is levied on such essential commodities as cotton fabrics, sugar and other things. The list of excise duties goes on increasing either in amount or in number, and it hits the people.

Now, I am not against raising indirect taxation if you create the conditions in the people which will enable them to bear the burden of indirect taxation. Indirect taxation is very essential means of taxation for financing a welfare economy, but conditions must be created through the expenditure of the revenues we get or through the expenditure of the funds at our disposal, which will enable the people to bear the burden of the indirect taxes that are being imposed. I was reading in the papers yesterday that in China the wages have been increased, in some cases by 50 per cent. That is the way you can provide for a greater capacity in the people to bear the burden of the indirect taxes you levy. Whether you levy it on luxuries or whether you levy it on necessities, the people are able to pay. But what is the background here? Already many speakers have pointed out how prices have risen. We are levying indirect taxes on essentials which the common people use. We are pumping in more money by way of deficit financing, and we find prices are going up.

Shri Bansal has given figures to show that in the course of a year, from April last up to today, prices have gone up by 42 points. But that average index number is also misleading. I have figures to show that in some parts of the country, the rise in the prices of certain essential commodities has been phenomenal. For example, in Hyderabad, we have the figures for certain items of staple food. Rice which even in February was selling at Rs. 48 per palla—which amounts to 3 maunds—is now selling at Rs. 72 per palla. Chilli, which was selling at Rs. 1-4 per seer, is now selling at Rs. 2-8-0 per seer. Chilli, you remember, Sir, was mentioned by the Agricultural Labour Investigating Committee. The Committee has said that as the agricultural labourers are unable to find much by way of food, they rely on chillis for food instead of real food.

3 P.M.

That has gone up by 100 per cent. Edible oils have gone up by 100 per cent. in Hyderabad. Hyderabad is not the only place. In my part of the country also the same thing is happening. Rice is going up; oil is going up; and, all the articles of food on which the community relies, are going up. But, what is left with the peasant is not going up. For instance, potato is not going up in my part of the country because it is still in the hands of the peasants. That

is the problem for the common people. While the article remains with the peasant, it is cheap; but, as soon as it goes out of the hands of the peasant at the cheap price, it goes up and then further and further tax burdens are imposed. There is this burden on the common people. Of course, this time the burden has been relatively light that is only to be expected in a budget preceding the election. But, it does not take away from the effect.

In this Budget, there is no attempt to tax people who are able to pay. There was a talk, just before the Budget, of taxation of capital gains, of taxation of personal wealth etc. Now, the Budget is conveniently silent about it. The policy is to impose tax burdens on the common people and give relief to the rich. Even in this Budget, which seems to be, apparently, a beneficial Budget, the impact on the common people is much greater than the impact on the relatively well-to-do sections of the people. I think the excise duties would realise about Rs. 25 crores or so while the direct taxes would realise about Rs. 10 crores or so. That is the kind of policy we follow and that policy is bound to bring financial ruin to the people.

Shri Bansal had paid a tribute to the Finance Minister for the efficient manner in which he had managed the revenue and expenditure. I have not that technical experience to agree or disagree with him. I have neither the study to be able to support or oppose it. But, I am not concerned with any tributes to the efficient management when the common people are not in a position to pay a tribute for the way that their condition is deteriorating. Certainly, when, by reason of further price rises, your life becomes impossible, the peace of your home is disturbed by all kinds of worries, which cannot but fail to embitter your life, you do not pay tribute to anybody for it.

I shall now draw the attention of the Finance Minister to another important matter, the appointment of a Pay Commission. We desire that a second Pay Commission should be appointed to go into the question of the pay structure in government employment, and preferably in all other employments also but, certainly, in the matter of government service. Since the last Pay Commission was appointed and since it reported in 1946, much water has flowed

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and that has become completely out of date. Prices have gone up since the last Pay Commission reported and the result has been that whatever wage increases had occurred in view of the recommendations of the Pay Commission have now been reduced in reality. There has been a real wage cut by the rise in prices. Also, the assumptions on which the first Pay Commission proceeded regarding the stabilisation of prices at particular levels and the wage levels that they fixed on that assumption no longer hold good. It is agreed today that the price level can never be stabilised at those levels. Therefore, on that basis also, there is ground for revision and for laying down new principles for fixation of pay of government servants and other classes of employees. Every union of government employees has demanded the setting up of a Pay Commission and even the I.N.T.U.C. has asked for a wage Commission. There is absolutely no ground for not setting up the Pay Commission.

Now I come to certain points regarding the Income-tax department—the sorry state of affairs that prevails in that department. Income-tax is a very important item of our revenue. Yet, due to various factors, the realisation of income-tax has been far smaller than what it should be. There are small matters. There is awful lack of office accommodation. Many offices have not even the requisite furniture. I believe, in some offices, even typewriters are short. Most of the offices have not the necessary equipment. I believe very few offices possess the *Income-tax Manual* and yet the procedure is governed by that Manual. The procedure is governed also by circulars which were issued from 1922 onwards and the circulars of 1922 are still in force. And, yet, even those circulars have not been systematically filed in most of the offices.

Again, the staff is entirely inadequate. In 1946, the Bengal Income-tax Association, I understand, made a representation for strengthening the staff. The same year, an officer, Shri K. R. K. Menon submitted a scheme for reorganisation. That scheme took 5 years to be implemented. It also happens that many people who are unable to read accounts are charged with the duty of assessment. For example, in Calcutta, in areas where the Marwaris reside, people who are unable to read Marwari accounts are charged with the assessment

of predominantly Marwari assesseees. Similarly, in areas where Bengali accounts are kept, officers are appointed who do not know Bengali and they are charged with the duty of assessing Bengali assesseees. The result has been that whereas in 1943, I understand, the arrears were equal to current work, the proportion has gone on increasing till 1946, not only till 1946 but later on even up to date, till, in some areas, the proportion of current work to arrears is about 1 to 3. The result has been that there has been a tremendous amount of tax-dodging and honest taxpayers have been penalised while the tax-dodgers escape. This is a very unfortunate state of affairs that people should have to bear heavier burdens because they are not dishonest enough to dodge tax and people who dodge taxes should be allowed to escape. While there is so much of lethargy in reorganising the department, there is no lethargy in the matter of making it difficult for the staff. The Bengal Income-tax Association is an association of the income-tax employees of Bengal, which was recognised from 1925 onwards. Now the recognition has been withdrawn, among other things, mainly because the Government insists that no outsiders should be on the Committee. That Association has profited by the association of outsiders. Even in the British days, outsiders were on the Committee. Names like the late Mr. Bepin Chandra Pal, are there. They were on the Committee, and even the Law Minister, Shri Biswas, was at one time the President of that Association. In view of that tradition, they feel that outsiders should remain and that has been made the principal ground of withdrawing recognition. Then there are other grounds which are entirely unconstitutional. It says that the Association should not publish any view on any law, including Income-tax Law. That is contrary to article 19, and that has also been made a ground for withdrawal of recognition. Similarly, a Federation of Income-tax Association has been formed for the whole country, and that Federation is also being persecuted in all sorts of manner. The General Secretary, I understand, of the Federation, who is an active worker, was first of all transferred and then it has been sought to victimise him by chargesheeting him under the Safeguarding of National Security Rules, the objectionable set of rules against which so much protest has taken place. The charges, I understand, were entirely false, and yet those charges have

been framed. The only reason is that under his guidance the Income-tax Employees' Federation was becoming a very strong force and had been able to win recognition in spite of the reluctance of the Income-tax Department to grant recognition. All put together, you first exclude outsiders and then if the insider grows too active you try to chuck him out. With all these, the pattern of persecution is clear. If any employee happens to be an active trade union worker, either he will be chucked out or if he is not chucked out, then the recognition of the Association goes. That is not the way how the staff should be treated. I would ask the Finance Minister to have these matters reconsidered and to remedy these defects.

Shri B. S. Murthy : Sir, many have paid their tributes to the Finance Minister and I too want to pay him my tribute. In paying the tribute, I do not like to confine myself only to the work he does here. I think our Finance Minister is very lucky because there is something of beauty in everything that he does. Keats said that a thing of beauty is a joy for ever. I think, therefore that most of the Members are vying with each other in paying compliments to this charming Minister who is here trying to please all sections of the people, including the Members opposite and yet not being perturbed even if sometimes they are unkind in their remarks.

Having said this, I must hasten to bring to his notice a malady that is fast developing into serious proportions, that is, the States today are growing more and more lethargic and indifferent, and what not, in trying to give co-operation, in fulfilling the targets laid down by the First and the Second Five-Year Plans. Only the other day, the Health Minister, Rajkumari Amrit Kaur, had expressed her inability to make the State Governments co-operate with her schemes and projects. The same thing can be said of other Ministries—Labour, Home Affairs, Planning, Education, Co-operation, etc. etc. Every time we put a question on the floor of this House, the Minister says that "the proposals have gone back to the State Government and we have not yet received any reply". Sometimes another Minister comes and says that "so much money has been allotted, but the State Government is not taking advantage of it". Sometimes again, another Ministers comes and says: "What can we do? We have been sending remind-

er after reminder to the State Government, but they seem to be not in a mood to send us even a reply."

Therefore when we are having a stupendous task of rebuilding India and trying to raise the standard of living of the common man, how can the Centre function if the States are so indifferent, lethargic and unmindful of their duties? Therefore, I want the Centre to devise a machinery by means of which all the grants and loans and other help given for the fulfilment of the projects that are being laid before the country are always adhered to by the State Governments. I think this is a very important thing because of the States being in charge of the departmental and welfare activities. If the development and welfare activities are not being dutifully attended to and the time target is not kept up by the States, I do not think that India will be receiving any benefit either from the First Five-Year Plan or the Second Five-Year Plan. Therefore, this is a malady which is prevalent in some of the States, and before it assumes serious proportions, I want the Finance Minister and his colleagues and also the whole Ministry to see that it is nipped in the bud and that we go ahead with all our energies galvanized to make India as strong as possible and have a place of honour in the comity of nations.

In this connection I want to cite an instance where the State Governments are not only indifferent but sometimes also inimical to some of the schemes that have been formulated by the Centre. Take the question of land reform. Most of the States are still in the committee stage as far as land reform is concerned. My own State, Andhra, which is going to become Visal Andhra or Andhra Pradesh as the case may be, is still lagging behind. Some time back they appointed a committee and that committee had submitted its report. But I do not think the Ministers in the Andhra State know where exactly this report is in the archives of the Secretariat. They have not published it. They have not been able to present it to the Legislative Assembly even though a number of people are asking for the report and a discussion on the report. Unless and until land reform is taken up especially in a place like Andhra, the common man cannot understand that the country is independent or that he is independent and whether it has got any future as far as economic independence is concerned. Added to this, Acharya Vinoba Bhave is going

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from village to village and trying to preach the cult of *shramdan*, *bhoodan* and *jivandan*. Most of the States are trying to co-operate with him to create a new consciousness, a new psychological approach, a new emotional awareness in the masses, on the same level as Gandhiji was able to create in order to win Independence.

It is easy to win independence but it is difficult to retain it. Unless all the 36 crores of people in India are made to understand that the struggle is still continuing and that men like Acharya Vinoba Bhave are there to help us, the prospect is not bright. Suffering and sacrifice are needed not only for making India a nation which can give the gospel of Panch Shila but also to make the world understand that 36 crores of people are working in unison as one man to see that new economic theories are developed, neither like Russia which is a regimented country nor like America where capitalism is playing havoc.

There are nearly six crores of people, as far as I can understand; who are agricultural labourers. Neither this Ministry here nor the State Governments there are able to find out how they are living. In the Second Plan, we say we are providing employment for nearly one crore of people. This agricultural labour is almost a landless labour and nothing is done for him. I suggest that the Centre should formulate a scheme by which he will soon become the possessor of a few acres of land. Where is this land? According to the report supplied to us, there are twelve crores acres of waste lands in the country and they should be brought under plough.

Shri Ramachandra Reddi (Nellore) : Ten crores.

Shri B. S. Murthy : It may be ten crores or twelve crores. If men like Shri Reddi are willing to give a few acres out of their hundreds of thousands of acres, it will not be ten, but fifteen, crores. It depends upon the goodwill of men like him who are today enjoying thousands of acres. That is why Acharya Vinoba Bhave is going from place to place saying: "Before the doom is there, before the agrarian revolution takes place all over the country and sweeps away the zamindars and others, give some land and see that land hunger is quenched." All the available waste lands may be distributed immediately so that the landless agricultural labourer

may feel happy. What is the justification for keeping this landless labour in a position in which it is unable to make both ends meet? That is why I have been asking both the Central Government as well as the State Governments to see that land reform is given top priority. Without social justice, no one will be prepared to contribute his mite for the welfare of the country. Unless and until such people are given a chance to work for the success of the Second Plan, I am sure that the country cannot register real progress.

We are very pious and religious, publicly and in private, so far as our cattle wealth is concerned. We worship serpents; we worship the cow; we worship garuda. We say :

पितृदेव भव, गोमाता भव ।

All these things are there but nothing is being done beyond worship. In the rural parts of India, you see all the cattle looking at us and asking us: "Why do you make us starve?" There is no fodder, no hay, nothing whatsoever. Immediate steps should be taken to develop our cattle wealth. We did not fail to make use of the Kamadhenu from Vasishta's days. India possesses thirty per cent of the world's cattle wealth; it has also got a large market for hides and skins—15 or 20 per cent of the total trade in this. We have not developed any interest as far as tanning is concerned. There are also the manufacturing industries of leather and footwear. Nearly, fifteen lakhs of people are working in these industries. Instead of giving these workers scientific knowledge and technical training we are importing every year crores worth of leather goods. The Ministry should take immediate steps to see that our cattle wealth is improved and our hides and skins are not exported so that there may not be imports of these into India. The indigenous industries also may be encouraged. In this connection, I do not think I will be wrong if I suggest that a leather board may be immediately set up with persons possessing technical and practical knowledge. It should be asked to formulate plans to improve the industry.

Government is trying to have emergency recruitment of IAS and IPS officers. I have to say a few words about the regular recruitment.

Mr. Deputy-Speaker : Would that be a subject for this Ministry?

Shri B. S. Murthy : Yes, Sir, everything. (*Interruptions*).

We are having administrators from IAS and therefore, I think I shall not be wrong, if I presume, that it is under this Ministry. I am not wrong, if I say that sufficient justice is not being done for the backward, class, Scheduled Caste and Scheduled Tribes candidates as far as regular recruitment is concerned. Sufficient number of candidates are not forthcoming. Some,—very few,—take courage in both hands and come and pass the written examinations and they are called for interview. The members of the UPSC will be sitting as judges and these candidates are terrified and there is trepidation. The candidate begins to sweat. Supposing he is put a question: "What is your name?" he immediately answers: "I come from Andhra." The question is from one direction and the answer is from another direction.

Mr. Deputy-Speaker: Does the hon. Member recommend that such an answer should be accepted and an IAS post given?

Shri B. S. Murthy: I shall come to that question.

Shri Bogawat (Ahmednagar South): That is what he desires.

Shri B. S. Murthy: That is not my desire. I want the best men among the Scheduled Castes and Tribes to be given a chance. That is why I am saying this. I may say that most of the boys from these backward classes, especially from the south, do not even know how to wear a pant and coat because they cannot afford them. It is a miserable state of affairs. We can only shed tears of blood if we consider how these boys struggle to come up. Therefore, I want a sympathetic attitude from the members of the Service Commission. In the days of the British even brahmans, I am told, from Sind have been nominated and non-brahmans from South India have also been nominated as persons recruited for I.C.S. They were sent for training and after training I do not think any of these I.C.S. nominated people have ever failed in their duties. As a matter of fact, some of them have excelled in the discharge of their duties. Therefore, I would say that, having taken a list of students belonging to these communities coming with brilliant colours from the universities, the Service Commission should give, as far as possible, a latitude so much so that the present lacuna may be removed and the pent-up feelings in our mind that we

are being neglected as far as the services are concerned, will be removed.

Mr. Deputy-Speaker: The hon. Member must conclude now. If everything is covered under the Finance Ministry, everything cannot be covered within the time available here.

Shri B. S. Murthy: The Finance Ministry, as I said, is the pivot around which the other Ministries move.

Mr. Deputy-Speaker: The hon. Member may come to his point.

Shri B. S. Murthy: Therefore, I want the hon. Finance Minister to realise that thought is deeper than speech and feeling is deeper than thought. I want him to realise how sorely the Harijans, the Girijans and the Backward Classes are today feeling that they are being woefully neglected as far as the higher services are concerned, and see that justice is done.

पंडित ठाकुर दास भार्गव (गुडगांव): जनाब डिप्टी स्पीकर साहब, मेरे दोस्त मति साहब ने अपनी स्पीच में इतना पैयास (करुणरस) भर दिया है कि उनकी स्पीच के बाद मेरी स्पीच बहुत प्लेन साबित होगी और मैटर आफ फेक्ट (वास्तविक) सी दिखलायी केगी। आज इस थोड़े से अर्थ में मैं इनकम टैक्स के बारे में कुछ अर्ज करना चाहता हूँ।

जिस वक्त कि हमारी गवर्नमेंट सेंडिल में (पदारूढ) आयी और पुरानी गवर्नमेंटने चार्ज छोड़ा इनकम टैक्स के मुहकमे की हालत फिलवाकै निहायत खराब थी। यह वह वक्त-था जब कि सन् १९४६ में टैक्सेशन इनवेस्टी गेशन कमीशन (करजांच आयोग) बना था। जिन लोगों ने उस जमाने को देखा है वे जानते हैं कि लोगों ने उस कमीशन को किस तरह से रिसीव किया था और उस वक्त इनकम टैक्स के मुहकमे की क्या हालत थी। उस वक्त देश में बहुत सा रूपया आया हुआ था और ऐसा बहुत सा रूपया था जिस पर कि टैक्स लग सकता था लेकिन उस वक्त का टैक्स डिपार्टमेंट ऐसा खराब था कि उसने अपने फर्ज को पूरी तरह अदा नहीं किया जिसका नतीजा यह हुआ कि बहुत लोगों को सल्ट शिकायत हुई और गवर्नमेंट को भी शिकायत हुई और यहां पर इनकम टैक्स इनवेस्टीगेशन कमीशन ऐक्ट लाया गया। वह ऐक्ट ऐसे माहोल में आया कि उस वक्त बहुत से लोगों को तो यह मालूम हुआ कि कोई बामशैल गिरा। कुछ लोग उससे भी सेटिस-फाइड (सन्तुष्ट) नहीं थे क्योंकि करोड़ों रुपये

[पंडित ठाकुर दास भागंव]

की दौलत दो हजार रुपये तोले हीरों की शकल में जमीन के नीचे रखी हुई थी और देशमें नोटों और रुपयों का तो कोई ठिकाना नहीं था जो कि लोगों के पास हिंडन ट्रेज़र (छिपा खजाना) की शकल में भरे पड़े थे। उस वक्त वह जो ऐक्ट बना, उसके बाद ही एक ऐक्ट और आया जो इस बारे में था कि जिन लोगों ने रिडबैंकें ली हैं और जो करण्ट (भ्रष्ट) हैं उनके खिलाफ कोई कार्रवाई की जाये, और उस ऐक्ट की वजह बयान करते हुए सरदार पटेल साहब ने यह फरमाया था कि चूंकि लडाई के जमाने में बहुत सा रुपया देश में नाजायज तरीके से पैदा किया गया है, इसलिए हम यह ऐक्ट लाये हैं। उसके बाद उस ऐक्ट के मुताबिक इनकम टैक्स के मुहक में काम होता रहा। लेकिन जिस वक्त सन् १९४६ में वह ऐक्ट बना था तो मैंने कहा था कि यह ऐक्ट जरूर नाकामयाब होगा जब तक कि इसमें कोई तबदीली नहीं की जायेगी। चुनावें सन् १९४७ में गवर्नमेंट एक अमीनिंग ऐक्ट लायी जिसके जरिये कि सन् १९४६ के ऐक्ट के नुकायस को दूर करने की कोशिश की गयी थी। जिस वक्त यह ऐक्ट आया उस वक्त मैंने कहा था कि यह ऐक्ट चलेगा और फायदेमंद भी होगा लेकिन उसमें एक खराबी है। उसमें इनकम टैक्स डिपार्टमेंट के अफसरों को, और खासकर इनवेस्टीगेशन करने वाले अफसरों को, बहुत ज्यादा ताकतें दी गयी थीं, इतनी ज्यादा कि वे असेसीज़ की गरदन आसानी से दबा सकते थे। और आज मैं देख रहा हूँ कि जो कुछ मैंने उस वक्त कहा था वही आज नजर आ रहा है। एक तरफ इनकम टैक्स इवेडेंस (आयकर अपकव) हैं, और इनके पीछे इनकम टैक्स डिपार्टमेंट के अफसर लगे हुए हैं। यह ठीक है और इससे किसी को शिकायत नहीं है। रिपोर्ट में बतलाता गया है कि लोगों ने किस किस तरह से टैक्स इवेड (सर अपकव) करने की कोशिश की है। लेकिन मैं उस नकशे में नहीं जाना चाहता। लेकिन जिन लोगों ने टैक्स इवेजन् किया है उनके साथ हाउस में से किसी की हमदर्दी नहीं है। जिन लोगों ने ऐसा काम किया है उन्होंने देश के साथ गद्दारी की है। लेकिन मेरे सामने जो सवाल है वह बिल्कुल डिफरेंट (भिन्न) है। मैं यह जानना चाहता हूँ कि इन आठ नौ वर्षों में इस इनकम टैक्स

डिपार्टमेंट ने अपनी सन १९४६ की हालत को रफा दफा किया है या नहीं, क्या आज इनकम टैक्स डिपार्टमेंट का काम तसल्लीबक्शा है? मैं अदब से और जोर से अर्ज़ करना चाहता हूँ कि मेरी नाकिस राय में तो आज भी इनकम टैक्स डिपार्टमेंट का काम तसल्लीबक्शा नहीं है। मैं जानता हूँ कि अगर इस डिपार्टमेंट में ट्रेड (प्रशिक्षित) आदमी होते तो इस डिपार्टमेंट का काम ज्यादा अच्छी तरह से चलता और इस डिपार्टमेंट की आमदनी भी बिला शुबहा इयोडी हो गयी होती। आज आप बम्बई, कलकत्ता, मद्रास वगैरह में जाकर देखें वहां पर आज इनफ्लेशन (मुद्रास्फीति) के जमाने में मामूली आदमी भी मिनीमम (न्यूनतम) को पहुंच जाता है। आज लाखों ऐसेमीज़ ऐसे हैं जिनका सर्वे (Survey) नहीं हुआ है। आज तक सारे ऐसेमीज़ का सर्वे इनकम टैक्स डिपार्टमेंट के पास मौजूद नहीं है। कलकत्ते में एक सर्वे शुरू किया गया था लेकिन उसको बन्द कर दिया गया। बड़े शहरों में ऐसे बहुत से लोग हैं जिन तक इनकम टैक्स डिपार्टमेंट का हमें पहुंचना चाहिए, लेकिन उनसे इनकम टैक्स बसूल नहीं किया जाता। इसकी वजह यही है कि हमारे पास ट्रेड परसोनेल (प्रशिक्षित कर्मचारी) नहीं है। इस डिपार्टमेंट ने ऐसे अफसर नहीं रखे जो कि उन अशाखास तक पहुंच सकें। यह सोचना बिल्कुल गलत है कि हमारे लोग टैक्स देना नहीं चाहते। अगर लोगों के साथ मुनासिब तरीके से और हमदर्दानी बरताव किया जाये तो लोग चाहते हैं कि जो आपका ड्यू है वह आपको मिले। मैं खुद चाहता हूँ कि भरे देश का खजाना पूरा हो। अगर हम चाहते हैं कि हमारी फाइव इअर प्लान कामयाब हो तो इसके लिए जरूरी है कि हमारे देश का खजाना पूरा रहे। लेकिन इसके साथ ही मैं यह कहना चाहता हूँ कि इन आठ सालों में हमारे इनकम टैक्स डिपार्टमेंट ने कोई पापुलैरिटी (लोकप्रियता) पैदा नहीं की है। जैसे लोग पहले इस डिपार्टमेंट के अफसरों के सामने जाने में डरते थे वही हालत आज भी मौजूद है। जब कोई ऐसेसी इनकम टैक्स आफिसर के सामने जाता है तो उसके दिल के स्थालात में कुछ फर्क पैदा हो जाता है। मैं अर्ज़ करना चाहता हूँ कि आज भी एक इनकम टैक्स आफिसर पब्लिक को उतना ही डरावना और सख्त मालूम होता है जैसा कि एक पुलिस अफसर। यह गलत चीज़ है। मैं चाहता हूँ

कि हमारे देश में जो इनकम टैक्स आफिसर हो वह देश का खादिम हो, उसके सामने जाते हुए कोई घबराये नहीं, बल्कि उसको अपना दोस्त समझे। जो एसेसी इनकम टैक्स आफिसर के सामने जायें उनके साथ वह हमदर्दानी बरताव करे और उन पर उतना ही टैक्स लगावे जितना कि वाजिव है।

उसको यह ख्याल न हो कि मेरी तरक्की तब होगी जब मैं ज्यादा कलैक्शन (संग्रहण) करके दिखलाऊंगा। मुझे अफसोस के साथ यह चीज कहनी पड़ती है कि जिस माहोल को हम अपने देश में पैदा करना चाहते थे और जिसके कि हम स्वप्न देखा करते थे, वह वातावरण हमारे देश में अभी कायम नहीं हो सका है। यही चीज मुझे पुलिस अफसर के बारे में भी कहनी है कि एक पुलिस अफसर का काम लोगों की हिफाजत करना होता है और हांलाकि हमको आज्ञाद हुए ८, १० वर्ष हो गये लेकिन हमारे पुलिस के अफसरान में वह खिदमत का जज्बा पूरी तरह नहीं आ पाया है और पुलिस का ढांचा और रवैया बहुत कुछ उसी तरह पर है जैसा कि वह अंग्रेजों के जमाने से था। मेरी शिकायत यह है कि आज के दिन भी इनकम टैक्स ला से और उसके ऐडमिनिस्ट्रेशन (प्रशासन) में वह खूबियां नहीं हैं और वह चीज और वह रस नहीं आया है जिसको कि हम उस में देखना चाहते थे।

एक सज्जन जिनका कि नाम मि० नंदी है उन्होंने इस इनकम टैक्स डिपार्टमेंट और उसकी बर्कींग (अर्थसंचालन) के बारे में एक किताब लिखी है और वह किताब उन्होंने मेम्बरान पार्लियामेंट को उनकी इनफारमेशन (जानकारी) के लिए भेजी है। मैंने उनकी उस किताब के कुछ हिस्से को पढ़ा है और मुझे यह देखकर बहुत सदमा पहुंचा कि एक ऐसा शख्स जिसने कि अपनी तमाम जिदगी इसी काम के लिए बक्फ कर दी है, उसके सजेशंस (सुझाव) के ऊपर इनकम टैक्स डिपार्टमेंट को जो तबज्जह देनी चाहिए थी, वह तबज्जह आजतक नहीं दी गई है। आज भी उस की शिकायत है कि इस विभाग के पास अपनी कोई मैनुएल नहीं है और इनके जो रेगुलेशंस (विनियम) वगैरह हैं वह बड़े दाकियानसी हैं और सन २२ से उसी तौर पर चले आते हैं। और भी बहुत सारी छोटी छोटी शिकायतें हैं जो कि उसने अपनी उस

किताब में मुहकमाना हैसियत से लिखी है। मैं जनाब की खिदमत में अदब से अर्ज करूंगा कि खूद उस किताब का मुलाहिजा फरमायें और उनमें जो सुझाव काबिलेकबूल हों, उन पर अमल करें और उसको इतनी तो तसल्ली दें कि उसके सजेशंस पर गौर किया जायेगा और जो मानने के काबिल होंगे उनको मंजूर कर लिया जायेगा और उन पर अमल किया जायेगा और कमसे कम उसको यह तसल्ली तो होना चाहिए कि उसकी सबिसेज अनरेवाइड (सेवाए निरर्यक) नहीं गई।

इनकम टैक्स आफिसर के बारे में मुझे यह कहना है कि इन जगहों पर ऐसे आदमियों को तैनात किया गया है जिन्होंने कि उस सबजेक्ट (विषय) का भी कोई इम्तिहान पास नहीं किया और उनको अनलिमिटेड पावर्स (असीम शक्तियां) हासिल हैं और जैसा कि मेरे दोस्त गुप्ता साहब ने जिक्र किया। कि ऐसे ऐसे नातजुबकार आदमियों को इनकम टैक्स आफिसरस तैनात कर दिया गया है जो कि ठीक से हिसाब किताब की जांच भी नहीं करना जानते। आज इन लोगों को अनलिमिटेड पावर्स हासिल हैं और वह जो कुछ कर दें, सब ठीक है। सब लोग जानते हैं कि आजकल इनकम टैक्स सम्बन्धी मामलों में अपील के अन्दर टेक्सपेयर्स (करदाताओं) को कितनी दिक्कत और दुश्वारी पेश आती है और चाहे जो फंसला हुआ हो वह गलत ही हो लेकिन वह उसकी जिम्मेदारी है कि वह दिखलाये कि किस तरह से गलती हुई है। इसके अलावा इंस्पेक्टिंग आसिस्टेंट कमिशनर को इस तरह की पावर (शक्ति) हासिल है कि वह इनकम टैक्स अफसर के पास जाकर किसी एसेसी के खिलाफ और खास करके १० हजार से उपर के एसेसी के बरखिलाफ कुछ भी ऐडवाइस (परामर्श) दे सकता है वह ऐडवाइस ठीक है या गलत, बदनीयती से की गई है या नेकनीयतीसे दी गई है, इसके बारे में तफतीश करने का कोई मौका नहीं है और बहुत से केसेज (मामलों) में उनकी ऐडवाइस गलत साबित होती है। एक आदमी की बैठ (पीठ पीछे) उसके ऊपर टेक्स लगा दिया जाता है जो कि ठीक नहीं है और मैं चाहता हूँ कि यह सिलसिला खत्म होना चाहिये।

इसके अलावा काफी असें से हम इस बात के लिये कहते आ रहे हैं कि आसिस्टेंट कमिशनरस पर एक्जीक्यूटिव (कंट्रोल प्रशासनिक नियंत्रण) नहीं होना चाहिये और इनका ट्रांसफर प्रमोशन और दूसरी चीजे एक्जीक्यूटिव कार्यकरिणी के कंट्रोल

[पंडित ठाकुर दास भार्गव]

में नहीं रहनी चाहियें और वह बिलकुल उसी तरह एकजीक्यूटिव कंट्रोल से इंडिपेंडेंट (स्वतंत्र) होने चाहियें जैसे कि डिस्ट्रिक्ट जजेज होते हैं और जो कि हाईकोर्ट्स के नीचे होते हैं ताकि उनको पूरा आस्तियार हो और वे ईमानदारी के साथ इनकमटैक्स सम्बन्धी मामलों का फ़ैसला कर सकें। मुझे यह दख कर बहुत खुशी होती है कि जो हमारे असिस्टेंट कमिश्नर्स हैं यह फिलवाकये जुदिशल मांड्रेड काम करते हैं और काफी लोग इनमें से ऐसे हैं जो कि बड़े ईमानदार हैं और बड़े पाये के आदमी हैं और जिनके जरिये पूरा इंसाफ लोगों को मिलता है। यह दिखलाने के बास्ते कि वे एकजीक्यूटिव कंट्रोल में नहीं हैं, यह मुनासिब है कि इसको फौरन सरकार मान लें और इसके ऊपर अमल करे ताकि लोगों को यह तसल्ली हो कि हमारे साथ पूरे तौर पर इंसाफ होगा।

इसके अलावा हमारे इनकमटैक्स ला (आयकर कानून) अन्दर कई खराबियां हैं जो कि अभी तक चली आती हैं और इस में जो नये फाइनेंस (वित्त विधेयक) बिल की दो तीन तरमीमें आ गई है उनसे और भी दिल मेंबर पैदा हो गया है कि इन तरमीमें का बड़ा खराब असर पड़ेगा। फाइनेंस बिल एक साल के बास्ते आमतौर पर होता है और उसमें ऐसी तरमीमें नहीं आया करतीं जो परमानेंट चेंजेज इन दी ला (कानून में स्थायी परिवर्तन) हों। फाइनेंस ऐक्ट के अंदर कई ऐसे फंडामेंटल चेंजेज (मूलभूत परिवर्तन) किये जाने लगे हैं जिनके कि बास्ते मुझे अदबसे अर्ज करना पड़ता है कि उनको इस तरीके से नहीं करना चाहिए था। आज इनकमटैक्स आफिसर्स को यह पावर दी जाने लगी है कि वे हर एक आदमी के घर के अंदर घुस कर जब कि हर एक आदमी का घर म्यून (उन्मुक्त) होना चाहिए, क्योंकि Every citizens' home is his citadel इस एक्सक्यूज (बहाने) पर कि फलां शल्स टैक्स इवेडिंग करता है उसके घर में जाकर तलाशी ले सकते हैं, इस तरह की सोई आफ डेमोकलीज (डेमोकलीज की तलवार हमेशा लोगों पर लटकती रहेगी। मेरा कहना यह है कि इस तरह की डैस्टिक पावर (कड़ी शक्ति) को कोई जरूरत नहीं थी और आपके पास पहले से टैक्स डोजर्स से डील करने के लिए काफी पावर्स मौजूद है। आपके इनकम-टैक्स ला में इनकमटैक्स आफिसर्स को इस बात की पावर हासिल है कि अगर कोई गलत रिटर्न

(हिस्साब) दे फोज्ड डाक्यूमेंट्स (जाली दस्ता-बेज) पेश करे तो उसके खिलाफ मुकदमा चला करके उसको जेल की सजा दिलवा सकते हैं उसको इतनी पावर अभी भी हासिल है कि अगर कोई रिटर्न न दे तो वह उसको तबाह कर सकता है। इनवैस्टिगेशन कमिशन ऐक्ट (अनुसंधान आयोग अधिनियम) के अंदर जो पावर्स थीं उसको ग्राहिस्ता ग्राहिस्ता इस ऐक्ट में जो लेने की तजवीज की जा रही है, वह बिलकुल गलत चीज है और ऐसा करना प्रीनेस्ट-एसेसीज के राइट्स (अधिकारों)के खिलाफ जबर्दस्त एक्जेंचमेंट करना होगा। मैं चाहता हूँ कि फाइनेंस मिनिस्टर साहब इसके सारे इम्प्लीकेशंस उलझनों पर गौर फरमायें। जहां तक ऐसे लोगों से सक्ती से पेश आने का सवाल है जो कि टैक्स की बेइमानी करते हैं, मैं उनके साथ हूँ कि ऐसे टैक्स डोजर्स पर मुकदमा चलाया जाय। और उनको जेल की सजा दी जाय लेकिन इसके माने यह तो नहीं है कि आप उनको इस तरह की पावर दें जो आज तक अभी नहीं दी गई है। दफा ३४ को हम जो इतना लम्बा चौड़ा किये चले जाते हैं, मैं नहीं समझता कि कहां जाकर उसका खात्मा होगा। अगर आप इसकी हिस्ट्री (इति-हास) देखें तो आपको मालूम होगा कि दफा ३४ के बारे में जब सन ४८ में यहां पर वह नया ऐक्ट आया था तब मैं ने उस वक्त यह अर्ज किया था कि इसका यह नतीजा निकलेगा और आज मैं देखता हूँ कि वही नतीजा निकल रहा है। यह जो आपके बच्चे मिडिल क्लास के एसेसीज रह गये हैं इनको आप इस तरह बिलकुल तबाह न कर दें। एक तरफ आपके वह मजदूर लोग हैं जिनके बास्ते आप कानून भी बनाते हैं और दूसरी तरफ वे बड़े बड़े आदमी हैं जो आपके कानूनों की पवाह नहीं करते हैं और उनको बड़े बड़े कानूनी सलाहकारों की ऐडवाइस मौजूद रहती है। यह जो प्रीनेस्ट टेक्सपेयर्स हैं इनके लिए आप इस तरह के कानून न बनाइये ताकि उनका गला ही घूट जाय और वह किसी तरह निकल न सकें। कई वर्ष तक बराबर अगर किसी आदमी की अमदनी एक लाख की रहती है उस के लिये मैंने अर्ज किया था शाह साहब से और उन्होंने बड़ी मेहरबानी करके मेरे सुझाव को माना था। लेकिन आज आप यह नई चीज करने जा रहे हैं और यह सब के ऊपर लागू होता है, मैं अदब से अर्ज करूंगा कि इसको सोच विचार करके लागू किजिये। मैं नहीं चाहता कि हमारी सरकार एक ऐसा कानून बनाये जो कि बिलकुल नावाजिब

हो प्रौर जो कि बिलकुल क्रिमिनल्स (अपराधियों) के लिए हो सकता है। मैं चाहता हूँ कि जो प्रोनेस्ट एसेस हैं प्रौर जो कि ईमानदारी से अपना टैक्स अदा करते हैं प्रौर जो गवर्नमेंट में विश्वास रखते हैं, उनके साथ यह ज्यादातियां नहीं होनी चाहियें।

श्री बोगावत : प्रोनेस्ट (ईमानदार) आदमियों पर कैसे इसका खराब असर पड़ेगा? यह तो टैक्स डीजर्स प्रौर जो डबल सेटस आफ एकाउंटस रखते हैं उनके लिए है।

पंडित ठाकुर दास भार्गव : अगर मेरे लायक दोस्ताने इनकम टैक्स साइड में प्रक्टिस की होगी तो उनको पता होगा।

Shri Bogawat : I have practised for 25 years.

पंडित ठाकुर दास भार्गव : मालूम होता है कि आनरेबल मेम्बर टैक्स डीजर्स की तरफ से पेश होते रहे हैं। मैं इससे इंकार नहीं करता कि लोग इनकमटैक्स के बारे में बेईमानी करते हैं प्रौर डबल सेटस आफ एकाउंटस (दो लेखे) भी रखते हैं प्रौर मैं चाहता हूँ कि ऐसे लोगों को माफ़ूल सजा दिलाई जाय लेकिन जनरल ला (सामान्यविधि) ऐसा होना चाहिये जिस में ऐसे लोगों को जो कि ईमानदारी के साथ अपना टैक्स अदा करना चाहते हैं उनको दिक्कत न पेश हो प्रौर उनको इनकरेज (प्रोत्साहन) करें। आप इन दोनों चीजों का रिकॉसिलिएशन (समन्वय) करें।

मेरे कहने का मतलब यह नहीं है कि हमारे फाइनेन्स मिनिस्टर साहब ने या दूसरे मिनिस्टर साहबान ने कोई कोताही की है। जब हम उन की तरफ देखते हैं तो मालूम होता है कि यह सब शराफत का नमूना पेश करते हैं शाह साहब की बात सुनने में फाइनेन्स मिनिस्टर साहब की बात सुनने में हमें बड़ी अच्छी लगती है, उस में हमें कोई बुराई नजर नहीं आती, लेकिन जब वहां से आ कर देखते हैं जहां पर कि इनकम टैक्स लिया जाता है तो वहां का हाल न पूछिये। वहां पर इतनी खराबी है कि जिस की कोई इन्तहा नहीं है। मैं नहीं चाहता कि इनकम टैक्स न लिया जाय, लेकिन मैं यह चाहता हूँ कि हर एक इनकम टैक्स आफिसर पूरी तरह से सर्वे (सर्वेक्षण) करे प्रौर आदमियों से अच्छी तरह से पेश आये जैसे कि हमारे मिनिस्टर साहबान सदन के मेंबर

साहबान के साथ पेश आते हैं। जब तक यह नहीं होगा तब तक मुझे यह कहना पड़ेगा कि उन का महकमा ठीक तरह से काम नहीं कर रहा है।

मैं दोनों चीजें चाहता हूँ। मैं चाहता हूँ कि हर एक आदमी पर पूरा टैक्स लगे जो कि टैक्स देने के काबिल हो, लेकिन इस में आप फेल हो चुके। वजह यह है कि आप के इनकम टैक्स आफिसर्स ट्रेड प्रशिक्षित नहीं हैं, उनमें से कितने ही ऐसे हैं जो कि इनकम टैक्स के बारे में पूरी जानकारी नहीं रखते हैं। आज जेनरल करप्शन (सामान्य भ्रष्टाचार) से कमी है, लेकिन ताहम हम देखते हैं कि भले ही जेनरल करप्शन न हो पर आप के अफसरों में इनएफिशिएन्सी (अकुशलता) इतनी ज्यादा है कि करप्शन की बात तो दूर रही, यह इनएफिशिएन्सी ही लोगों को मारने के लिये तैयार है। लोगों को पता नहीं है कि इनकम टैक्स कैसे लगाया जाता है। आप के आफिसर्स को तजुबा नहीं है। मैं अर्ज करूंगा कि इस को दुरुस्त करने के लिये आप को जो कुछ करना चाहिये वह यह है कि आप ए लार्ज नम्बर आफ इनकम टैक्स आफिसर्स रिक्लूट (काफी बड़ी संख्या में आयकर पदाधिकारियों को भर्ती करें) प्रौर रिक्लूट करके उन को ट्रेनिंग दे प्रौर कम से कम पांच साल ट्रेनिंग दे कर के इस काबिल बनायें कि वह अच्छी तरह से इनकम टैक्स लगा सकें। लेकिन जब तक आप पूरा सर्वे नहीं करेंगे तब तक यह चीज नहीं हो सकेगी। मेरी छोटी सी गुजारिश यह है कि जो इनकम टैक्स आफिसर हों उस की यह कोशिश होनी चाहिये कि वह जल्द से ज्यादा टैक्स न लगाये। सिवा मुनासिब टैक्स के यह कोशिश न करे कि टैक्स ज्यादा लगे। उन का नजरिया इस तरह का होना चाहिये जिस से जो ऐसेसी हो वह इस भरोसे के साथ उस के पास जाय कि उस के साथ इन्साफ होगा। अगर ऐसा हो जाय तो इनकमटैक्स डिपार्टमेंट हमारे बास्ते एक ब्लेसिंग (आशिर्वाद) साबित हो जाय वना जैसे प्रौर डिपार्टमेंटस हैं अगर वेंसा ही डिपार्टमेंट यह भी होगा तो लोगों में इस के खिलाफ डिस्टिस्टिफिकेशन (असंतोष) बढ़ाता जायेगा प्रौर जो उन्होंने सोचा हुआ है कि रामराज्य आयेगा, उस का नक्शा हमारे सामने नहीं आयेगा।

Shri L. Jogeswar Singh (Inner Manipur) : At the outset, I should congratulate the hon. Finance Minister for the abolition of taxes like the cycle tax and some minor items of the forest tax in Manipur.

[Shri L. Jogeswar Singh]

As far as sales-tax is concerned, the limit of the annual taxable turnover in Assam is Rs. 7,500, but in Manipur State the limit is only Rs. 5,000. If the limit of the annual taxable turnover in Manipur also is raised from Rs. 5,000 to Rs. 7,500 then a large number of small traders will be much more benefited. Therefore, I would request the hon. Finance Minister to raise this limit to Rs. 7,500 from Rs. 5,000 which is the limit now in Manipur. I mentioned these points namely abolition of taxes and raising of limits of sales tax, in my speech on demands for grants in respect of the ministry of Home Affairs.

Coming to the development of backward areas, I specially request the Finance Minister to look into the conditions of the people living in the backward areas, especially in the hilly regions of India. There are many small-scale industries all over India being started, but in the hilly regions like Manipur, Tripura and Himachal Pradesh, there are no small-scale industries being started. I have gone through the report of the Commerce and Industry Ministry and I find that there are no small-scale industries in the underdeveloped areas. In the hilly areas of Manipur, there is a certain species of bamboo which can very well be used as raw materials for the paper industry. This species of bamboo grows in the western part of the Manipur State and is available in large quantities. At present this is exported to Calcutta every year where it is used as raw material for the paper industry. But, the people living in the hilly areas of Manipur are not getting anything and their economic conditions has not improved. Some sort of paper industry or tapping of the resources in these areas, usefully as raw material for such industry should be thought out. Similarly, there are rubber plantations also in this area. The Government is interested in the rubber plantations in other parts of India, but so far as the rubber plantations in the western part of Manipur are concerned, they have not been tapped. There is plenty of rubber available in this area and a rubber industry can be established in this part of the country.

My request to the Finance Minister is this. He should apply his mind to the underdeveloped areas. Big industries are being launched in the big cities. Whenever any industry is to be launched, his mind is attracted towards the big cities or the areas where influential people

live. But there is no chance of establishing any industry in areas like ours where there are no influential people to influence the Minister. This is a point which I would like to bring to the notice of the Finance Minister.

In the report of the Finance Ministry, there is no mention of the regulation of trade and detection of smuggling along the Indo-Burma frontier, whereas there is mention about the Indo-Pakistan frontier. In the Indo-Burma frontier, you will find the paradise of the smugglers. On the Indian side everything is settled and the administration is all right. But on the Burma side, there is a place known as No Man's Land and there is no administration there. During war time, there was international trade between India and Burma *via* Manipur. The Burmese people were coming to Manipur and the Manipur people were going to Burma, and so there was trade and communication between the Burmese people and the Manipur people. Therefore, the economic condition of the people of these areas was better during the war time.

[SHRIMATI SUSHAMA SEN *in the Chair*]

But now their economic condition is deteriorating. Regarding the loan granted to Burma to the tune of Rs. 20 crores, we must realise that the economic expansion and good administration of Burma will be helpful to India in the defence of our frontiers. Also, if the international communication between Burma and India *via* Manipur is improved, as it was during the war, then the economic condition of the frontier people will improve considerably. Once the road between India and Burma *via* Manipur is improved, I can assure the House that there will be mutual trade between Burma and India *via* Manipur. So, the economic condition of the frontier people will be very much improved. I should like to suggest to the Finance Minister to see that an Indo-Burma international highway is improved so as to facilitate Indo-Burma inland trade *via* this border State. This road was maintained during the war time, but no longer maintained after the war.

4 P.M.

My next point is that there is no Excise collectorate in Imphal. There are some Customs officers. Contraband goods are smuggled from Burma to Imphal. The Customs officers also join hands with the smugglers. One Customs

officer was arrested and he was dismissed for bribery and corruption. A responsible central officer came here and looked into the working of these officers and he detected corruption. I was told. I would like to suggest to the hon. Minister that some high ranking officials of the Finance Ministry or one of the Finance Ministers should come to that part of the country *incognito* and see whether these Customs officers who are posted there are doing their job honestly and sincerely. This is very essential.

In Manipur, there is one subdivision known as Jiribam subdivision. There is no road or rail connection between that place and the headquarters, Manipur. This Jiribam subdivision is in the western border of Manipur. It is not connected by road or rail with the rest of the State. If any officer has to go to this Jiribam subdivision, he has to fly to Kumbigram aerodrome in Kachar district and he has to negotiate the distance between Jiribam and Kachar by boat or on foot. This is a place where ganja is smuggled in maunds. Manipur ganja is famous. The price goes up to Rs. 300 or 400, and sometimes Rs. 500 per seer. This ganja is in very great demand. Often we get reports of detection of ganja smuggling in maunds in that part of the country. But, we do not know whether all this ganja was sent to any place or was consumed by the officers themselves. Smuggling is carried on without any obstruction. I request the Finance Minister to see that a branch of the Excise department is set up in the Jiribam subdivision where smuggling takes place on a large scale.

Coming to Income-Tax, formerly, the Manipur people had to go to Nowgong or Jorhat to pay income-tax. There were no facilities in Manipur for paying the income-tax. I was in correspondence with the Finance Minister and I must express my thankfulness to him for issuing orders that the Manipur traders need not go to Assam to pay their income-tax, but could pay them in Imphal. Now, Income-tax officers from Nowgong or Jorhat have to go to Imphal, decide cases on the spot staying in the dak bungalow. But, my complaint is this. There are lots of complaints of redtapism and delay. Whenever payments are made, receipts are not sent for more than six or eight months. I may cite my own case. I paid the income-tax and sent the return to the Income-tax Officer at Nowgong. It is now more than seven months. So far, no in-

timisation has been received from the Income-tax officer as to the payment of the money. I have got the Post office receipt; but I have got no reply from that end. This is the sort of redtapism and delay on the part of the Income-tax officers posted in Assam, Manipur and Tripura circle. As these places are away from the Centre, they are at liberty to do whatever they like. I request the Finance Minister to see that these Income-tax officers do justice to these people who pay income-tax so that there may be no difficulty to the income-tax payers.

I wish to say a few words about the postal savings bank. You have extended the facilities for bi-weekly withdrawal from the savings bank in big cities like Bombay, Calcutta and New Delhi to the extent of Rs. 1,000. If you want to encourage savings, my humble suggestion is this. These facilities should also be extended to all the towns in India so that people may become postal-minded. They are anxious to deposit their savings in the postal savings bank because the post offices are more reliable. If you extend these facilities for withdrawal as you have now proposed to extend in Bombay, Calcutta and Delhi, to the small towns also, more savings will be deposited in the postal savings bank.

Shri C. D. Deshmukh : As usual, the coverage of this discussion on the Demands for Grants of the Finance Ministry, as in the case of the other Ministries, has been bewilderingly wide. Some people have been very intensive in their observations, as, for instance, the hon. Member who has just finished, and some have ranged over a large number of subjects. It will not be possible for me to deal at length with all the points that have been raised. So far as these local matters are concerned, as for instance in Manipur, all I can promise to do is to read the speech of the hon. Member very carefully, and even if any of us has not the opportunity of visiting that delectable spot, we can certainly look into the grievances and see how far they can be removed.

The same holds true about the well at Ghazipur. We do not intend to leave well alone there, but if the hon. Member will furnish some more details of the village, and whether there is any community project or national extension service block and so on, then it might be possible for me to find out why Rs. 7,800 had to be spent on that particular well in the hospital at Ghazipur.

[Shri C. D. Deshmukh]

On the extensive side, many hon. Members have referred to the structure of the Plan, the results of the Plan so far as the distribution of income is concerned, and various other associated matters. I am hoping that there will be more extended opportunities for dealing with many of these subjects connected with the Plan on some future occasion.

I should, however, like to make a brief reference to the observations made by one or two Members. I am quite certain that most people will disagree with the views put forward by Shri M. S. Gurupadaswamy in regard to the structure of the Plan. The antithesis that he has put forward as between heavy industries and consumer industries is an antithesis well-known to all who are familiar with the techniques of planning, and I think it is the consensus of opinion that if a particular rate of progress of economic development is to be maintained—not only established, but maintained—then it is almost axiomatically necessary for the country concerned to divert a significant proportion of its resources for the establishment of basic and heavy industries. In other words, industrialisation is admitted to be the king-pin of all economic development, including necessarily, therefore, the attainment of fuller employment in a backward country.

So far as consumer goods industries are concerned, after all, the essential consumer goods that this country requires are food and cloth, if one analyses the patterns of expenditure of most of the people who live very near the margin of subsistence. In regard to these two items, a great deal of attention as also expenditure is devoted in the First Plan, and will be devoted in the Second Plan.

It is well-known that there is a certain amount of controversy in regard to the methods by which the additional quantities of cloth that will be required for the country should be produced. That controversy has to be tackled on its own merits, irrespective of any other general considerations.

But I would like to join issue with the hon. Member in denying the possibility of drawing up a plan entirely based on employment, without any relation to either present production or future potentiality for production. I shall leave this matter there.

As regards the appraisal of the First Five-Year Plan, I doubt whether any very definite conclusions can be drawn in a country in which the statistical apparatus has not yet been fully developed. We know the overall figures that national income is estimated to have increased by 18 per cent, and that in per capita terms the increase works out at 11 per cent. Therefore, not the most unkind critic of the Plan could deny that there has been a general improvement in the economy. Unfortunately, the available data do not permit of an analysis of income increases in terms of economic classes or social groups. It is possible that some classes or groups may have benefited more than others. But I doubt if there is any warrant for the conclusion that the common man has been left entirely in the cold. Moreover, the common man is not very easy to locate in this country, because almost everyone is a common man. Nevertheless, it is hard to believe that the increases that have taken place in the production of foodgrains, raw materials and industrial products have not benefited, shall we say, the mass of the people.

The increase in development expenditure in the public sector by 2½ times in the last five years has resulted in a sizeable improvement in the productive investment of the country as well as in social services. Various projects employed a large number of workers either directly or indirectly. There can be little doubt that in the urban as well as in the rural areas, a great deal of constructional activity is in progress. With the increase in irrigational facilities, supply of better seed and manure, increasing credit facilities by the Reserve Bank and other agencies, and the encouragement that is being given to the various cottage and village industries by the respective boards, work-opportunities for the common man cannot but have increased, and that is instanced perhaps by the fact that the demand for cloth is rising. If the demand for cement is rising, if food prices are rising, and so on, well, they must be regarded as pointers to perhaps increased incomes spread fairly well over the country. It is therefore a pessimistic view....

Dr. Ram Subhag Singh (Shahbad—South): Cement etc., are not available not because the income has gone up, but because the distribution system is not satisfactory.

Shri C. D. Deshmukh : The point is that the total quantity of cement that the country now requires or is estimated to require is very much more than what the planners anticipate.

Dr. Ram Subhag Singh : There are Government-works also.

Shri C. D. Deshmukh : I know that much of the demand is . . .

Dr. Ram Subhag Singh : If you take into account Government's requirements then you will be able to calculate the total requirements. For instance, there are bridges and so on, for which you require cement.

Pandit K. C. Sharma : Is it the State's requirements that have increased or the general requirements ?

Shri C. D. Deshmukh : I should say both. If the Commerce and Industry Minister says that even now he places the demand for cement at about 7 or 9 million tons, which was not very long ago 4 or 5 million tons, obviously there must have been an increase under both heads. In any case, the hon. Member may exclude cement if he likes, but I only gave it as an instance.

Nevertheless, an annual increase of 3 per cent or so in national income is really not sufficient to create a big enough impression on living standards. So, unless there is a rise of something like 40 or 50 per cent, I am afraid that any satisfactory evidence of improvement will not be available. After all, it is not possible to surmount the stagnation of generations by just one single effort extended over five years. We might say that we are merely on the threshold of development. But from that to argue that the First Five-Year Plan is a dismal failure and the Second Five-Year Plan is going to be a similar dismal failure is, I think, to indulge in unjustified pessimism.

Then the next point made is that appropriate steps have not been taken to reduce economic inequalities among the various classes in India along socialistic lines. Now, this is such a broad issue that it is not possible to give one short and positive answer. In this process, fiscal measures do play a part. But what is more important is positive measures for increasing the income of the poorer sections of the community by expanding employment opportunities, training facilities, eliminating exploitative credit, and marketing arrangements and reforming

various institutions and practices. Along all these lines, efforts have been made to reduce economic inequalities, but within the limits set by finance our capacity for organisation, political expediency and the need for maintaining adequate incentives to investment and production. In other words, in a nutshell, we are really dealing with the central problem of planning in the country.

The House is aware of the fiscal measures that have recently been taken in order to reduce somewhat the disparities of incomes, and I have no doubt that in future budgets, there will always be an element which will be specifically directed towards similar reduction of these disparities.

Then there are the social services or the development services which are meant essentially to broaden the opportunity for the poorer sections of the community. Then reference has already been made to the recommendations of the Rural Credit Survey Committee which are being implemented as fast as we can manage it. After all, hon. Members should remember that the nationalisation of the Imperial Bank was undertaken within three or four months of the receipt of the report of the Expert Committee. A Bill in regard to the establishment of a Credit and Warehousing Corporation is also going to be introduced during the current session.

Then there is the question of land reforms, to which some hon. Members made a reference. Here again, possibly because of the diversity of conditions obtaining in the different States progress has been unequal. I think one hon. Member, Shri B. S. Murthy, complained about slow progress in his State. That may be true. I am not in a position to say how well each State has acquitted itself. But I can state with some confidence that the Planning Commission is well aware of the necessity of imparting the push to this matter. There is a separate Land Panel. It has appointed about four Sub-committees. They have all reported on the various aspects of land reform, and I have no doubt that even if there has been some delay in the past, this matter will be accelerated along right lines in the future, that is to say, so far as the Second Five-Year Plan is concerned.

In regard to rural credit, there was some complaint by one hon. Member that only about Rs. 25 crores had been spent as against a provision—I forget

[Shri C. D. Deshmukh]

exactly—of Rs. 130 crores. I think he did not take into account—perhaps because the figures were not available, although I understand they were furnished in answer to a question asked by him—the taccavi advances made by the States which, I understand, for 1954-55 amount to some Rs. 65 crores. Then there are advances made by co-operative societies which might be estimated at, say, Rs. 15 crores. So that the total is much nearer the provision made in the First Five-Year Plan than the figure that he has quoted, which, I think, relates only to the loans made available by the Reserve Bank on its special concession terms.

Shri N. B. Chowdhury (Ghatal) : Was not the Reserve Bank target Rs. 130 crores ?

Shri C. D. Deshmukh : No. That is where the hon. Member has misunderstood that particular provision. That was the Reserve Bank's estimate of what the total rural credit in the country would be through various agencies. The estimate was of the Reserve Bank, not the finance.

Having dealt with these broad issues in regard to planning, I shall now proceed to another matter which seems to be worrying a good many Members, and that is in regard to the rising trend of wholesale prices. It is true, prices have been rising for sometime past and we have always said that a careful watch will be kept on the movement of prices, especially in view of the increased outlays on the Plan. But when comparing the present price level with prices in the past few months, we should keep in mind the fall that occurred between April 1954 and May 1955. The House should recall that at this time last year, many Members were exercised over the fall in prices, not the rise in prices, and indeed, I had to sacrifice my proposals for a cloth excise duty on some portions of cloth precisely because of this reason, that agricultural prices were low.

The general index of wholesale prices had fallen from 403 in April 1954 to 342 in May 1955. I shall not go through all these figures again. But in my own mind, I regard 380 to 390 as the sort of level which we should try to maintain. I do not think that it would be worthwhile trying to measure the movement of prices against the somewhat abnormal figure that was reached, say, a year ago, that is, 342, or the figure that was reached in, I think March 1953.

In any case, all these warnings are to the good and we realise that if the use of deficit finance is not to result in hardship again to the common man, it is very necessary that (a) we should have a machinery for watching these indices, and (b) that we must have the capacity to initiate appropriate measures from time to time.

Shri Nambiar (Mayuram) : What steps are in contemplation of Government to arrest the serious rise in the prices of consumer goods, if there is any such danger ?

Pandit K. C. Sharma : There is no danger.

An Hon. Member : Arrest Shri Nambiar first.

Shri C. D. Deshmukh : I do not know what 'consumer goods' mean. If it is food or if it is cement, then it is possible to provide for imports. If it is cloth, then one would have to consider the use of second or third shifts to the extent to which they are possible in the mills. If there are any other consumer goods, I suppose the very rise in prices will probably encourage the establishment of concerns which would, in course of time, after a little while, be able to supply them. But I do not think it is necessary for us to take a gloomy view of the situation right now at the beginning of the Second Five-Year Plan.

After all, as I pointed out elsewhere, we are holding quite a sizable foreign exchange reserve and there are other means by which it could be possible for us to obtain imports without payment of ready cash. So, even if we find that we have created money, perhaps, much in advance of the production of consumer goods, there are remedies which are open to us, apart from the general fiscal and monetary remedies which are well-known but the timing of which could not be proclaimed in advance.

Having dealt with these general points I should now like to go to matters concerning the form of the Budget, because one or two hon. Members dealt with this. I think it was Shri Tulsidas who suggested that we should follow the U.K. model of the Budget. Now, in the United Kingdom, the estimates of expenditure are presented piecemeal over the different supply services on various dates, usually between February and March and the discussion goes on for some months thereafter and the maximum number of sittings is apparently

26. In the meanwhile the country functions on Votes on Accounts. I shall not go into the details of this but the point to remember is that we do not have the system of the House going into committees to deal with the Budget as in the U.K. Our system of demands is to present them simultaneously, although discussion proceeds by Ministries. But, in essentials, I do not think the practice will be found to be very much different. We also have a total of about 25 days for completing the Budget business in the Lok Sabha. We recognise the need for Parliament having sufficient time to deal with the Budget, but the actual time available depends on the pressure of other business and this is a matter really for the Parliament to decide.

Then, there was some reference to control of expenditure. Some hon. Members wanted greater parliamentary control over Central assistance to States. Apart from the fact that we are all interested in getting value for the money, so far as formal control is concerned, I think the present system implies that there is the same kind of control over State expenditures as there is on the Central Ministries' expenditures. Under the Constitution, the States have their Consolidated Funds into which all the Central assistance flows and out of which the expenditure on schemes financed from this assistance is met. Now, this expenditure is subject to the vote of their Legislatures and is audited by the Comptroller and the Auditor-General. I think it is important that nothing is done to suggest any weakening of the sense of responsibility to their Legislatures of the States for expenditures which fall within their field. So far as proper utilisation of the loans or grants for the specific purposes for which they are given is concerned, I think, Parliament and the State Legislatures can rely on the Comptroller and Auditor-General to see that this has been done. So far as the physical check on the schemes is concerned, I cannot see how Parliament or any of its committees can keep and carry on this check. This has to be done by a body like the Planning Commission, which is charged, among other things, with the duty of watching over the actual implementation of the Plan. The Commission has a number of Advisers on Programme Administration who are constantly on tour and in close touch with the progress of work in respect of such important schemes. For certain very large projects like the Bhakra-Nangal, Damodar

Valley Corporation and Hirakud, the Commission is in close touch with the progress of the works and obtains quarterly progress reports. I might recall that I have already proposed the setting up of a high-power committee to organise a thorough investigation, including inspection, in the field of the important projects in hand, both at the Centre and in the States with the approval of the National Development Council.

There was also a reference to the Australian Grants Commission, I think, made by Shri Tulsidas. I do not think that model will help us very much. I shall explain, very briefly, the constitution and functions of that Commission. This Commission consists of three members and has been set up to enquire into and report upon applications made by any State to the Commonwealth for the grant by the Parliament of financial assistance in pursuance of section 96 of the Constitution. In 1946, we sent two senior officers to Australia to make a first-hand study of the working of the Commission in order to enable us to decide whether such a Commission was suitable for our conditions. We came to the conclusion that such a Commission was not necessary and the Sarkar Committee which reported on the financial provisions of the draft constitution—and that is important—also came to the same conclusion. Under our Constitution, the determination of the general grants-in-aid to be made to the States has been entrusted to an independent Finance Commission. But, where specific grants are made, either under the recommendations of the Finance Commission or as a part of the implementation of the Plan, it is for the Comptroller and Auditor-General, as part of his duty, to bring to Government's notice the cases in which grants have not been spent on the purposes for which they were given. This applies also to loans or grants for specific purposes relating to matters, which, under the Constitution fall within the executive field of the State Governments. The provision for expenditure met from these grants and loans appears in their Budgets, and comes up for detailed scrutiny by their Legislatures. Estimates Committees and Public Accounts Committees, in the same way as expenditure incurred by the Centre comes up for scrutiny before Parliament and its committees. Therefore, although vigilance is called for, I do not think that it is necessary or feasible for Parliament to set up any special machinery for this purpose.

[Shri C. D. Deshmukh]

While I am on this question of expenditures, I should like to refer to one or two matters. One was a matter which is often raised, namely, that there is a great deal of increase in the total expenditure on civil administration. The provision in here is Rs. 135.91 crores and, as I have already pointed out in my Budget speech this includes Rs. 96.01 crores for what are known as nation-building social services and development. I could not quite follow the point made by Shri Sodhia in this matter. He wanted development expenditure and not increase in administrative expenditure. Development expenditure means, for the most part, the provision of service and that is personnel, and their pay figures as part of the administrative expenditure. The normal administrative expenditure amounts to Rs. 39.90 crores, including debt charges, civil works and so on and so forth. Therefore, I do not think hon. Members should allow themselves to be misled by these gross figures given against the head, 'Civil Administration'.

Shri Mohanlal Saksena complained that although he had made certain valuable suggestions in regard to achieving economy in public expenditure, no notice had been taken of his suggestions. He referred, in this connection, to a note which he had submitted to the Prime Minister some time, I think, towards the end of 1955. This is what he says: The total annual expenditure of Central and State Governments is nearly Rs. 800 crores. If steps are taken to effect economy and savings, it would be reasonable to expect a saving between 5 and 19 per cent. He has given a wide range of tolerances for the expenditure....

Shri Mohanlal Saksena : It is 5 to 10 per cent.

Shri C. D. Deshmukh : That is wide enough. Five to ten per cent of the expenditure or roughly Rs. 50 to Rs. 60 crores? I should have thought that 10 per cent of Rs. 800 crores is Rs. 80 crores.

Dr. Ram Subhag Singh : It is Rs. 50 to Rs. 80 crores.

Shri C. D. Deshmukh : Then, the hon. Member goes on to say: Therefore we can easily save Rs. 50 to Rs. 60 crores, and therefore, in the five-year period we shall save Rs. 300 crores. If it was all as easy as that, I do not think that Finance Minister had any particular reason for not grabbing these Rs. 50 or Rs. 60

crores a year. Anyway, I sent his note to be considered by the Planning Commission, and it was actually considered in October 1955. Therefore, in the first place, it is not correct to complain that the matter has not been given due consideration, but it is possible that the results were not communicated to the hon. Member and, therefore, perhaps he is right in complaining.

He made various suggestions, the essence of which was that there should be a reduction of rates of pay and allowances; secondly, we should cut down existing staff by a process of contracting the activities of the Government; and thirdly, we should reduce the existing staff by a more rational disposal of work and streamlining of the administration.

An analysis of the Government expenditure shows that the prospects of adopting No. 1 are fairly dim. Indeed the pressures are all on the other side, and I am not here referring to the pays or the salaries of the higher officers but to the class III and class IV employees. I think that even today we heard a plea separately that the present scales of pay are out of date and that a Pay Commission should be appointed. Incidentally, that kind of suggestion was made in a resolution which was discussed in the House and was rejected. But I only mention this to point out that I see no possibility of making any substantial or even appreciable economies by reducing pays and allowances in these days against the rising trends in prices.

Shri Mohanlal Saksena : I do not know from where the hon. Minister has got it. I never suggested the revision of pay. It was only about allowances that I suggested. Perhaps it was suggested by some Assistant or somebody in the Ministry.

Shri C. D. Deshmukh : Uniform scales of pay, stoppage of special pay....

Shri Mohanlal Saksena : Rs. 100 is the special pay.

Shri C. D. Deshmukh : I do not know what uniform scales of pay mean. Does it mean that Joint Secretaries are to get the same pay as class III people (*Interruption*). Anyway, I cannot go on discussing with the hon. Member here. If he says he did not intend reducing pay, I accept it.

Shri Mohanlal Saksena : I want to make it clear that the hon. Minister could have discussed that note with me and we could consider the point separately.

Shri C. D. Deshmukh : The hon. Member's note talks of reduction in the number of Ministries and the number of Secretaries and Joint Secretaries, assimilation of attached offices, non-re-employment of superannuated persons, rehabilitation, etc. I have got the precise matters which he has dealt with. My inference may be wrong that it means reduction of pay. The hon. Member says it is reduction of allowances. Anyway, with an expanding economy, it is vain to expect economy in expenditure by curtailment of the activities of the Government, reduction of Ministries and the number of Secretaries, the heavy expenditure incurred on items like rehabilitation, purchase of Burma rice and so on. On these no economy was possible. There is certainly scope for securing economies by rationalisation and improvement of methods of work. This is now to be looked into by the Committee which I have mentioned, where investigations will be organised on important projects both in the Centre and in the States. And there are also other organisations which have been referred to before to curb expenditure in government departments. In any case, I have no doubt that this high level committee which I have suggested should be appointed will have the benefit of very detailed consultations with Shri Saksena and if he succeeds in persuading them to effect economies amounting to Rs. 50 crores or Rs. 60 crores a year in administrative expenditure, then I for one would vote that a statue should be erected in his honour while he is alive.

Shri Mohanlal Saksena : I may inform the hon. Minister that I was responsible for economy to the tune of Rs. 13 crores in railway grain shops. I did not expect any statue. I want the Minister to know that I was Chairman of the Railway Grainshop Enquiry Committee the recommendations of which resulted in economy to the extent of Rs. 13 crores a year. I did not want any statue for myself. I want special pays to be abolished straightway. Why should these observations be made ?

Shri C. D. Deshmukh : I am not disdaining the assistance of the hon. Member. I am saying that he will be given

an opportunity by the committee. I cannot speak with authority because I am not the committee. But I very much hope that the committee when it is appointed will give Mr. Saksena an opportunity of showing to them how an economy of Rs. 50 crores or Rs 60 crores a year can be effected.

Shri A. M. Thomas : Your humour was not appreciated—that is all.

Shri C. D. Deshmukh : I must now come to the meat of the matter, so to speak, that is matters connected with taxation. I cannot here again deal with the exhaustive complaints that were made by the hon. Member who is not here, Pandit Thakur Das Bhargava, because he has gone into great detail indeed. I am sorry that the general impression should still persist that somehow honest taxpayers are being harassed by income-tax officers. All I can say is that whenever I go out on tour, which I do frequently, I take the opportunity of finding out what the reaction of the public is to the income-tax assessments and I have not come across the kind of atmosphere that one would be led to imagine from speeches such as that of Pandit Bhargava.

Shri Sadhan Gupta : Has he contacted honest tax-payers or dishonest tax-payers ?

Shri C. D. Deshmukh : I make general enquiries. I know the dishonest ones more intimately than the others, because their cases come up to me much oftener. So far as surveys are concerned, here are some figures because, I think the hon. Member complained that surveys were not being satisfactorily carried out.

In 1948-49 the number of cases reported were 8,716 and the number of cases assessed 5,289. The next year figure went up to 17,800 and the year after to 30,000 and for 1952-53 we had 33,000 cases reported and the number of cases assessed had increased from 5,000 to 21,000. These figures will show that we have not been idle, although there is no way of finding out what percentage of success we have achieved in this matter. In any case, I do wish that hon. Members who have complaints to make against the administration of any of the departments under my control will take the trouble of writing to me a little in advance of the Budget Session, so that I might have the time to make enquiries and be in a position to give a satisfactory answer.

[Shri C. D. Deshmukh]

In the nature of things, one cannot have tax evasion figures. But, we have a statistician trying to enquire the amount of tax evaded from—so to speak—internal evidence. The conclusion that this statistical expert has reached is that about Rs. 30 crores of taxes are evaded—about Rs. 10 crores at the lower levels, that is to say, near the exemption limit of Rs. 4,200; about Rs. 10 crores at the top levels and about Rs. 10 crores somewhere higher up—I forget the brackets, but it may be from 50,000 to 75,000 and so on.

I should like to inform the House that we have appointed a special officer to go into the whole question of transaction of business and the standard outturn of work of income-tax officers and so on and he has just submitted a report, which is a departmental report. He has come to the conclusion that there is no great shortage of staff. We have now made up the arrears which we inherited from the previous Government and if we made a more rational arrangement for the disposal of the work, then he is confident that we shall be able to cope with even the increasing work that is falling on the income-tax department. The general figures of demand and collection are reasonably satisfactory and so are also the figures in regard to cases instituted and cases disposed of. In any case, as I have said, I shall be very glad to have complaints or suggestions and shall make a point of going into these matters in order to effect improvement, because I am one of those who feel that there is always room for improvement in the administration of Government departments.

There was a special and pointed reference made to the failure of the departments to detect cases of evasion. I have given what figures I can. I have also dealt with this question of the number of income-tax officers. I have detailed figures here but I do not want to take the time of the House in giving these details.

Shri Mohanlal Saksena also complained that no opportunity was given to the House for considering the recommendations of the Taxation Enquiry Commission. . . . Madam, when am I to finish ?

Mr. Chairman : There is no time-limit.

An Hon. Member : There is guillotine at 5 o'clock.

Shri C. D. Deshmukh : Hon. Members have said so much and I have also so much material but I do not know how to deal with all of them in such a short time. The best thing would perhaps be to deal with matters in regard to taxation when I give my reply to the debate on the Finance Bill. I cannot possibly do justice to the material available with me in five minutes. There are some small points in regard to opium factories.

An Hon. Member : Opium can wait.

Shri C. D. Deshmukh : Yes, opium can wait.

Then the only point I should like to say something about is this question—which comes up again and again—of who is taxed in this process of raising additional revenues. Hon. Members have given the percentage of direct and indirect taxation. Then they complain that those who are in a position to pay the taxes are not adequately taxed and that the burden of taxation—major part—falls on the common man. I have had many occasions in the past to refute some of these theories and to point out that in a country where less than one per cent are payers of income-tax, that is to say, have an income of over Rs. 4,200, there is no escape from taxing the common man whatever form that tax might take, whether it is salt tax, excise or even land tax which I include among not direct taxes. But, indirect taxes, they are all the same, and they are bound to fall on the common man. I should like to say that the hon. Members assume too readily that many of the suggestions which are thrown out by either the Taxation Enquiry Commission or by some other experts have been rejected once and for all by the Finance Ministry. We are considering here the question of raising the resources during the next five years. Many suggestions have to be carefully considered, their administrative implications have to be explored and then plans laid in accordance with the requirements of revenue for a given year. Therefore, I am not prepared to accept this conclusion that because this year's budget proposals do not contain, say, a tax on wealth or a tax on expenditure, it is a solid proof that for the next five years it is not the intention of Government to impose any of these taxes. At this moment I am not in a position to say whether the Government will impose them or not, but all I can say is that we have taken due note of these suggestions.

Many of them are under examination. The implementation of some of them will be very closely related to the way in which our economy develops and the way in which we feel additional incomes are going to particular sections of the community. Then we shall be prepared to introduce taxes which will be appropriate for that particular situation.

In India, as I said, a large number of incomes are small and scattered and it is not possible to cover the whole of our needs by direct taxation. Therefore indirect taxation must be enlisted as a part of our revenue raising machinery. I think that there is also a current misapprehension that indirect taxes impose a very heavy burden on the masses or that their incidence is regressive. Some indirect taxes such as export duties are not so much a tax on the people as a means of mopping up excess profits. Others are customs that are paid largely by well-to-do classes. An attempt is also made to levy heavier taxes on luxuries, semiluxuries and to exempt the necessities in the case of every indirect tax. The Taxation Enquiry Commission, the House will recollect, conducted a study of the incidence of indirect taxation. It would appear from their findings that for the country as a whole indirect taxation accounts for some 3.6 per cent of the total expenditure. This analysis is based on the pattern of consumer expenditure between April to September, 1952 and on tax rates in 1953-54. The incidence of indirect taxation is undoubtedly greater in urban areas than in rural areas and it increases with total expenditure. Thus, if expenditure be less than Rs. 50 per month in rural areas, the incidence of indirect taxation was calculated by the Commission as 2.2 per cent of expenditure. For expenditures above Rs. 300 per month in urban areas, the corresponding incidence comes to 8.3 per cent of the expenditure. Therefore, I think the effect of indirect taxes proposed in this or in previous budgets can easily be exaggerated.

We have estimated, for instance, that the proposed increase in excise duties on vegetable non-essential oils, soap, cotton cloth and tea, and the increase in postal rates proposed in this year's Budget will raise the Bombay working class' cost of living index by 0.36 per cent.

5 P.M.

It should be remembered that indirect taxes are used entirely as a device for protecting small producers. Customs duties have been used as a protective de-

vice for a long time now and the same principle is followed in several cases in respect of excise duties. These differential excise duties mean a somewhat higher price for the products of organised industries. But they help promote the recovery of a large number of small producers whose incomes are among the lowest in the country. These effects of indirect taxes should not be lost sight of, therefore, in judging the effects of this kind of taxation on the masses.

Again, there is the argument that the proportion of indirect to direct taxes has been rising in recent years. This has been interpreted as an indication of the growing regressiveness of the tax burden. But the proportion of indirect taxes has fallen to an abnormally low level during the war and the early post-war years on account of the low volume of our foreign trade and the excess profits generated by inflation. With the return to more normal times, therefore, we should expect the ratio of indirect to direct taxation to increase. In part, the decline in the importance of direct taxes such as land revenue has meant a decline in the relative tax burden on the poorer rather than the richer section. Anyway, as I have claimed that direct taxes have also been on the increase together with indirect taxes, all I would ask the House to do is not to assume that the ratio between the two must remain fixed and that there is such a thing as a normal level for the ratio. It would also be too much of a simplification to treat any increase in the relative importance of indirect taxation as a shift towards a more regressive tax system.

Mr. Chairman : I shall now put all the cut motions.

All the cut motions were negatived.

Mr. Chairman : The question is :

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following heads of demands entered in the second column thereof :

Demands Nos. 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 120, 121, 122, 123, 124, 125 and 126."

The motion was adopted.

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below.—Ed.]

DEMAND No. 26—MINISTRY OF FINANCE

"That a sum not exceeding Rs. 1,23,47,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Finance'."

DEMAND No. 27—CUSTOMS

"That a sum not exceeding Rs. 3,17,44,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Customs'."

DEMAND No. 28—UNION EXCISE DUTIES

"That a sum not exceeding Rs. 6,03,58,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Union Excise Duties'."

DEMAND No. 29—TAXES ON INCOME INCLUDING CORPORATION TAX AND ESTATE DUTY

"That a sum not exceeding Rs. 4,08,72,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Taxes on Income Including Corporation Tax and Estate Duty'."

DEMAND No. 30—OPIUM

"That a sum not exceeding Rs. 32,50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Opium'."

DEMAND No. 31—STAMPS

"That a sum not exceeding Rs. 1,37,23,000 be granted to the President to complete the sum ne-

cessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Stamps'."

DEMAND No. 32—PAYMENTS TO OTHER GOVERNMENTS, DEPARTMENTS ETC. ON ACCOUNT OF THE ADMINISTRATION OF AGENCY SUBJECTS AND MANAGEMENT OF TREASURIES

"That a sum not exceeding Rs. 1,48,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Payments to other Governments, Departments etc., on account of the Administration of Agency Subjects and Management of Treasuries'."

DEMAND No 33—AUDIT

"That a sum not exceeding Rs. 7,88,75,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Audit'."

DEMAND No. 34—CURRENCY

"That a sum not exceeding Rs. 2,22,85,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Currency'."

DEMAND No. 35—MINT

"That a sum not exceeding Rs. 1,22,37,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Mint'."

DEMAND No. 36—TERRITORIAL AND POLITICAL PENSIONS

"That a sum not exceeding Rs. 29,07,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Territorial and Political Pensions'."

DEMAND No. 37—SUPERANNUATION ALLOWANCES AND PENSIONS

"That a sum not exceeding Rs. 2,47,73,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Superannuation Allowances and Pensions'."

DEMAND No. 38—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF FINANCE

"That a sum not exceeding Rs. 23,13,70,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of Miscellaneous Departments and other expenditure under the Ministry of Finance'."

DEMAND No. 39—GRANTS-IN-AID TO STATES

"That a sum not exceeding Rs. 15,51,75,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Grants-in-aid to States'."

DEMAND No. 40—MISCELLANEOUS ADJUSTMENTS, BETWEEN THE UNION AND STATE GOVERNMENTS

"That a sum not exceeding Rs. 4,34,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Adjustments, between the Union and State Governments'."

DEMAND No. 41—PRE-PARTITION PAYMENTS

"That a sum not exceeding Rs. 96,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Pre-partition Payments'."

DEMAND No. 120—CAPITAL OUTLAY ON THE INDIA SECURITY PRESS

"That a sum not exceeding Rs. 4,45,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay on the India Security Press'."

DEMAND No. 121—CAPITAL OUTLAY ON CURRENCY AND COINAGE

"That a sum not exceeding Rs. 72,09,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay on Currency and coinage'."

DEMAND No. 122—CAPITAL OUTLAY ON MINTS

"That a sum not exceeding Rs. 34,39,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay on Mints'."

DEMAND No. 123—COMMUTED VALUE OF PENSIONS

"That a sum not exceeding Rs. 42,86,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Commuted Value of Pensions'."

DEMAND No. 124—PAYMENTS TO RETRENCHED PERSONNEL

"That the sum not exceeding Rs. 3,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Payments to Retrenched Personnel'."

DEMAND NO. 125—OTHER CAPITAL OUTLAY OF THE MINISTRY OF FINANCE

"That the sum not exceeding Rs. 25,90,54,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Capital Outlay of the Ministry of Finance'."

DEMAND NO. 126—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT

"That the sum not exceeding Rs. 94,20,27,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Loans and Advances by the Central Government'."

Mr. Chairman : I shall put all the other Demands to the vote of the House.

The question is :

"That the respective sums not exceeding the amounts shown in the fourth column of the order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following heads of demands entered in the Second column thereof. . . ."

Shri Kamath : On a point of order. I am rather reluctant to raise this point for your decision. I expected that Mr. Speaker would be in the Chair at this moment, but he has not turned up. There is no help for it.

Mr. Chairman : He is engaged in the meeting of the Business Advisory Committee.

Shri Kamath : The other day, when I raised this point before him, he was good enough to rule that so far as the Ministry of Information and Broadcasting and the Ministry of Law are concerned, the demands coming under these Ministries would be discussed and considered in the course of the debate on the Finance Bill. I think you, Madam Chairman, were in the House then.

Mr. Chairman : I was not in the House.

Shri Kamath : Perhaps you were not. Item No. 5 on the agenda includes the demands under the Ministry of Information and Broadcasting and the Ministry of Law. I am sure you and the House will readily agree that it is an outrage.

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

I expected Mr. Speaker to be in the Chair; anyway. . . .

Mr. Deputy-Speaker : The hon. Member can wait till he comes tomorrow; he is busy otherwise.

Shri Kamath : Anyway, I will raise it before you and I am sure you will give as good a ruling as he would have.

Shri B. S. Murthy : Is it a correct reading or a good reading that you want?

Shri Kamath : Not reeling.

Shri B. S. Murthy : I said "reading."

Shri Kamath : All right.

Mr. Deputy-Speaker, when I invited the attention of the Speaker the other day to the fact that the Demands of the two Ministries—Information and Broadcasting and Law—have been shut out of this House, he was good enough to say—you were present in the House and you will remember it—that we will get an opportunity of discussing those Demands in the course of the debate on the Finance Bill. Now you were about to put all the remaining Demands, including the Demands of those two Ministries, to the vote of the House. I have no doubt whatever that you and hon. colleagues here will readily agree that this is an outrage on the essential process, method, and practice of parliamentary democracy that any Demand, and certainly supplies and demands for grants of Ministries should be voted by the House without any discussion. I, therefore, earnestly request you to defer the vote on the Demands of the Ministries of Information and Broadcasting and Law till the debate on the Finance Bill is over, when we will get an opportunity of discussing the Demands of both these Ministries, as the Speaker has already promised a few days ago. I request you to consider this matter and see to it that this House gets an opportunity to discuss the Demands of those two Ministries before a vote is taken on them.

Mr. Deputy-Speaker : There is no question of any outrage, so far as the the rights of this House are concerned. It is correct that the Speaker has ruled that we should discuss them, and so far as I recollect, the opportunity that he promised was that when we would be taking up the Demands next time, then we could discuss them. It is for this sovereign House to decide its own procedure. In the Business Advisory Committee it was decided that we might take up the other Ministries and these two Ministries were left out this year. Perhaps next year we might leave out two other Ministries and take up the remaining Ministries for discussion here in this House. Whatever is done in the Business Advisory Committee has to be approved by the House itself here. If the House itself thinks that it can vote some Demands without discussion, then I suppose there is no outrage at all, so far as the rights are concerned. Those rights are safeguarded by the Members themselves. If the Members have taken this decision and if the House has come to the conclusion that we will vote upon the Demands of these two Ministries without discussing them, I do not think there is any outrage so far as the privileges or the rights of the House are concerned. I do not think, therefore, there is any need to defer the voting on these Demands. I will now put all the Demands to the vote of the House.

Sbri Kamath : If the House is prepared to reconsider the matter. . . .

Mr. Deputy-Speaker : It can throw out the Demands. If the House does not want them, it can say, "No". I will now put all the remaining Demands to the vote of the House.

The question is :

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following heads of Demands entered in the Second column thereof :—

Demands Nos. 63, 64, 65, 132, 75, 76, 77, 106, 107, 146, 108 109, 110, 111 and 112."

The motion was adopted.

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below.—Ed.]

DEMAND NO. 63—MINISTRY OF INFORMATION AND BROADCASTING

"That a sum not exceeding Rs. 10,39,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Information and Broadcasting'."

DEMAND NO. 64—BROADCASTING

"That a sum not exceeding Rs. 2,89,90,000 be granted to the President to complete the sum-necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Broadcasting'."

DEMAND NO. 65—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF INFORMATION AND BROADCASTING

"That a sum not exceeding Rs. 2,35,03,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting'."

DEMAND NO. 132—CAPITAL OUTLAY ON BROADCASTING

"That a sum not exceeding Rs. 3,61,96,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay on Broadcasting'."

DEMAND NO. 75—MINISTRY OF LAW

"That a sum not exceeding Rs. 2,55,06,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Law'."

DEMAND NO. 76—ADMINISTRATION OF JUSTICE

"That a sum not exceeding Rs. 2,03,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Administration of Justice'."

DEMAND NO. 77—MISCELLANEOUS EXPENDITURE UNDER THE MINISTRY OF LAW

"That a sum not exceeding Rs. 4,84,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Expenditure under the Ministry of Law'."

DEMAND NO. 106—DEPARTMENT OF ATOMIC ENERGY

"That a sum not exceeding Rs. 6,51,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Department of Atomic Energy'."

DEMAND NO. 107—ATOMIC ENERGY RESEARCH

"That a sum not exceeding Rs. 1,83,33,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Atomic Energy Research'."

DEMAND NO. 146—CAPITAL OUTLAY OF THE DEPARTMENT OF ATOMIC ENERGY

"That a sum not exceeding Rs. 6,21,96,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay of the Department of Atomic Energy'."

DEMAND NO. 108—DEPARTMENT OF PARLIAMENTARY AFFAIRS

"That a sum not exceeding Rs. 1,37,000 be granted to the President to complete the sum necessary to defray the charges which

will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Department of Parliamentary Affairs.'"

DEMAND NO. 109—LOK SABHA

"That a sum not exceeding Rs. 82,31,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Expenditure under the Lok Sabha'."

DEMAND NO. 110—MISCELLANEOUS EXPENDITURE UNDER THE LOK SABHA

"That a sum not exceeding Rs. 27,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Expenditure under the Lok Sabha'."

DEMAND NO. 111—RAJYA SABHA

"That a sum not exceeding Rs. 30,22,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Rajya Sabha'."

DEMAND NO. 112—SECRETARIAT OF THE VICE-PRESIDENT

"That a sum not exceeding Rs. 50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Secretariat of the Vice-President'."

FINANCE BILL

Mr. Deputy-Speaker: The House will now take up consideration of the Finance Bill, 1956. As the House is aware, 15 hours have been allotted for the disposal of this Bill. Out of these 15 hours, ten hours might be devoted to general discussion—unless the House otherwise directs; this is a proposal—four hours to clause by clause consideration and one hour to the third reading.