

[Mr. Speaker]

was may refer to these stages rather than to the distinct sale. What was intended by the framers of the Bill was that it must refer to the last stage of sale within the same State, though a number of sales may take place, each independent of the other, each one of them passing through several stages, so far as that particular sale is concerned. To avoid that confusion, and to remove perhaps a misunderstanding regarding it, it was thought necessary to make it clear, and the necessary amendments have been brought forward by the hon. Minister. They have already been moved. Now, the hon. Member wants to reopen the whole issue, saying that the whole thing ought to be re-drafted and the Bill put off for further consideration till the next session. We are now on the simple point whether there is agreement on the amendments now brought forward. Has the hon. Member got to make any suggestions regarding these amendments?

I would not allow once again the whole matter regarding clause 4 being reopened. I have explained the point that is now for consideration. I do not think the hon. Member has anything more to say. I shall put the question now.

The question is:

Page 1,

for lines 20 and 21, substitute:

"in respect of the last sale for purchase inside the State and shall not exceed two per cent of the sale or purchase price;"

*The motion was adopted.*

Mr. Speaker: The question is:

Page 2, line 2—

for "at the last stage of sale or purchase" substitute:

"in respect of the last sale or purchase inside the State"

*The motion was adopted.*

Mr. Speaker: The question is:

Page 2—

for lines 5 to 7, substitute:

*Explanation*—The expression "last sale or purchase inside the State" means the transaction in which a dealer registered under the sales tax law of the State—'

*The motion was adopted.*

Mr. Speaker: The question is:

"That clause 4, as amended, stand part of the Bill".

*The motion was adopted.*

Clause 4, as amended, was added, to the Bill.

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

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

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

Mr. Speaker: The question is:

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

*The motion was adopted.*

#### GENERAL BUDGET—GENERAL DISCUSSION

Mr. Speaker: The House will now take up the general discussion of the General Budget.

Shri Mohamed Imam (Chitaldrug): I have to make a submission. Originally four days were allotted for the discussion of the General Budget, but now I find the number of days has been reduced by one. Three days are not at all sufficient, considering the importance of the Budget.

Mr. Speaker: This matter was raised even five days ago; then I suggested that the House might sit for longer hours, even till 7 o'clock, and the House as a whole agreed to it. It is no good re-opening the matter now.

The House will now take up the general discussion of the General Budget. As hon. Members are aware,

the general discussion will continue till Thursday, the 30th May, 1957 and on the next day the hon. Finance Minister will reply.

For the benefit of hon. Members, I would like to draw their attention to Rule 207(1) regarding the scope of discussion on the Budget as distinguished from the discussion on the Finance Bill. The Rule lays down that during general discussion on the Budget, the House will be at liberty to discuss the Budget as a whole or any question of principle involved therein. The scope of discussion at this stage is thus confined to the general examination of the Budget, i.e. the proper distribution of the items of expenditure according to the importance of a particular subject or service, the policy of taxation as it is expressed in the Budget and the speech of the hon. Finance Minister.

Members, may, therefore, make observation in regard to the general scheme and the structure of the Budget. The general scheme of the Budget will include considerations of revenue, surplus or deficit, revenue and expenditure account and the overall surplus or deficit. So far as the revenue account is concerned, Members may take into account the method of estimation, whether the revenue is over-estimated or under-estimated, whether the expenditure is pitched too high etc.

So far as general grievances are concerned, these may be deferred for ventilation at the time of considering the Finance Bill. That will also be the proper occasion for going into details of taxation and matters related thereto. Similarly details of expenditure may be discussed when Demands for Grants come up before the House in the next session.

Under Rule 207(3), I fix that fifteen minutes will be the time-limit ordinarily for every hon. Member, excepting the Finance Minister for whom one hour or more will be allowed, if necessary, for reply.

So far as leaders of particular groups are concerned, if they want more time, they will be allowed by the Chair time up to a maximum of 20 minutes or in extraordinary cases 30 minutes.

**Shri S. C. Samanta (Tamluk):** I want to raise a constitutional question. My question is that unless and until the Convention Resolution on Railways is amended by the House to the effect that taxation proposals on railway fares may be brought by the Finance Minister, such proposals...

**Mr. Speaker:** The hon. Member has already sent me notice that he wants to raise the point and I am just looking into it. The stage has not arrived for raising it.

**The Minister of Finance (Shri T. T. Krishnamachari):** May I submit that the time for raising it will be when that Bill is discussed? There is a separate Bill for that matter.

**Mr. Speaker:** This matter will be discussed and if necessary I will allow him to raise it there. In the meanwhile, I shall look into it and if I feel it must be brought up before the House, I will allow him an opportunity when that Bill is taken up for consideration. Now we are on the Budget.

**Shri S. A. Dange (Bombay City—Central):** The hon. Finance Minister introduced the Budget on the 15th May and now 13 days after when we start discussing the impact of the Budget, I am rather in a very easy position for the reason that during all these 13 days, the people have had an opportunity to express their opinion on the Budget. What is the opinion that they have expressed? The opinion that they have expressed is the same as was expressed from time to time by hon. Members of this House when the Budget was being introduced. When we recall the scene in this House, of the situation in this House 13 days ago, we remember that whenever a new item of taxation was announced by the Finance Minister we heard silent

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groans and means in this House and these groans and moans were shared by the Members of the Congress Party also. The introduction of the Budget accompanied by silent moans from the Members of this House shows the character of the Budget. The character of the Budget in short, is that it is a budget against the people. That is why the Members here reacted very properly, when the Finance Minister introduced these taxation measures and that is why the people outside also have reacted very properly. There have been hundreds of telegrams from Trade Unions, from middle class organizations, from merchants' organizations, traders' organizations; they are just bewildered and stunned, they do not know what has happened. Of course, it is a stunning which has not arisen out of the amount of taxation. Rs. 106 crores altogether or Rs. 78 crores from the Centre; that amount is not so stunning as far as amounts go in these days. When a plan jumps from Rs. 4,800 crores by Rs. 400 and Rs. 500 crores to more than Rs. 5,000 crores and in this process when we get used to thousands of crores, Rs. 100 crores is not such a stunning amount. It was not the amount that matters. It is from where the amount is drawn, that is the main question. And we find, as the House knows, that everything has been taxed, which the people would like not to be taxed, everything has been taxed which people would like to use for their own living. Tea has been taxed; coffee has been taxed, matches, tobacco and sugar. Food prices are already high and railway travel taxed to crown the whole thing. That is the picture in the Budget? The Finance Minister comes and says: "You are eating too much; you are eating food too much; you are eating sugar too much; you are smoking too much; you are travelling too much; you are earning too much and therefore, I am going to tax you. To whom this is addressed, we should like to know. So far as taxation is

concerned the taxation is on the common mass of the people. On the upper ranks of the people taxation comes down a bit and on the common mass of the people taxation goes up.

The key note of the Budget is a check on domestic consumption, on the standards of living of the people, a Budget which is framed in the name of building up a Plan which is to usher in a socialist society. A plan made to usher a socialist society is giving us a taxation system and a budgetary system which takes away the incentive from the very people who are to build this socialism, that is meant to raise the standards of living of the people. The Finance Minister might say: "Well, I accept that." He has been saying that. He is courageous enough to accept that it is a bad Budget, in the sense that it imposes taxation on the people. He has been saying somewhere else, perhaps in the Upper House "I know it is an unpopular Budget. What of that? Here we are saddled with the responsibility to develop the nation, to industrialize the nation. If the people have voted for the Plan, the people have voted me to carry out the Plan, and the Plan requires money. They must accept the taxes for the Plan". But I do not know if the people had known that within two months of the voting, sugar, tea, coffee, paper, kerosene and everything was going to be taxed, they would have given the vote in the way in which they have it. In any case, it does not matter. Let us take it for granted that they may have given it perhaps. I do not know. I accept the position that the Plan is to be developed and that money is required. The difficulty of the Finance Minister is this: Having accepted that the Plan is to be developed, how are you going to produce the money to fulfil the Plan and he throws a challenge to the Opposition Benches and even to the people, to his critics, as to how they are going to find the money for the Plan.

It is common ground between us that we all want the Plan to be fulfilled and I am one of those who would certainly accept sacrifices in order to fulfil the Plan. I would not like the Plan to be disturbed in the sense that the essential phases of the Plan are not completed, some replacement may take place here and there. But that does not mean that I agree with the Finance Minister in the way in which he is taxing, in the way he is reconstructing the whole tax structure of the country. He says: My taxation is based on this, that domestic consumption must be curtailed, exports must be stimulated, imports must be curtailed, production must grow; you must save and give the money to the Exchequer to build the Plan. Is that the only way? If that is so, then I would say: Is it being properly carried out? I do not mean whether the taxation is being properly carried out or not; I do not mean whether the execution of the Plan is being properly carried out, but what I mean in the mode of approach to the creation of money for the Plan, to building funds for the Plan, is the mode of approach correct? That is my question. For example, is the Budget so framed that it raises the standard of living of the people and takes the money from the very places where money is created? If I agree with this Plan, if I agree with him that money is required, that the Plan must be developed, I must certainly tell him from where I am prepared to give the money from and where he can take the money from and where he should not take it. If that is the question, what is the quarrel? My quarrel is that his approach to the budget is not an approach of socialism, is not an approach of democracy it is an approach of developing capitalism and bureaucracy. He may say: You gentlemen can throw around phrases about socialism. We are responsible gentlemen and you are irresponsible gentlemen. The Government benches have the responsibility to carry out the Plan; the Opposition Benches have no responsibility to carry out

anything except to fling words. Therefore he says we are so serious about it that we do not like to discuss only abstract phrases. So far as seriousness goes, I doubt whether the Governmental Benches are very serious about it. It may be argued: Can you show how we are not serious? I will quote an example. The Finance Minister himself has shown that he does not treat his own responsibility seriously; he does not treat the people seriously. Not he has made a speech in the Upper House that his heart bleeds for the common man. It may be, therefore, in exchange, he wants to bleed the common man's heart, may be, being interested in equivalent exchange. But then, what is his seriousness about it? To give one example. The Budget was introduced on the 15th of May. Then a day or two later comes out a statement from him: "I do not know how the tax on paper crept in. I think perhaps the Kerosene tax was a mistake." So, a taxation measure, a whole budget is framed and the Finance Minister does not know how a tax on paper has crept in. Taxation creeps in without his knowledge; taxation comes in without his knowledge. May be, the Secretary gave the figures how to balance the budget. The Minister says that kerosene tax was a mistake. Well, by the time he discovered the mistake, many lamps in the cottages were extinguished. The cost of kerosene was going up and villages have gone in darkness by the time he discovered that kerosene tax was a mistake. If the Minister does not know about it in time, how am I to take it that he is serious about taxation? How am I take it that he is serious in taxing the people? Taxation is carried out in the archives, in the office of the Finance Minister in some such way. There is a shortage of Rs. 78 crores; you make up for it in any way you like. Somebody in his office comes and says, Rs. 20 lakhs is short and should be balanced. He says—You put it anywhere you like. It does not matter whether on paper or anywhere how the sum of Rs. 20 lakhs is put! Again, there is a

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shortage of Rs. 2 crores; and you put it somewhere you like. When it is found that kerosene has come in for criticism, the Minister says "I don't know how it has happened". There is a budget which has been presented to us involving Rs. 700 or 800 crores; and he does not know how a tax has crept in. Well, Sir, this is the way in which taxes creep in which cut the pockets of the people. There is no real approach here. The whole approach here is not of looking to the needs of the people. The whole approach is only to find the money somehow. If that is the approach, then, I would say that what is happening is going to happen. Taxes are evaded when it comes to Income-tax. I do not know how much evasion there is. We are told that evasion will be stopped. Some say that the evasion has gone up to the tune of Rs. 200 crores; some say that it is Rs. 40 crores or Rs. 30 crores. There are the speculators and the monied interests. Nobody knows how much really is the amount evaded. Our poor Finance Minister's condition is such that he says 'I have no statistics'. How does it happen that the Finance Department has no statistics? How does it affect the balance of payments position? How does it affect the American cotton imports? We do not know what is the actual balance of payments to make up. Only it is said that the people are earning too much and eating too much; and therefore the exemption limit is to be brought down from Rs. 4,200 to Rs. 3000. He is very keen to attack the middle class people because their salaries are paid from the offices and they cannot evade. Therefore, I would say that the approach to the system of taxation is an anti-people approach and it is not a socialist approach. Therefore, my contention is that the Treasury Benches are not serious about people's interests. I regret to observe that the Finance Minister himself does not take taxation seriously. The very example of kerosene, as has been admitted by the Finance Minis-

ter, is enough to prove my charge that they are not serious about sticking to the principles. Principles are for propaganda; principles are not for action. It is only socialism in theory but it is capitalism in practice. For propaganda it is democracy in theory and for action it is bureaucracy to the hilt. That is why the people are complaining and sending in telgrams and so on.

Now, having given this characterisation and reading of the budget, I may be asked to state what alternative I have got. I may be asked: "Our balance of payments position is disturbed and taxation is not enough. What is your alternative?" Well, my alternative is very simple. The Finance Minister and the Government benches are slowly accepting it but in a very faulty way which keeps them perpetually in crisis. Where should money be drawn from? What is their theory about it? Their theory is that wealth should be created; let it be distributed and once its distributed over thousands of people then go and try to get it by taxes.

This is the way they approach the whole problem of taxation. And when they approach those people who have got the largest share of the created wealth in their pockets, the bigger ones evade. The small fish get caught in the net and the big sharks run away. And the Finance Minister says, "what can we do? If the Plan is to be implemented, vote for the taxes, or I am there to take them and the Home Minister will help me."

I say, change the whole attitude. And how to do it? Seize wealth at the points of creation. Seize the very points of creation and you have enough wealth to finance the Plan. What does it mean in simple words? It means in simple words what he is already doing but doing in a half-hearted way.

My submission is that the key to the completion of the Plan is to restrict immediately, on a very large

scale, the private sector and enlarge the public sector, with a boldness which he has shown in taxing the people, but a boldness which should be used for better purposes and better ideals. For example, why does he not nationalise? Then they would say "Ah, it is their usual pet theory". It is not a pet theory. The difficulties confronting the Budget and the Plan are due to the difficulty that they have in their theory. The hon. the Finance Minister is a learned gentleman and is very much interested in theory, but he is not ready to apply the theory.

Have they a theory of approach to taxation? Have they a theory in their approach to the whole construction of the Budget and the development of the Plan? They will say, "Why theory?" Well, theory is necessary. Theirs is the simple theory of the law of supply and demand, prices going up and down, markets being disturbed, taxation not coming in. Is that a theory? When the prices go up, you control to pull them down. When the prices come down, you do something else to pull them up. When income taxes do not come in, you catch somebody. Is it a theory? A scientific theory must be there if you have to construct the economy of the country.

In theory they have accepted socialism. But what kind of socialism? Have they defined socialism? Certainly, this House has accepted socialism. Has this House ever defined socialism? Socialism is in the abstract. They do not know what it means. They say, it is something good to be done; the Plan is for something good to be done; and the industries are for something good to be done. But whose good, and by what method?

Therefore, in order to fix up the thing properly, a theory is necessary. I know people are sometimes very much angry with the mention of the name of Marx. In season and out of season they say, "That old man is too old, he is out of date". But when a crisis comes, when balance of payments collapse, when there is concen-

tration of industry and crisis, when taxation does not come in, and when the whole thing is in a mess, then they remember about some theory. They go to Keynes, Pigou, Kaldor and Marshall, and nobody helps them. They say, "No, let nobody help, but we will not go to Marx because he is too old". Is it because he is too old that they do not want to go to Marx? He is so old now that half the world system of economy is governed by the principles of Marxism where there is no crisis, no unemployment and taxation like the one we are having. That is why they do not want Marx. Not because he is too old; but because, he is too valid, though he is a century old. Therefore, we must have a theory. Have anybody's theory. Let Shri T. T. Krishnamachari develop into a theoretician of socialism. Let somebody else become a theoretician. Let us have the theory clearly laid down. Where are you going to get the money from? How are you going to allow industry to develop? Is it in the interests of the nation and the people or is it in the interests of private property?

Industry is being developed today in the interests of private property. Large sectors of economy which can yield very valuable surpluses are still left in the hands of monopolists. Large-scale industry, centralised production yielding very heavy surpluses should be the first source of providing money for the Plan. It is large-scale industry and centralised production where the owners even do not know where the production units are. You may remember a report in the Tariff Board a long time ago about the textile industry in Bombay. There, they said that 75 per cent. of the directors of the mills do not know where the mills are. I have personal experience of this; I have had to handle many millowners in Bombay. If I ask a millowner "or that particular road, something happened" he will say, "I do not know the road, I do not know the mill". He knows only the bank and the dividends at the end of the year. Should such private

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interests be allowed to control the essential production units, which are essential for the life of the people and which are essential to provide money for the Plan? Why should they not be taken over? Therefore, I would say that money can be found by taking over the means of production and sources of wealth. As to sources of wealth, everybody knows what they are.

They may have difficulty about the nationalisation of plantation. I accept that difficulty. After all, sometimes, foreign capital is involved. Sometimes, foreign markets is involved. All right, I provide an alternative. Wait for nationalising tea plantations. Why not swoop the difference in the cost price of tea and the selling price? Not merely through petty taxation of incomes, but through some other method. My hon. friend the Finance Minister knows that the difference between the cost price of tea, labour material and managing agency commission in the tea estates and its selling price would amount to something like Rs. 12 to 20 crores per year. Why not seize that alternative of taxation?

May I now give some other examples? Before coming to examples, let me clear this point. What I propose is, in order to provide money for the Plan, please do not tax the common man. There are difficulties about money. Let us see where money is created, where wealth is lying. Do not try to seize it after it is distributed and it vanishes. Seize it when it is in production. Who creates wealth? It is labour that creates wealth in the production units where they work. Take hold of these units. Pay them their dues and take the surplus. The Plan will be fulfilled without taking the tears of the common man. Why is it not being done? In what spheres can it be done? In what spheres can it be not done? Take nationalisation. My hon. friend has already accepted part of nationalisation. Formerly, we were supposed to be irresponsible

theoreticians who talked about nationalisation in season and out of season. It is happy to know that slowly and in a halting way Government Benches are coming to our side in accepting nationalisation. Socialism is not so outmoded and nationalisation is not such an irresponsible slogan as it was made to be here in this country even after Swaraj, five years ago. Shri Khandubhai Desai, the Ex Labour Minister, in 1947, wrote a very nice pamphlet explaining the predatory nature of the capitalist monopolists in the textile industry, whom he knew very well from personal experience in Ahmedabad. He said, these gentlemen have hidden wealth, let this industry be nationalised, let that wealth be taken over and let these mills produce and yield profit for the purpose of social gain, for the purpose of building social enterprise. Shri Khandubhai Desai later on perhaps decried his own philosophy, because sometimes it happens that you are a great philosopher when you are not in governmental power, but you desert the philosophy when you get to the seat of power. That is perhaps what happened to him.

**An. Hon. Member:** It applies to you also.

**Shri M. C. Jain (Kaithal):** Does it apply to you?

**Shri S. A. Dange:** It will not apply to us. No. You can give a trial if you like. I do not mind.

With regard to this slogan of nationalisation, as I was saying....

**Shri T. T. Krishnamachari:** A few drops of poison are enough for this country. We do not want an avalanche of it.

**Shri S. A. Dange:** Potassium cyanide when properly diluted stops pain, when concentrated it is poison.

**Shri T. T. Krishnamachari:** I am glad the hon. Member has experienced pain.

**Shri S. A. Dange:** With such taxation who would not experience pain except you—by you I mean the Finance Minister. We are in pain and that is why we shout. And many Members shouted on 15th May, may be they are now asked not to shout too much, as it inconveniences the Minister.

Now, coming to resolving the pains, as I was saying, the State Bank has been nationalised. When you wanted money, insurance was nationalised. The money is coming now for investment. Light railways are nationalised. A part of trading has been taken over by the State. We demanded State trading. Why should not the vast export of manganese for instance be taken over by the State? The C.P.M.O. Syndicate in Nagpur entered false rates in the local books and sold the manganese on the London market at a different rate and swallowed the difference until it was brought to the notice of the Finance Ministry by a certain gentleman. Then they went to the C.P.M.O. Syndicate and said: "For God's sake give us Rs. 10 more at least" and the C.P.M.O. Syndicate agreed. Why is this trade not being nationalised? Why is the export and import of essential commodities not being taken over by the State? State trading has started. It has come only to the modest sum of Rs. 24 crores in May, 1957, and that too mainly in regard to countries of the socialist bloc. The total foreign trade is over Rs. 1,200 crores. State trading has now become more or less an accepted principle. The various States are undertaking trading. But this export-import trade is the most essential thing if you want to guard your balance of payments, if you want to introduce order in the whole system of import and export. If that is not done, the Finance Minister has to go round and complain: "I do not know how imports are taking place, how exports are taking place." The only way to stop that is to undertake export-import trade by the State. The total foreign trade is Rs. 1,200 crores, and even if you take half of that and make a

modest ten per cent on it, you know how much money will be found from it. Motor transport is already being taken over. Some mining like gold has been nationalised. So, nationalisation which was considered such a bad thing for our economy is slowing being accepted, but when?—when the economy catches their throat, when they themselves feel suffocated; they then say they will nationalise. But when they put their hands round the throat of the common man and he says, "Please nationalise for the sake of the nation, do not throttle me", then they say "No".

Therefore, what I say is we have an alternative source for finding money and that is to expand the nationalised sector in order to increase the resources for the Plan. Then you will not have the need to tax the common man as you are taxing today. I do not say taxation can be completely avoided, but in a socialist economy major taxation always comes from the nationalised sector and not from taxation of the necessities of the people. If the Finance Minister wants to,—he is interested in socialist methods of taxation and socialist theories of taxation—certainly we can have a separate sitting or a committee for those who are interested in that.

I am speaking with responsibility and seriousness, and I am pointing out alternative sources of income. Therefore, my suggestion is: firstly, take over the big banks. You have taken over the State Bank, very good. Take over the big banks which are centralised, in which functions for the owners and the shareholders are what?—nothing. Their's is no responsibility either of trade or of investment or of anything. Therefore, this is an idle activity, and this activity which earns such a terrific idle income to the bank-holders should be taken over by the State. Why not? They are good gentlemen; they are very patriotic. Their hearts can be changed. And if their hearts cannot be changed, and they would not give these over peacefully, then I say let them be taken over by law, because they refuse to change their hearts.

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So, I would suggest that State trading is one source. Nationalisation of banks is the second source. And the third source is this. My hon. friend was very charitable about the excise duties and the virtues of the textile industry in not passing on the excise duty on the cloth prices. I hope he knows the trick. It is being done because excise duty is given a rebate on the third shift production, and the third shift production is increasing; therefore, it is not passed on in the prices of the textile goods; it is not because the textile magnates have suddenly discovered the necessity to build the Plan that they are not passing on the excise duty in the cloth prices.

Here is the textile industry; it is an industry which is ripe for being taken over by the State, because there is one simple fact, if hon. Members would like to know, and that is that 17 out of 400 mill companies 35 per cent. of the total assessable profits of the whole industry. What a highly concentrated system of production! What a highly concentrated system of profit-making! And what a highly callous system of passing on the burdens to the shoulders of the people!

Here is this textile industry, where nearly 50 per cent. or more of the production is concentrated in a few hands. Can they not be so patriotic? Can these gentlemen, who talk so much about the Plan, these multi-millionaires, not hand over this textile industry to save the Plan for a time? If the Plan is prosperous and if they are much in difficulty about money, we can give them a nice little cost-of-living index-wage and dearness allowance with bonus; we can allow them Rs. 500 a month, and they can hand over to us their best units for the sake of the nation.

If the Finance Minister can bring Rs. 3000 income in the system of taxation, and can hold that Rs. 250 a month are enough for a man to live for the sake of the nation, will not Rs. 250 a month be enough to live for a millionaire for the sake of the

nation? But he would not take that line. He will say, "I will coax him, and say, for marriage 'Do not spend Rs. 2 lakhs; spend below Rs. 2 lakhs; then you would not be taxed. Why go over Rs. 2 lakhs? It is so much of worry; you better spend for the nation.'" So, there are nice words, there is nice taxation, and there are soft words and cushions provided for Rs. 2 lakhs and over Rs. 2 lakhs but for the common man, what hard-hitting brick-bats are there! That is the system of taxation in this Budget.

Therefore, I would say, take these centres of production and nationalise them; and there would be enough money. Please do not bleed the poor in order to feed the rich. That is my request to the Finance Minister, when he starts reconsidering the Budget proposals.

Of course, he has come round and said 'But, don't you give me the credit for being a little socialistic? Have I not proposed the expenditure tax? Have I not proposed the wealth tax?'. But what is the use of simple nationalisation, and what is the use of simple estate duty? You know what has happened to the estate duties. We thought that after the man is dead at least, his property would come to us. But nothing is coming. In the Budget, something of the order of Rs. 10 to 12 lakhs is there. There are shrewd men of property; even in death, they are so very shrewd as to cheat the nation of its dues, and no death duties can take away that property from them. Like the Vidushaka in Kalidasa who even after death provided humour for humanity, these gentlemen provide oppression for humanity even after they are dead. So, what is the purpose of simple estate duties? What did you get by them? You say there is expenditure tax and there is wealth tax. But of what use are these taxes in the case of these evaders who can evade company taxation, and who falsify books? You try and catch the Saksriyas in Bombay and get income-tax from them. You are trying to catch

that shark, one shark whom you have tried to catch for the last five years; but he jumps from one court to another, and he makes merry with money, and you cannot get a farthing from him.

That is the law; that is the system; that is the taxation. But when it comes to the poor man, you tax his sugar, you tax his tea, you tax his coffee, you tax his matches; because he cannot evade, because he cannot go to the Supreme Court. He cannot go to courts and ask for exemption, ask for delaying processes because the books are not ready, and if the books are seized, they are handed back because the market operations are held up for the time being. That is the system in which we are working. If you work the system that way, and you do not really take to a proper socialist theory and socialist practice, by simply building an industry, you cannot build prosperity for the people. Building an industry does not automatically lead to prosperity. Textiles mills which were built by hundreds did not lead to the prosperity of workers, until they struck and got money for their work.

Therefore, is that the only thing? Nationalisation also is not the only thing. Imposing taxation on wealth and expenditure is not the only thing. You have also got to consider how you administer it. How do you go about getting it? Here I come to the method. Tremendous corruption and waste are prevalent. The hon. Finance Minister accepts it. He is a straightforward and sometimes very frank man, when he chooses to be one. Sometimes he is not. But in this case, he accepts it. He accepts that there is some corruption and waste. But what is the cure? He says—what can I do? For corruption, there is an anti-corruption police. For anti-corruption also, there is another anti-anti-corruption police, and for that department, there is another checking department. Ultimately, you get embroiled in it and corruption prospers and they go on merrily in spite of your adopting anti-corruption devices.

How can you get rid of it? Surely, he has a difficulty? Why because the concept of democracy that you have accepted is the wrong concept of democracy. The concept of democracy in theory is not clearly defined. They think democracy means taking a vote and coming here and doing what they like, passing any law they like after discussion, with the Opposition sitting here. You do not shoot them, you do not hang them. So here is democracy. What more do you want? Here they come and say what they like. So he says there is democracy.

That is not democracy. It is a democracy of throwing words at each other, while really the pockets of the people are picked. That is not real democracy. The way to stop corruption is by seeing that in every concern, at every point of administration, at every point of State power, there must be workers' supervision. The employee, the worker, middle class or ordinary worker in the factories, must have the power of supervision over the organs of administration. When the organs of administration are supervised by the working class organs, then alone democracy develops, and then alone socialism can develop—not in the way you are proceeding.

But what is the condition today? When Works Committees are constituted, when employer-employee Joint Committees are formed, the worker cannot even ask for the balance-sheet of the company. Why? State secret, trading secret, confidential information! This is over and above the fact that the poor worker is sometimes humbugged by many figures. When he comes to stick to the last, what is their last stand? Victimisation and dissolution of the Works Committees because the Congress Party does not like it. Works Committees have been dissolved in many places, not accepted and ruled out just because they do not subscribe to the Congress Party. Real Workers' supervision, therefore, is the main check against waste and corruption. That alone is the real concept of democracy. It can be done slowly; it cannot be done in a day because the

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workers also have got to be trained. I accept it.

Therefore, I accept some of the principles which are enunciated in this Budget and I would like the hon. Finance Minister to translate them into practice. Here is one principle; He speaks of sacrifices. "Sacrifice on a nation-wide scale and injustices or excessive inequality go ill together" *a la* the Finance Minister. Who would quarrel with this principle? The question is: how is it translated? One example is enough. Already there is sacrifice on a nation wide-scale in the 12 or 13 taxes. There is injustice or excessive inequality even now between the worker and the capitalist. In the case of the worker who produces wealth, the middle class employee who helps, how does this principle work out? I have got figures of the "socialism" that we have worked out for four years from 1950 to 1954. I have not got figures for the later years; the Finance Minister will pardon me. But here this principle quoted above is not enunciated today. This principle was enunciated long ago. Inequality and sacrifices go ill together. Take the years 1950-1954. I have worked out the table. What was the share in the total factory income of the workers and middle class employees and what was the share of the capitalist? When socialism prevails, the share of the former should go up and the share of the latter should go down. At least you will accept it, even though you do not define socialism very theoretically and very correctly. When socialism progresses, the share of the worker should go up and the share of the capitalist should go down, unless socialism on the other side means exactly the reverse. But here it is socialism in the reverse. What is the share of the wages and salaries? In 1950 out of a total net factory income of Rs. 550 crores, Rs. 232 crores went as the share of wages and salaries and profits were Rs. 318 crores. 232 and 318! Anyway, 1950 was a bad year. Let us

go ahead, when we have got excellent principles and theories and so on, to the year 1954. The production increased from Rs. 550 crores to Rs. 760 crores. But the share of the worker advanced from Rs. 232 crores to Rs. 249 crores—an increase of Rs. 17 crores, while production increased from Rs. 550 crores to Rs. 760 crores. The capitalist, Oh, he has been very hard hit!

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The hon. Finance Minister, the hon. Commerce and Industry Minister and all the hon. Ministers put together have decided that capitalism shall not grow in that way. But the share of profits has grown from Rs. 318 crores to Rs. 511 crores! This is socialism in reverse. Socialism in theory and socialism in practice are different. Here are the figures to show it. I had submitted them in the Labour Panel two years ago to the Finance Ministry, two years ago to the Commerce Ministry. What is their answer?

In this Budget, they said that inequality was rather a little less; it is not so pronounced as to compel the common man to revolt. Therefore, as one professor of Delhi said, this taxation is all good because it makes the people conscious of the Plan. Conscious in what way? To the poor man, the Budget comes with a bang in his teeth. His teeth fall out. Then he becomes conscious of them and he becomes conscious of the Plan! This is a wonderful way of making the worker and the people conscious, according to the philosophy of Dr. V. K. R. V. Rao, when he delivered a lecture in Delhi University the other day.

Yes, people are becoming conscious of the Plan. We want them to become conscious in a positive way, to build a plan. The Budget is making them conscious in a negative way, to obstruct the Plan, to be dissatisfied with the Plan, to shout against the Plan. Therefore, my submission is: please change this line.

How do you change the line? It is very simple. Allow democracy to function without interference, and let them express themselves in action. Because people are acting, the first thing should be that the people should be allowed to speak against the Budget and act against the Budget so that the Finance Minister may really understand what the people feel. Then my appeal is that your approach to the toiling people and their needs should be changed. Your approach to the monopolists and their anti-people deeds should be changed. Please also change your approach to the nation which wants to be industrialised. Your approach to the people, who are with you, if you carry out socialism in practice and who are against you if you want to develop capitalism in reality while only mounting phrases of socialism, should also be changed.

As regards concrete suggestions for changing the measures of taxation, as has been suggested by the hon. Speaker, I will come to them at the time when we go to the Demands for Grants. Then each Demand will be taken and so altered as to suit the new approach that I am suggesting to the Budget. But immediately, they are already thinking of controlling food prices; they are already thinking now of taking the speculators' hoards and of buying them over. But in that process, please do not take over the stock of the peasant; please do not touch his stocks in the name of taking over the hoarders' stocks, because we know that when you begin to attack the hoarder, in the end you also attack the middle peasant or the smaller peasant. That precaution should be taken so that the people are not hit.

Then I come to the rising cost of living that is already there. The Finance Ministry has worked out a very nice table. It says that the cess on tea per lb. is so much. Then it calculates how many cups of tea (including sugar) are made out of one lb. Therefore, it says that the rise should be only so much, which

would mean not a big rise in the cost of living. But, Sir, the economy does not work that way. He knows capitalist economy very well. If there is one pice rise in one place then hundreds of pice rise in other places. Even now they are having as many rises in prices following the lure of the average rate of profit. This same rate of profit law operates in capitalism. If Marx were studied better, he would tell you how it operates, in his third volume. If the hon. Minister wants to read it he can. Of course, he reads it; but he does not accept Marx because he is rather too old. But Marx is living. Surely, one pice rise is a small thing but the whole thing goes on skyrocketing and the people demand higher wages. There will be demonstrations and strikes. But the Finance Minister will come round with his figures and say: Oh! there should be a rise of only 2 pice in sugar and why are you shouting? But, we have a capitalist economy and not a socialist economy. We have not established it. The rise goes on and the capitalist goes on cornering profits irrespective of what happens to the people.

I would conclude soon and probably this is the last quotation from the Finance Minister. There is one genuine difficulty in his Budget to which I want to draw attention, which he is not emphasising—and it is natural that it should not be emphasised. I have all my sympathies with him. A rise in the Defence Estimates by Rs. 50 crores has surely put the Government in some difficulty. And, who is responsible for this? The Imperialists from whom we are asking aid. They give aid by one hand and give military aid to somebody else by the other hand and then ask us: Well, how will you defend yourself? That has naturally put us into the position of spending more on Defence. But, some of these expenditures on Defence are not sometimes done in a very prudent manner. I do not know all the facts; I would ask the Government later on about it.

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For example, we are getting 66 Canberra bombers. We are in need no doubt. We have asked England to supply them. And, I am told that the price of each is something like 3 or 4 times the price which would be asked if we get them from some other place. Why should we go for the Canberra bombers from England and buy them for Rs. 27 crores instead of buying them at cheaper rates from Czechoslovakia or the Soviet Union. Even Nasser's small country Egypt is not embarrassed in buying it from Czechoslovakia. Why should we, with 400 million people, with all the strength we have, be embarrassed in buying from other countries: Why should we be embarrassed in diverting the order and displeasing a country which, as the Prime Minister once said, does not like the freedom that we have got? If they are trying to embarrass us, we will surely defend ourselves. Why buy only from America? We can buy from any market. Why, then, in Defence, should such methods be followed and why should we impose higher taxes for strengthening our Defence stores? I do understand, therefore, the difficulty about this Rs. 50 crores because the Americans with their Middle East Policy and the Eisenhower doctrines want to disrupt our plan of development. But, we can surely tell them: Gentlemen, there have been many people coming to disrupt our movement for freedom; they did not succeed and they will not succeed in disrupting our economy even if they put up high rates and prices to blackmail and embarrass us. It will not help.

In the end, I would surely agree with the Finance Minister in his last statement of policy and principles which he has made, which policy and principles I do accept; but, I would only submit that he should translate them into practice. What is the principle? "Advance towards economic equality and positive social improvement should be made" When? Not in easy times; not when economy is

stable; not when prices are good; not when production is going up and everything is nice and sweet. That is not what the Finance Minister says. I agree with him. He says that "the greatest advances in positive social improvements are made in difficult times". He is right. They are made "in difficult times when the conscious and the solidarity of the people are raised to the highest pitch." Therefore, positive social improvements can be carried out even though there are difficulties. What is that social improvement, positive social improvement? Take over those centres of monopoly power; take over those centres of wealth production and bring them into the State sector and save the common man from this taxation. This is certainly a big attack on the monopolists; but when to do it? Not when there are no difficulties. We do it in difficult times because the solidarity of the people is behind us. The people are behind you. Take over that sector. If those interested try to sabotage, the people are with you, power is with you and give the saboteurs to wherever they want to go. Here and now you can think about positive improvement.

Therefore, my submission in the general discussion of the Budget is, please change the whole outlook. Accept some theory of economy. Please lay down what it means, not merely the theory of prices, supply and demand and markets and so on but the theory of socialism. Let Marx lie in his grave. Have somebody who is living; have an Indian theory; have some Indian prophet. We have got many prophets here. Have that theory worked out in such a way that where wealth is produced—these productions centres are taken over for the State sector so that the common man is saved from these taxes, so that he may get cheaper matches, cheaper sugar. We are told that we are taxed because we eat too much. It is really a sad commentary when 50 per cent of the people here do not get even two meals

a day. With a population living that way, to tell them; 'You are eating too much', is a sad commentary not on the people not on the nation, not on the freedom, but a commentary on the bogus and hypocritical principles of socialism that are mouthed by the benches in power and which are not real. Translate real principles into practice when the people demand it. That is all I have got to say.

**Shri Ranga (Tenali):** Mr. Speaker, I am glad to have this opportunity, just soon after the Leader of the Opposition had his say, to say that I am in favour of this present Budget. I claim to have been a socialist and I continued to be a socialist for nearly as many years for which Shri Dange has been a socialist, I think. We have an Indian prophet of socialism and that is Mahatma Gandhi. Our approach towards socialism is not certainly the approach of Shri Dange and his party. (*Interruption*). We do not give passports to people to go to some other country. We give no passports (*An Hon. Member: To hell.*) as Shri Dange's friends have done in other countries only to Siberia and to some of the mines where the people are forced to work....

**Shri S. A. Dange:** Today the Indian trainees are trained in Siberian mines.

**Shri Ranga:** We are conscious of the fact that we have chosen to develop this country. We have not said that we are going to get rid of the capitalists here and now. We have not said that we do not wish to develop nationalisation. My hon. friend seems to be under the impression that nationalisation is a kind of tenet in socialism which has been preached by the communists and not by any body else.

As long ago as 1938, when the National Planning Committee was brought into existence in this country with Jawaharlalji as the Chairman—and some of our friends of the communist party were also only too glad to co-operate with that committee—

the Indian National Congress was committed, among so many other things, to the nationalisation of some of our basic industries also. Even so late as 1948, after we had achieved our own freedom, the Indian National Congress and the Congress Party here have declared to the country not that they were going to change their ways simply because they got into power but that they remained consistent with their own principles, and, therefore, they wanted, in enunciating their industrial policy, to nationalise the basic industries in this country. We do not wait for my hon. friend Shri Dange and the communist party to teach us how to nationalise any industry or whether we should nationalise any industry at all.

I give this credit to him. He and his Party have stood by the principle of nationalisation. So have we. It is not the monopoly of his party.

But, then when our party has taken the responsibility of running the Government of this country, that must be given the privilege and the right of choosing the time when it should nationalise and also choosing the industry. He has given one instance—textile industry. It is true that the textile industry is almost ripe for nationalisation but the exact time when it is to be nationalised and the manner in which it has to be nationalised will be the privilege and the duty of the Government and I dare say that it will come some day with its own proposals. I am glad he mentioned some of the industries which the Government has already nationalised. That must be the justification of the Government. That must be the answer to him and the Opposition. Government of India is prepared to shoulder its responsibility towards the country in a responsible manner and in a timely fashion too.

Having said that, he wanted us to have a theory of socialism. I dare say he is acquainted with what is called guild socialism. There are all kinds of socialism but he is concerned with

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only one kind of socialism, that is, Marxist socialism. He swears by that socialism. We swear by Gandhian socialism if we are to mention Mahatma Gandhi's name or if we are to make it our own, Indian socialism. If we look at England, France, Spain, Italy and various other countries, there also socialism is popular. There are people who swear by guild socialism.

**Shri Nath Pai (Rajapur):** Not in Spain.

**Shri Ranga:** In that period when my friends were also part of an international brigade, when their revolutionary Government had to be defended, there was guild socialism in Spain too. Its essence is to see that bureaucracy is put down, that managerial revolution is not allowed a free play, to see to it that self-employed people are protected and are cherished also.

My hon. friend himself has characterised this as bureaucrats Budget. At the same time, he wants to have a nationalisation galore. What would be the result of this nationalisation, if we are to carry it out in an indiscriminate manner? Only more and more power to the very bureaucracy against which he says so much. Does he want this country to be bureaucratized further? He has himself given us to how bureaucracy has been able to play with some of these taxes without the notice of the Finance Minister? Is that the kind of bureaucracy that he wants? They are having it in Soviet Russia, in China and in many of the satellite countries. We know what price the masses there have been obliged to pay. We have had an instance only last October in Hungary and a little before in Poland. Now, you hear what Mr. Gomulka is saying. It is not necessary for Mr. Ranga to give an answer to Mr. Dange. Gomulka, who is the communist, who is the Prime Minister there, has given an answer to my hon. friend, Shri Dange and other friends who are behind him in

this country and in that half of the world where Marxism is ruling completely undismayed. (Interruptions)

**Shri A. K. Gopalan (Kasergod):** Speak of the 1957-58 Budget.

**Shri Ranga:** My hon. friends have said that they are in favour of this Plan. My hon. friend who has interrupted me just now was the Leader of the Communist Party in the last Parliament. He himself came forward and offered his co-operation on behalf of his party to the Congress Party and the Congress Government in implementing this Plan? How do they want to implement it—by obstructing in every possible manner the possibility of raising funds in order to finance this Plan? That is an extraordinary conception of co-operation.

Some great saint once said: "Oh, God? Save us from our friends." These are the friends. He was saying all the time: "Get at the rich, at their very source. You are doing it to some extent but not enough. Get hold of this industry and that industry." We are getting hold of as many industries as possible, to the extent that we can swallow and derive any benefit from out of it. There is the good old adage. you can kill a goose but you cannot possibly get gold out of it. Soviet Russia tried to get gold out of it. It finished with everybody. It finished with all the capitalists and all the rest of them. After that, the movement finished the very authors of that revolution. They went away, the peasants themselves went away. Then, the masses, because they failed to govern them in a decent and just way, because they did not do anything positive, became victims, millions and millions of them, of a terrible famine about which they kept the rest of the world ignorant for years and years.

**Shri S. A. Dange:** How is it relevant?

**Shri Ranga:** It is relevant. What happened in China? We do not believe in that kind of a theory of Mar-

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xism, which, when it comes to practice, would he'n people to see garlands of heads cut off, in the name of decisions taken by people's courts and on the ground of corruption.

He wants our Government to deal with corruption. So do we. All of us are united in seeing to it that corruption is put down. Our friends are having a try in Kerala in putting down corruption. Surely, Kerala is not a land of all honesty. Merely because these friends have come to power, it is not as if all the civil servants have suddenly become honest. Now, let us see in what democratic, efficient and conscientious manner they are able to deal with this corruption.

**Shri A. K. Gopalan:** You will see it.

**Shri Ranga:** We are prepared to take lessons; we have taken lessons from Soviet Russia when we instituted a National Planning Committee in this country. We shall certainly take lessons. But, in the meanwhile we have to go on.

My hon. friend, the Finance Minister, in his speech in the other House has said that we should not demoralise our services. We should not brand all officers, honest and dishonest together, and say that the whole lot of them are so corrupt that the whole service is wreaking with corruption and not give any consideration for the honest officers. We cannot go in that direction. In this connection, what sort of a lesson the Soviet Russia set before us? What did the Stalin regime do? What did those people do there? They were the people who consigned thousands and thousands of people? not to mere punishment or imprisonment or forced labour but to regular death. If that is the way in which they want us to deal with human lives, in such a cheap manner, we do not want to go that way. We believe in Gandhism.... (*Interruptions.*)

**An Hon. Member:** What about Kalka, Bombay, Ahmedabad and Calcutta?....

**Mr. Speaker:** Order, order. I would urge upon the hon. Members one point. When they give, they must also take. Let that not be one way traffic.

**Shri S. A. Dange:** I only wanted to give a list of the firings.

**Mr. Speaker:** But not by interruption. The other hon. Members can give it when they speak.

**Shri Ranga:** Those firings will come up for discussion when the Demands for Grants on the Home Ministry are before the House and they will have an excellent opportunity either to defend themselves or to defend those people who had had to fire upon those persons on those occasions.

He said that the state trading was a possible source of earning nearly Rs. 20 crores at the rate of ten per cent profit out a trade of Rs. 20 crores. Very well. It is nothing new. It was our Government which had appointed a State Trading Committee. Later on, another Committee was also appointed.

We had all the literature before us. They themselves came to this House with the proposal of having a State Trading Corporation. We have already established it and it is working. We also know that when the proper time comes the State Trading Corporation would be able to inform the House how much trouble we are having, how much difficulty we are experiencing in carrying on our trade with Soviet Russia, how Soviet Russia which believes in complete State trading in all her trade activities, not only in her own country but also outside in the rest of the world, is today insisting upon having freedom to trade with our country not merely through the State Trading Corporation but also independently of the State Trading Corporation but also our own businessmen in our country. They are asking the State Trading Corporation to agree to it. Merely because our businessmen are all small people with only

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small resources, they seem to think that they would be in a position to exploit them, and they want to exploit them. There is politics also behind it, I need not go beyond that.

Therefore, we have got to watch every one of the steps that we take, and we are watching. We have started State trading already. We shall certainly take one after the other. The very establishment of the State Trading Corporation is a notice to all the businessmen who have been interested in export and import business that we shall go ahead in that direction.

My hon. friend raised several other points. He said, this is an 'anti-people's approach'. I cannot understand that. People are people to whom we have got to go. They also gone. Their strength is that much and the strength of the Congress is this much. And, I say that we have held elections in a free manner, in the freest possible manner. It is unimaginable, it is unapproachable and it has not been experienced till now in any of the Communist controlled countries in the world. My hon. friend claimed half the world. That half the world has to learn a lesson in holding free elections in this manner. After having held the elections, how do we go to the people? We do not deceive them at all. Even after the elections were over where I was elected as a Member, I have addressed more than 50 meetings in my own constituency. I have told them, one and all, even in reply to their *Samman Patra* where they said that they do not want such and such taxes, that we can only say: "Please do not put so high a tax". I have told them that there are going to be more and more taxes because, I said, without taxing our people we cannot finance our Plan. When the people have voted for the Plan there is no doubt whatsoever about it. And what is more, we have given them sufficient notice also.

I have been studying reports of the doings of different governments

in different parts of the world. I have not come across another government which has had the moral courage to come to Parliament and take a sort of blanket authority from the Parliament to raise excise duties on cotton and various other commodities up to the tune of 50 per cent. When? On the eve of the general elections they have taken this authority. They did not impose any additional taxation, yet they have taken that authority for raising additional taxation and then had the moral courage to go to the people and tell them: "Look here, this is what we are going to do. We are going to raise higher taxes. At the same time, please give us your votes." We did not burke the issue. We did not deceive anybody. People have given their votes knowing fully well that there are going to be higher and higher taxes and they will have to pay higher taxes. I thought my hon. friends would come forward and say that these taxes are not enough; we should raise more money, otherwise we would not be able to finance our Plan. Instead of that, they say that we should not tax anybody. At the same time, they say we should not invite any assistance either from England or from America, from any of these democratic countries because they are all imperialist countries.

**Shri S. A. Dange:** I never said that.

**Shri Ranga:** He did not say 'democratic countries', he said they are all imperialist countries and, therefore, we should not borrow from them. They say that we should only borrow from friends whose capacity to lend to us is very limited, purchase our defence materials and all the rest of it from them and follow the policy of Mr. Nasser, his glorious example, so that these doors would be closed to us. Then we would be put in a trapp from without any outlet at all. We will lose our friends. My

hon. friends want us to go in with these friends who are incapable of helping us sufficiently and thus give up our other friends. At the same time, they do not want us to raise any tax to implement the Plan.

Then, how are we going to implement the Plan? Then they say: "Because the Government has failed to implement the Plan you—John, Ruskin and so on—give your votes to us. If you do not give your votes at the proper time we will not wait. We shall simply capture power and run the show. When we begin to run the show then there would not be any talk of people's discontent, because there would be complete dead silence." That is the kind of social theory my hon. friend has in his mind. (*Interruption*). That theory is certainly a hundred years or more old, nevertheless, that theory is always as new as for Hitler, for Mussolini, for Stalin and various other dictators that have gone before us in the world. We do not go the way of those dictators. We want to see our people alive, prosperous, progressive and progressing, and in order that these people are properly looked after it is most essential that the Government would have to deal with them in a humane manner, in a considerate fashion.

I have many points, Sir, in regard to which it should be possible for me to find fault with this Budget. But this is not the occasion for that. The time will come when later on we begin to give detailed consideration. It would then be possible for me as well as various other friends to offer our suggestions. But one thing is very clear. Let there be no mistake about it. This Budget is not entirely a rich man's budget, it is not entirely a poor man's budget. It is a people's budget. Of course, it is true that duties on salt, kerosene and various other things have been raised.

**An Hon. Member:** Not on salt.

**Shri Ranga:** I am sorry, I meant sugar, matches and various other commodities. They have got to be

raised. Then my friends say: "How suddenly you have raised them by 30 per cent to 50 per cent?" We have at least given notice to the people that we are going to raise and we are raising them. When my hon. friends would get an opportunity they would not give any notice at all. What is the position in Soviet Russia? In regard to drinks it is a State monopoly. The State produces it. If it costs, say, Rs. 10 to produce it, the out-turn over tax—or whatever they call it—is up to Rs. 50, Rs. 60 or even Rs. 70. They collect all the money. That is not taxation. Is there one person in Soviet Russia—excepting I suppose either the Kremlin gentlemen, the artists or the ballet dancers—who is not over-taxed? Yet, has he got the opportunity of saying that he is being over-taxed? Does he dare say anything at all? Nothing whatsoever. What is more? What is known as compulsory saving in that country? Is there any return of that? They talk about unearned incomes. There the interest is paid and at least they make a statement.

**Ch. P. S. Daulta (Jahajjar):** Sir, are we discussing the Soviet Budget or the Indian Budget?

**Mr. Speaker:** It is a world Budget.

**Shri Ranga:** It is the budget of the whole world. My hon. friends said that they wanted a theory. I am saying now that we do not want the Soviet theory, we want the Gandhian theory, the democratic theory. We do not want the totalitarian theory. That is exactly the reason why.... (*Interruption*).

**Mr. Speaker:** Order, order. I am really sorry that hon. Members on this side are all impatient. I allowed their leader 50 minutes. Now, 375 can out-number the 125 hon. Members here. (*Interruption*).

**Shri Nath Pal:** Sir, all are not impatient. I object to your saying that all of us are impatient.

**Mr. Speaker:** I did not mean everyone; I meant only those hon. Members who are interrupting. The lea-

der of the Communist Group said that we must go a particular way; we should not merely tax but take away. That is his theory. He said, let there be no private property. He said: "Why are you having a halt; take away all the private properties and all profits." The other hon. Member says that that is not the way. He compares the way it has been experienced in one country. Why should hon. Members be impatient now when they were not impatient when the theory was propounded? I would like that there should be order in this House. Let all hon. Members have an opportunity to speak out. Let them listen patiently. Everyone has got all arguments to meet the points. I shall certainly give opportunity to all the Members.

**Shri S. A. Dange:** On a point of personal explanation. I never pleaded that there should be no private property. I only asked for the nationalisation of certain lines of industry.

**Shri Ranga:** I have only one more point to answer. My hon. friend says that the approach of the budget is intended to develop capitalism still further. I repudiate that charge. If only my hon. friend were to read this green pamphlet which is produced by, what shall I say, the people who are wedded to the theory which is contrary to the theory of the Communist Party, that is, the capitalists, he would realise what they are saying. What is more, they have got a terrible fear that hereafter more and more taxes would be raised on the rich people, and the rich people would not be prepared for all that. That is why they warned the country as a whole and therefore they want to take in their train the middle classes. So they are trying to rouse the middle classes against the Government. In that, at least these two extremities are able to meet each other and make love to each other. My friends are also anxious to exploit the middle classes; the

capitalists are also exploiting the middle classes. Both of them seem to be thinking and talking in terms of the toiling millions, the growing numbers of middle classes from the elementary school teacher, the aided school teacher right up to the civil servant and so on.

Actually, this is not a capitalistic budget. I would like to know if any fair-minded man would be able to come and prove to the satisfaction of any reasonable person that this is a capitalistic budget. It is not. If it is anything at all, it is a budget which is approaching towards socialism, and my hon. friend, the Finance Minister, has made no secret of it. It is certainly not a communistic budget. But it may develop into a communists budget if my hon. friend the Finance Minister were to get cold feet and I hope he would not get them and then begin to follow the example of our brothers here and do things in the reckless and free-breeze manner in which my hon. friend has been making various suggestions on the budget before this House.

I am glad that the people of this country have not placed the destinies of this country in the hands of the Leader of the Opposition and the Communist Party. I wish to congratulate our people on having given their franchise again to the Indian National Congress in order to develop the second Five Year Plan in the most constructive manner, in the most humane manner and in the most socialistic manner but not in a totalitarian fashion. But this does not mean that I have nothing to complain about the general approach of my hon. friend in regard to the bureaucratisation. There is a danger of development of bureaucratisation in the manner in which today the Government is moving towards our socialism. I would like him to take caution about it and see to it that more and more scope is given to those millions of people who are self-employed and, who, at the same time, are prepared to contribute their mite

not only to the finances of each State but also to the social and economic resources of the State.

**Shri M. R. Masani** (Ranchi—East): Mr. Speaker, in the world of legend there is a well-known figure called Sindbad the Sailor. Sindbad travelled widely round the world, visited all kinds of remote spots and once in one place he helped a man by giving a lift on his back—the man who is known as the Old Man of the Sea. The Old man of the Sea was very helpful to Sindbad. He showed him the way, told him where to go and occasionally he pulled his ear or kicked him to make him go faster. But there was one thing the Old Man of the Sea would not do and that was to get off the back of Sindbad the Sailor.

Sir, for the last few days I have felt a great deal of sympathy for our Finance Minister because it appeared to me that he was in the predicament of Sindbad the Sailor. I am sure many hon. Members have guessed who the Old Man of the Sea is. That is the Second Five Year Plan. The Second Five Year Plan dominates this budget. The budget is a mere concomitant few minutes that I shall ask of this House and yourself, I do not propose to take very much time to discuss the specific taxation proposals placed before the House by my hon. friend, the Finance Minister. When the House meets in the next session, we shall have plenty of time to discuss in detail the merits and demerits of these proposals. But I would like to say that I am very happy that the Finance Minister has agreed to refer to the Select Committee the two new forms of taxation that are introduced in the budget.

Before, however, I leave Sindbad the Sailor, and pass on to the Old Man of the Sea, who is much more important in this context, I would like to make just two observations about the pattern of taxation. I would like to refer to the calamitous burden that is being placed on the back of the middle classes in this country. It has been made out that the inci-

dence of excise duties and even of the lowering of the exemption limit on the income-tax is not very heavy. But I think those figures that are adduced in this context lose all relevance when we realise that this is only the climax of a long process which has been going on before and since the achievement of Independence.

The middle classes have been burdened over and over again, and this cumulative burden has now become one which we will do well not to ask them to endure. The excise duties themselves have gone up from a total of Rs. 50 crores in 1948-49 to Rs. 258 crores in the current year—five times as high. But even more onerous than this burden of taxation which has been gradually going up is the fact that the purchasing power of the rupee in the pockets of the salaried and other sections of the middle class has been going down all the time.

Today, Sir, it has been estimated that if you take home, after paying tax, the salary of Rs. 400 is the equal of Rs. 93.5 before the war. If you take Rs. 1,000 home, after paying tax, all that you can buy with it is of the value of Rs. 223 in 1939. It is in this context, where the real cost of living of the middle classes has gone up by as much as 20 per cent in the last two years, that these excise duties and this burden of taxation are sought to be placed on the shoulders of the middle classes and the lower middle classes in this country.

I would urge on the Finance Minister, who has a keen awareness of the politics of economic measures, to consider the political implications of these harsh and unjust imposts. In a democracy such as ours, where a large number of people are illiterate and still unable to play an adequate and active role in our national life,—the middle classes have an importance out of all proportion to their numbers. It is those literates who are the actual and the potential leaders of the people. They are the

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people who man the civil services, the armed forces, the police and other walks of life. I think we should be very careful not to be unjust to that section of the people and to **drive** them to a state of mind where they may, unlike my friend Shri Ranga, be ready to listen to the siren songs of those who do not believe in the democratic way of life.

The other aspect of the taxation proposals to which I would like to draw the attention of the House for a moment is the duty on petrol and diesel oil. I say this from the point of view of the success of the Second Five Year Plan itself. Transport, Sir, is one of our most crucial bottlenecks. Even the railways which in their monopoly have so far frowned on the development of road transport have in the last year or two begun to realise that road transport is a very necessary partner in doing the job for the nation. Unfortunately, road transport has already been overburdened with taxation. Let me give one example which may startle hon. Members. The entire cost of carrying freight by rail is 11 pies per ton mile, everything included. As against that, the pre-budget incidence of taxation on road transport—not the entire cost, but just tax on road transport—was 15 pies per ton mile, four pies more than the entire cost of carrying goods by rail. Now, two more pies have been added to this burden. I would like the Finance Minister to consider whether, in doing this, he is not going to hit the Plan more than the additional revenues will justify.

The Finance Minister has asked us to choose between deficit finance and taxation. I would like to congratulate him on having the courage and the frankness to face the people of India with a Bill at least partly in the form of taxes. A tax is an honest demand in that you come to me and say, I want so much money from you and it is left to me to put my own hand in my pocket and fork out the money. But deficit finance means

that you put your hand in my pocket when I am not looking and take away money, pretending you are not long so. To the extent that the Finance Minister has limited the resort to deficit finance, he deserves the welcome and praise of this House and of the country. But I cannot share his optimism that the combination of taxation and deficit finance with which the Plan is now going to be financed for the next four years is going to avert that inflation which he recognises as the main enemy of the Plan. I am sorry to be a pessimist and I hope the Finance Minister will prove right. But I venture in all humility to express the fear that the result of this taxation, in the context in which it has come, in the context of being imposed alongside a large dose of deficit finance which still will be necessary as he himself has pointed out, is going to set in process that very vicious spiral of inflation rising prices, rising wages, rising costs — which he, I and all of us are so keen to avert. I do not believe that the purpose of this budget to avert inflation—is going to succeed, and if it does not succeed, then we are going to suffer from all those dire consequences which the Finance Minister has talked about in his own speeches.

There is only one fundamental way in which inflation can be checked and that is to increase the sum total of goods and services available to the people of the country to match the amount of money that is in circulation. There is no other scientific and sound way in economics of checking inflation that is possible in a democracy. I know that the Finance Minister has great regard for the eminent socialist economist, Professor Aurthur Lewis. He has made a remark in his book, Principles of Economic Planning which I shall take the liberty of quoting. He says:

“Governments frequently take not so good at taking action to increase supply”.

I very much fear that our Government today is no exception to this general principle that Professor Lewis has adumbrated in his well-known book. So, in the interests of the Plan itself, I would urge that we go in for a reconsideration of this matter and that we do not assume as cheerfully as is sought to be done that these measures are going to stop inflation.

If I may now leave Sindabad the Sailor, I would like to turn to the Old Man of the Sea. Let me start by saying that this is not a debate between those who believe in planning and those who are against planning. We are all for planning within the four corners of democracy. This is not a debate between those who want to take the country forward fast and those who want to go slow. We all want to advance as fast as the resources of the people will permit. The debate is only about the methods, the details, the balance of the plan and the direction of the Plan. It is within the four corners of democracy that we all want to go in for economic development through planning. I do hope that neither the Finance Minister nor any other hon. Member will misquote or misunderstand me as being against the concept of planning. After all, many many years ago, before planning became fashionable, before we even talked about planning, I did my own little bit of pioneering, through a book which some Hon. Members may have read in school or college. What I would like to say is, after listening to some speeches in the last few weeks, that it seems to me that the Plan has become some kind of a deity which we should worship, that the Plan is something like the laws of the Modes and Persians, which must not be touched, which must not be discussed, which must not be changed....

**Shri T. T. Krishnamachari:** Will the hon. Member permit me to tell him that he is slipping into the danger of plagiarism. Somebody else has spoken about the apotheosis of the Plan; I am warning him.

**Shri M. R. Masani:** Even before I had listened to the Finance Minister's speech on the Budget, I have come to feel that Second Five Year Plan is something which we should take in a much more flexible and pragmatic spirit than is being done today. In fact, I read the article in the *Eastern Economist* last week. I may assure him that it does not need an article in the *Eastern Economist* to make one realise that the attitude to the Plan needs to be altered somewhat. It is said that because this Parliament and this country once accepted the Plan, it must be carried out. The Plan which Parliament accepted is not the Plan that we are discussing today. That Plan was in financial terms a more modest plan. The amount to which the Parliament and the country agreed is not the one with which we are being faced today. We find further in the statements of the Finance Minister, that the outlay on the Plan will go on increasing in the next four years in order to achieve the same targets. I do not think that when Parliament or the people accepted the Plan, they also accepted the increase in the outlay of the Plan. The amount of the Plan was certainly approved, but now we are going beyond that amount and I think it is not consistent to say that because the people once accepted the Plan, they must pay any price.

It has been said that the Plan must be carried out at any cost. Do we really mean that? I am sure the Finance Minister does not mean, and none of the leaders of our Government means, that the Plan must be carried out at any cost. They would certainly not want privation, distress and misery to be inflicted on the people even to carry out the Plan. The hon. Finance Minister was quite right in a speech he made recently in saying that the Plan can be phased and pruned, but not cut down. This is a question of semantics. Certainly let us not use the words "cutting down", if they hurt our feeling. After all, elongating the period of a particular project is phasing and that is

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all I suggest that needs to be done in regard to certain parts of the Plan.

Then, there is also another point. The Plan was made on certain assumptions. Those assumptions have now been proved in the last twelve months to be unfounded at certain points. I will give three examples. There was an assumption about the foreign exchange position; it is admitted that that assumption has not been justified through developments and events outside our control. There was an assumption about the food situation and food production that assumption also has been falsified through the unfortunate events of the past few months. Then there was an assumption that our expenditure would be more or less static. We know that there is an unexpected addition to our expenditure of not less than Rs. 50 crores on Defence. Here are three major items where the assumptions on which the predecessor of this House accepted the Plan have gone astray. That may be due to misfortunes beyond our control, but they are there. What can be more consistent with a rational spirit and with the spirit of planning itself than to say: "All right; three of our major assumptions have gone astray; we have to reconsider the Plan". I am not talking of giving up the Plan. I am talking of an open-minded review of the Plan without a dogmatic adherence to saying "the Plan, the whole Plan and nothing but the Plan". The Plan, after all, is a means to an end; we make plans so that our people may be happier and may lead a fuller and richer life. In doing that, we treat the plan as a means to an end, an instrument for carrying out our social purposes. Surely we are not going to allow that instrument, that means, to become an end in itself, so that the very purpose of giving the people an easier life is defeated if we carry out a Plan which is beyond the resources of our people. It is in this spirit and not in any spirit of controversy that I am putting to the Finance Minister his own statement in the Rajya Sabha that in a democratic country, there

can be no "people for the Plan", but only a Plan for the people. What I ask for more flexibility, a more far-reaching acceptance of that thought than is found today.

I suggest that, between this session and the next session, there is opportunity and time to consider whether some of the developmental and non-developmental expenditure included in this Budget cannot be pruned and cannot be cut down at certain points. Let me give one example—that of the figures for the collection of income-tax and corporation tax in the last few years. In 1946-47, the total receipts from these items came to Rs. 131 crores; in the current year they are Rs. 136 crores. But the cost of collection, which was Rs. 1.5 crores in 1946-47, has gone up to Rs. 4.6 crores now. Three times as much. This is the kind of item to which I would like, outside the Plan and also inside it, to direct the attention of the hon. Finance Minister...

**Shri T. T. Krishnamachari:** Is not my hon. friend taking a war year? They are surely inflated incomes when the total budget income was much bigger. The basis is extremely unfair. It looks plausible, but it is unfair.

**Shri M. R. Masani:** I do not want to argue with the Finance Minister on this point. The common feeling is that there is a tendency towards the proliferation of the bureaucracy in this country. As my hon. friend, Shri D. C. Sharma said yesterday, every resolution, every Bill that comes before this House results in the creation of a few new officials, a few new bureau in our Government. Yesterday this House passed the Copyright Bill. There was in the minds of many of us the feeling whether we could not very well have managed without a Copyright Board, a Copyright Office and a Copyright Registrar. Why could not we wait for another 10 or 20 years? Certainly it is more worth while for us to consider shelving these new posts and attending to the creation of the wherewithals of cloth and

food for the people of this country. These are tendencies which need to be checked. Otherwise, we are driving in the direction of what Prof. Ranga warned against—a kind of bureaucratic State Capitalism as against Private Capitalism. I do want to echo what he said—that if this country wants a prophet, that prophet is none other than Mahatma Gandhi and we cannot do better than refer back to the Father of the Nation.

I suggest that the time between this and the next session be utilised so that it may be possible for the Finance Minister to come to us and say whether it is possible in the next 12 months to cut down or cut back on some aspects of the expenditure within the Plan and certain non-development expenditure outside.

The hon. Finance Minister may say: "Quite right. But what are the directions in which you would like some reductions or pruning or phasing to be done within the Plan"? I think it is fair that I should try to answer that question. It is obvious that if we are going to check inflation, we must help forward with every means in our power the diversion of resources from basic or heavy industries to consumer goods and to agricultural products in this country. We want more consumer goods and we want more food and other raw materials with which to balance the amount of money let loose when this country is embarking on deficit financing even on a limited basis. In other words, the Plan needs to be re-phased.

Let us keep this priority in view to help the people to get their necessities of life in manufacture and agriculture. The amount of money that can be diverted from heavy industry to small, light industry or agriculture will give manifold returns. One example is the experiment in the Uttar Pradesh by Planning Research and Action Institute of the U.P. Government. Experiments made in certain villages show that even with loans averaging only Rs. 100 per person the

yields of important crops like rice, wheat, sugarcane, barley and gram can be easily increased by about 20 per cent. in a year and doubled in about five years. By this very small financial outlay of Rs. 100, the peasant can be helped to buy fertilizer, seed and other things he needs.

Planning Commission surveys also show that the ratio of annual output to capital in light industries varies from 50 to 200 per cent. The people of India need quicker and more easily certain forms of goods and by investing small sums of money for these purposes they would be benefited more than by investing in heavy industry and basic industries.

In the last few years, our economic development has been lopsided. We have advanced too fast in the direction of heavy industry and too slowly towards consumer goods industries. The index number of consumers and producers goods underlines this. If we start with the base of 100 in 1946, the index number of producer goods had shot up to an estimated 305.1 last year. As against that, the index number of consumer goods had lagged painfully behind at 135.9. In other words, the heavy industries have shot forward to three times as much, while the goods the people need have gone up by only 35 per cent. more than in 1946. This only shows that, even before the Second Plan comes into existence, we have a somewhat lopsided industrial development. I think that this lopsided pattern of the Second Plan needs to be corrected.

14 hrs.

Ours is not the only country which has tried planning or where these plans have got distorted at the cost of the common people. I was in Yugoslavia less than two years ago and I asked our Ambassador there with whom I was driving, why there were so many half-finished buildings between the airport and the Indian Embassy. He told me that Marshal Tito had put his foot down a few months earlier and had said that all these wasteful expenditure on big buildings and factories must stop until

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the people have more food and more clothing. Here was planning in a Communist dictatorship which had come to realise that everything cannot be done in one generation. The Government felt that the people had been deprived of the fruits of their labours and their enterprise through laying too much stress on heavy industries.

In Poland, the Communist Chief Gomulka had said that the lopsided pattern of concentration on heavy industries must be given up. On 28th April this year, the Polish Parliament had accepted a Budget which allocated an increased investment of 20 per cent. to agriculture at the expense of engineering metallurgy and oil.

Then I come to Hungary. I read in a current issue of the *New Statesman*, which I understand is favoured reading with some members of our Government, an interesting letter by Prof. J. D. Bernal, a British scientist giving his impressions of a recent visit to Hungary. He says that there are two new words which have been added to the Communist vocabulary in Kadar Government circles in Hungary. One is the word "romantic" and the other is "dilletante". I shall give the Communist definitions of these two words. "Romantic" is a man who wants to build steel works where they are not wanted and "dilletante" is one who tries to carry out the process of industrialisation in defiance of scientific advice. The main problem in Hungary, according to the learned Professor, is "how to change from an economy which tries to produce everything out of quite inadequate material and human resources to one with more limited aims adapted to local products and traditions". The spirit of Gandhism is travelling even to Budapest.

Then I come to China. Mr. Chia Tofe, Vice Chairman of the National Economic Commission, admitted a few weeks ago that the targets for industry had been set too high and that planning was in consequence inefficient and wasteful.

In Russia, Mr. Malenkov has more than once come forward before the Supreme Soviet of the Soviet Union to argue that their planning is top heavy and lop-sided and there must be a cut on heavy industry and a concentration on consumer goods so that the people of Russia should get the benefit of their labour and enterprise, should we not learn from the experience of these countries?

Up to this day, numerous Five-year Plans have been put across in Russia. At the end of every Plan, the people are told to wait for the completion of the next Plan before they get any relief. In the Plans that we make the people should have something good in their own life time. Let us save for the future; but let us not in doing so impoverish the people of this generation. Let us not make them suffer for what may come after 100 years. This is not the human way. It is not the democratic way. It is not the Gandhian way.

I am not saying that it is how the Finance Minister thinks because I know that he is a democrat. But I think there is a tendency to over-idealise and glorify heavy industrialisation. I do not want heavy industries to be abandoned, but I believe that if some little adjustments, on the side of heavy industries, are made in the targets of the Plan for the next year or two, nothing will be lost.

Our Plan can succeed only with the co-operation of the people. We should top the great reservoir of talent and enterprise that exists away our people by rewarding these qualities. Such a policy will pay because, without the enthusiasm of the people, no plan can succeed.

**Shri Somani (Dasua):** Mr. Speaker, Sir, I would like to congratulate the Finance Minister for the revolutionary and historic budget that he has presented to us. The leader of the Communist party was trying to make out a case that the Finance Minister has treated his budget speech and he has brought in his budget proposals in a

very light hearted manner. I think in this he is less than fair to the Finance Minister, for the time and energy that the Minister has spent in introducing this unique budget in the history of this country. This is a unique budget and this can be seen by the revolutionary changes which have been introduced in the taxation structure of the country and by the other changes that he has made. The lucidity with which he has analysed the various aspects of the economic situation as are prevalent today is very remarkable. Whether one agrees with the various proposals that he has brought forward or not, there is no denying the fact that he has produced something out of his boldness and imagination.

I am in full agreement with the basic approach of the Finance Minister. I do not agree with the suggestion that we should try to slow down the developmental programme of our heavy industries. Our Finance Minister deserves the fullest credit for going ahead boldly with the three steel plants which have originated due to his imagination and I have no doubt that when these steel plants go into production next year or a little later they will pay rich dividends to our national economy. I am in full agreement with him that we should find all the necessary financial resources to ensure that the projects both in the field of industry and agriculture are carried out with all the speed that is possible under the present circumstances.

The other day, the Finance Minister told the Rajya Sabha that he will be able to raise the additional resources of Rs. 800 crores according to the various proposals that he and his predecessor have brought in provided there is no non-co-operation from the vested interests. I can assure him that so far as the business community is concerned, there is no kind of non-co-operation on their part. I would like to make some constructive suggestions a little later, but here I would like to assure the Finance Minister that the private sector has played a

really effective role in the First Five Year Plan and they will continue to play the same important role in the fulfilment of the targets that have been assigned to the private sector.

My friend the leader of the Communist party made certain accusations against the Bombay mill-owners. I would like to refer to this point briefly before I proceed to the other points. He said that some of the Directors did not know where their mills are. I hope he is aware of the long struggle which the textile industry has had to undergo; and I would like to draw his attention to the fact that, from being a very large importing country in the matter of textiles, our country has now turned out to be one of the foremost countries in the export market in the world. This is due to the efficiency of the management, of those who are in charge of the industry. This unique development has not only made us self-sufficient but it has placed our country's exports in the competitive international market of the world.

He has showed his complete ignorance by pointing out that the incidence of the excise duties have been passed on to the consumer because of the fact that some rebate is given on the production of the third shift. This is wrong. No such rebate is given. The mills that are running the third shifts do not get any sort of rebate. It is only on the basis of the previous average production for 8 months of the year that some rebate is allowed. I think this has only been in the direction of the consumer's resistance brought out by the Government's publicity campaign and various other factors.

Coming to the other aspects of the budget, I would like to say that the Finance Minister has brought forward a budget providing for developmental expenditure of a little over Rs. 900 crores during the current year for which he has planned to find the additional resources. We have to consider this aspect of the developmental expenditure from several points of view. It has been our experience that

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there has always been shortfall in developmental expenditure and I would like to appeal to the Finance Minister that he should see that whatever has been provided for should be usefully utilised.

I would now like to refer to the system of budgeting. This question has been discussed year after year. There has always been an underestimate of the revenue and an overestimate of the expenditure side. I would like to give the figure of the last five years which will show the actual result. During 1951-52, the estimated surplus of Rs. 25.61 crores was converted into an actual surplus of Rs. 128.09 crores. The net surplus came to 102.48 crores. During 1952-53 the estimated surplus was 3.73 crores which actually turned into a surplus of 38.93 crores and it was a surplus of 35.20 crores over the original estimate.

**Shri T. T. Krishnamachari:** May I interrupt the hon. Member? In regard to the revenue estimates, the expenditure will not probably increase than what has actually been budgeted for.

**Shri Somani:** My point in giving all these figures is that there has been an average annual surplus of over Rs. 50 crores during the last five years and I would like to be assured by the Finance Minister that in his present 14-15 hrs.

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

budget estimate of expenditure whether this aspect of the last five years' working has been taken into consideration, and whether proper care has been taken to ensure that the surplus that has been caused to be shown is based on a correct assessment of revenue and expenditure.

The third point to which I would like to draw the attention of the hon. the Finance Minister is the cutting of non-essential and less essential items of developmental expenditure from this Rs. 910 crores. It is a question of detail, and I hope the hon. the Finance Minister would have a Committee of

this House to go into the details of this expenditure to ensure that all the items that have been provided in this Rs. 900 odd crores are surely of high priority and are not items which could wait.

**Shri T. T. Krishnamachari:** There is an Estimates Committee of the House which can do that work.

**Shri Somani:** That is all right. Then the Estimates Committee could be asked.

**Shri T. T. Krishnamachari:** Nobody need ask; they can do it themselves.

**Shri Somani:** They can do it, but when they find time. My point is there will be the next session of Parliament when this Finance Bill will be passed, and it will be very helpful to the Members by that time the Estimates Committee goes into the details of the expenditure and comes out with a report whether any non-essential or less essential items of developmental expenditure are there and whether these could very well be left out or could wait for a few more years.

**An Hon. Member:** The Planning Commission is there.

**Shri Somani:** The Planning Commission is there. Some items have already been pointed out, and I think there are quite a number of items which can be gone into.

**Shri T. T. Krishnamachari:** I hope the hon. Member will get elected to the Estimates Committee and do it.

**Shri Somani:** Now, Sir, the next point is about the need for economy and avoidance of wasteful expenditure. In this connection I would like to draw the attention of the Finance Minister to the fact that both in his speech as well as in the very nice Explanatory Memorandum which has been made available to us this morning, there is absolutely no reference to the measures which the Finance Ministry are taking to see that the utmost care will be taken to avoid waste and to ensure the utmost economy.

**Shri T. T. Krishnamachari:** They have got the Finance Minister. That is the utmost they could do.

**Shri Somani:** I do not suggest that the Finance Minister is not alive to this aspect of the problem. Certainly he is doing his best. But at a time when he has placed the economy of the country almost on a war footing, it is only fair to the country that it should know a little more about the various measures which his Ministry is taking to ensure that not a single pie will be allowed either to be wasted or to be spent on something which is not of a productive nature.

Then the next point that we have to consider is whether, under the limitations of availability of scarce materials like cement and steel, technical and administrative personnel and bottlenecks of transport, we will be able to implement this development programme and whether all these bottlenecks will not come in the way, in spite of the financial resources which the Finance Minister is placing at our disposal. Will these limiting factors not come in the way of the implementation of the development programme? Because, even if we have got the financial resources, there are serious limiting factors like the availability of steel and cement, transport bottlenecks and various other impediments which might come in the way of the implementation of the development programme. And I would like to be assured that in assessing the amount of Rs. 900 odd crores he has taken into consideration all these limitations which are inherent in the present circumstances.

The last point about this expenditure is in regard to the availability of foreign exchange. The hon. Minister has indicated in the Upper House that he estimates now that there will be a deficit of Rs. 350 to 400 crores in the requirements of the foreign exchange for the implementation of the Second Five Year Plan projects. And therefore, I would like to know whether this shortage of foreign exchange also will not come in the way this year of implementing the develop-

ment work to the fullest possible extent.

My whole point in making these submissions is that in spite of the financial resources which the hon. Minister is placing at the disposal of the country, the whole developmental programme of Rs. 900 crores is not to be implemented due to all these bottlenecks, then certainly some relief could be given both in direct and indirect taxation so as to ensure that the grievances which have been expressed in such a widespread manner recently may be removed. There has, of course, been a great increase in indirect taxation which has aroused a lot of criticism. But here I would like to draw the attention of the Finance Minister to the fact that this indirect taxation also increases a lot of the manufacturing cost of industries, and to that extent they are also borne more or less as direct taxation.

I had just now something to say about the excise on textiles which, as the Finance Minister has himself admitted, has almost entirely been borne by the textile industry. To that extent the profits of the industry have been wiped out and its capacity to modernise or to function in a smooth manner has been adversely affected.

Coming to the question of direct taxes, in the Memorandum circulated today the Finance Ministry have given comparative figures of corporate taxation in various countries. There is one thing. This incidence of wealth tax has not been added to the increase that has been calculated in that Memorandum. And if we take the total incidence of wealth tax and all the other increases that the Finance Minister has brought about, it will be seen that we are almost at par with U.K. and various other countries so far as these corporate taxes are concerned. When we analyse the situation in the light of the condition that ours is a very under-developed country and that we are in the midst of an ambitious programme in the private sector, then naturally the question arises whether in the context of the present need of the private sector this heavy increase of burden in the corporate tax is justified or not.

[Shri Somani]

In this connection I have to make a number of constructive suggestions for the consideration of the Finance Minister, and I hope he will examine the impact of these suggestions. It is not so very heavy, but it will promote savings and investment in productive enterprises in various ways. First, I would like to draw the attention of the Finance Minister to the question of regional disparities. The Planning Commission and also the Government are trying to do everything possible to do away with regional disparities. I will give the instance of Rajasthan. Yesterday the hon. Minister of Industries informed us about two new public sector projects for U.P. But I have still to know whether Government have provided any heavy industry for Rajasthan. So far as I know, nothing has been done to do away with this regional disparity which prevails in several of our backward areas. In this connection I would like to ask the Finance Minister whether it would not be possible to give some extra incentive for these areas. For instance, the Government of India should declare Rajasthan, and other such backward areas, as selected areas where the incidence of taxation will be a little less than in other areas. I can draw the attention of the Finance Minister to the suggestion of the Taxation Enquiry Commission where they had suggested a "taxation holiday" for six years for selected industries. Instead of selected industries, Government should declare certain selected areas where those who will be footing the industries could be entitled to some more incentive by way of fiscal measures which will promote industrialisation in those regions. On the whole I do not think it will cost the exchequer very much, but it will act as a positive incentive to initiate a process of industrialisation in those areas.

Similarly, this question of foreign exchange is there. The Finance Minister indicated various measures which he has taken to promote exports and to eliminate imports. Here again I would make a similar suggestion to

him that if he could provide that those units which could increase the exports over the level of the previous few years would be entitled to some relief in taxation, that itself will encourage the diversion of production of various industries to the export markets. I mean some sort of fiscal incentive will act directly to promote exports and to that extent it will help in the solution of our problem of foreign exchange.

Then, there is this question of small savings. We are all aware of how a part of our developmental expenditure is at present going into sectors from which it is not returned back into our economy. I may suggest, if the Finance Minister would agree, that a part of the savings raised from a particular area may be earmarked for development of that area. That, again, would act as a positive incentive for the inhabitants of that area to raise additional funds by way of small savings. That would be in conformity with the objective of the Plan and would add to the economic development of the area. If some such earmarking is allowed to be done out of the funds that are collected from a particular area, that would promote savings to a greater extent than a small increase in interest which he has allowed in his budget proposals.

There is a provision in the wealth tax by which investment in certain Government securities has been exempted from inclusion in the total assessment of the individual paying this tax. I would like to suggest that, similarly, investment in the shares of new companies should also be exempted from inclusion for purposes of wealth tax. That would promote investment in joint stock companies at a time when there is so much difficulty in capital formation. My point is that, at present, due to the proposals that have been announced by the Finance Minister, there has been a rise in gold and silver prices and to that extent, it is a rather very unhealthy development. Steps should be taken to ensure that proper incen-

tive is given for investment in productive purposes. If the Finance Minister will include investment by individuals into shares of new companies in the exemptions from wealth tax, to that extent, the money that is flowing into hoarded metals like gold, etc., will have an incentive to go into productive channels. This will add to the investments and I think this will not very much affect the total revenue. On the other hand, it will be very helpful in providing funds for investment in the private sector.

I would like to make another suggestion that the investments of big companies in small-scale industries should also be allowed as tax-free. A certain percentage should be laid down. If a big unit invests a certain portion of its profit in small-scale industry, that portion of the investment should be exempted from taxation. That, again, would promote the development of small-scale industries, which is absolutely in conformity with the policy of the Government. I would like to draw the attention of the Finance Minister to all these suggestions, which, on the whole, will not mean quite a lot from the revenue point of view, but would act as a positive incentive to the diversion of capital into productive channels and thereby accelerate the process of industrialisation.

Lastly, I come to this tax on wealth and tax on expenditure. These taxes have been introduced on the recommendation of Prof. Kaldor. But, the fact is that the recommendations of Prof. Kaldor have not been carried to the extent that he had suggested. He had suggested a reduction in the income-tax rate when wealth tax was to be levied. While some relief has been given to the income in the upper brackets, there has been no corresponding relief to the extent which was recommended. In any case, this wealth tax on companies is absolutely inequitable. Of course, it does not even serve the principle on which the tax has been introduced. After all, a company consists of several individuals who are not liable to this wealth tax. There is no reason why a com-

pany which consists of hundreds and thousands of share-holders should have to pay this wealth tax, which is meant only for persons having particular assets in their possession. The question of companies which are new and which have not gone into production or companies which are making losses will create a lot of complication. Even in many countries where wealth tax is operating, companies have been exempted. I submit that so far as this wealth tax on companies is concerned, either it should be withdrawn or if it is not withdrawn, at least provision should be made that the paid-up capital of companies should not be included for the purpose of assessing the amount payable by a company. If this suggestion is accepted, an anomaly is removed and to that extent, the tax will be somewhat more equitable. I hope that at the time when the Bill goes to the Select Committee, Government will give proper consideration to this question of removing the hardships which it will otherwise impose on companies.

Lastly, so far as the bonus tax is concerned, I do not think, by any stretch of imagination, the issue of bonus shares adds anything to the assets of the company. This is only a transfer entry from one head to another. I know the Finance Minister has got strong views and therefore I would not labour the point. But, this much is quite clear that this heavy increase on bonus shares has made the tax almost prohibitive and for all practical purposes it may be said that there may be no further issue of bonus shares by companies. Either the issue of bonus shares may be prohibited or if the Government feel that it should be allowed, something should be done to make this tax a little less. We know that companies which had submitted their applications to the Government for the issue of bonus shares are withdrawing their applications. There will be very few if at all who will take recourse to bonus shares now.

Lastly,....

**Mr. Deputy-Speaker:** This is the third lastly. There should not be a fourth.

**Shri Somani:** The only point is this. The budget proposals, as they are, impose a very heavy burden from various points of view. If these adjustments are allowed, they will make the whole scheme a little more equitable and give the much needed relief to those who are engaged in the developmental side of private sector.

**Shri R. Ramanathan Chettiar** (Pudukkottai): Mr. Deputy-Speaker, I would like to make a few observations on the budget proposals presented by the hon. Finance Minister on the 15th. While we are all united with the Government in the matter of the implementation of the Second Five Year Plan, I would like to make a few remarks on the various taxation proposals that he has brought forward in order to finance the Second Five Year Plan.

The Finance Minister has brought forward some new taxes in this budget. He has reduced the taxation level of the highest income group from 91.8 per cent to 84 per cent for unearned income and 77 per cent for earned income. This is only symbolical. He has made the higher income group the target of attack from all sides. I can very well understand if he had brought it down though not to the level suggested by Prof. Kaldor, namely 45 per cent, at least, to say, about 60 per cent, and then introduce the Wealth Tax and the Expenditure Tax, but he has only brought it down by a small percentage and made the higher income the target of attack from all sides.

Then, he has increased the excise duties on a number of items which naturally will go to increase the cost of living. If my memory is correct, I think the Finance Minister, in one of his speeches in South India, said that if at all he was going to give relief it would be for the lower income groups, but what do we see here? He has brought down the limit from Rs. 4,200 to Rs. 3,000 and added some

assesseees to the Income-tax Department. This will really work a great hardship on the middle classes, and especially the salaried income group of Rs. 250 and over.

I would like to point out that all these taxes will go to increase the cost of living. The Finance Minister should take into consideration the cumulative effect of these taxes on the economy of the country. No doubt in the Rajya Sabha he mentioned the other day that the cost of tea should not have gone up to that extent, it should have gone up only by 1.5 or 2 per cent, but the tendency is always for the wholesaler to increase by a small percentage, then for the retailer to increase it and then for the people who run the restaurants and hotels to increase it further. The net result is the consumer has to pay more for his beverage.

There is another point I would like to mention, that is with regard to the regional disparity in planning. Madras, Andhra, Kerala and Mysore form the Southern States. Out of Rs. 4,800 crores these four States ought to have got at least Rs. 1,200 crores, but what do we find? Not more than Rs. 600 crores are allotted for these four States. The population of these four States is nearly ten crores, and we are entitled to one-fourth of the total Plan, but actually we are given just one-eighth of the total Plan. This regional disparity must be looked into not only by the Finance Minister, but by the Planning Commission as well as the Central Government, and justice should be meted out to these areas in the not distant future.

There is always a criticism about the various expenditure items of the Central Government, both the civil and defence parts. We see a lot of wasteful expenditure, more especially in the construction of huge buildings, even in the capital city of Delhi. These expenditure items should be looked into, and if necessary a high-power, may I call it, Retrenchment Committee should be appointed by the

Finance Minister to go into the various items of expenditure of the various Ministries of the Government of India to suggest ways and means to prune the expenditure and effect economies wherever possible, and the Finance Minister should always have an eye on the expenditure of the various Ministries.

I have one instance to give. He has provided Rs. 10 crores for Ambar Charkha this year, and probably another Rs. 30 or Rs. 40 crores before the Second Plan is over. I am not criticising the policy of introducing the Ambar Charkha. I look only from the financial aspect and would like the Finance Minister to see whether the money is spent usefully and whether the money spent gives beneficial results not only to the Government but to the people of this country.

The other day the Finance Minister brought in the Reserve Bank of India (Amendment) Bill, the State Bank of India (Amendment) Bill and the Life Insurance Corporation (Amendment) Bill. There are various financial corporations all over the States but there is no co-ordinating agency or a statutory body to lay down the policy with regard to the investment portfolio of all these corporations. I suggest the Finance Minister should appoint a statutory board which can be called the National Investment Board, which should evolve policies in regard to the investment portfolio not only of the Reserve Bank and the State Bank, but also the Life Insurance Corporation and even the Refinance Corporation and the various State Finance Corporations. The resources of these institutions, apart from those of the Reserve Bank and the Stock Exchanges, would come to about Rs. 600 crores, and if this body acts as a liaison between these institutions and the Central Government, it will be useful in the larger interests of the country to provide finance not only for the private sector but also for the public sector. This statutory body should also have control over the various Stock Exchanges in the country and curb speculative activities of the various Stock Exchanges.

I have nothing more to add except that the Finance Minister should take into consideration the cumulative effect of all the taxation proposals and see that relief is given wherever possible and that people should be taxed only to the extent that they can pay. He should not overburden the people with taxes.

**Shri Mahendra Pratap (Mathura):** I must make it clear that I do not think you are doing me any favour in allowing me to speak. I am serving my people.

**Mr. Deputy-Speaker:** Order, order. There is no question of the Chair showing any favour to any hon. Member, nor of discarding the rights of the Members to speak here. They have their rights and they must get them and they can exercise them. There is no question that I must show favour to one or the other. It is not proper for any hon. Member to say that the Chair is not showing any favour. And why should he expect any. There would not be any favour shown to any hon. Member. This is their time, they can have it. I have only to distribute it and that I do it according to my own, what shall I say, notions, conceptions or the necessities of the time. Such observations are, under the circumstances, not called for and are not proper to make.

**Shri Mahendra Pratap:** I only explained that when I speak, I speak only with one motive, to serve my people whom I am representing here.

**Mr. Deputy-Speaker:** That is just the same with everybody else.

**Shri Mahendra Pratap:** I want to say here a great deal because I think the very conception of taxing the people is basically wrong. I beg to say that the whole machinery should be run in the interests of the people and for the people.

If there is a cry, and if some people are shouting, that these taxes are very heavy, that itself shows that the people are not satisfied. If it is not a conspiracy to depose our Pandit Jawaharlal Nehru and to make him

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so to say the target of the people, and to make the people believe that this Government is run by Shri Jawaharlal Nehru only to tax the people, I think this Bill should be withdrawn.

**Dr. P. Subbaroyan** (Tiruchengode): There is no Bill before us now.

**Shri Mahendra Pratap**: I mean that this Budget should be withdrawn.

The basic idea should be that the time and the energy of the people should be well utilised. We should see that the time and energy of the whole nation is not wasted. I can say that many of our sadhus are wasting their time and energy—of course, not the sadhus like Reverend Sivanandji, or Baba Mahar or some such great men. But most of the sadhus are wasting their time and energy.

**Shri Bharucha** (East Khandesh): Not only sadhus.

**Shri Mahendra Pratap**: The students only eat and do not produce anything. The soldiers also only eat and eat and do not produce anything. I have a suggestion to make in this connection. I do not merely criticise, but I always present a remedy.

I say that our sadhus should be utilised as policemen. We do not need policemen, but we need sadhus to make people moral; and if the people are moral, I think there will not be so much necessity for the police. Thus, we can utilise the services of our idling sadhus, of course, choosing from them only the best elements....

As regards the students, I say that in every school there should be a factory, a farm, a garden and a dairy farm. The students should study for only three hours, and for five hours, they should work in the factory, farm, garden and dairy farm, so that they will be producing their daily necessities. There will be no need then of any fees, and the parents will only have to breed children and send them to our schools; they would not have to worry at all as to how to bring up our children.

As regards the soldiers also, I have the same suggestion to make. For three hours, the soldiers should learn military science, and for five hours, they should work in a cantonment factory, garden, and dairy farm and in the fields. Thus, the soldiers also will be producing, and they will not be a burden on the nation. We can have ten million soldiers in this way, and we can keep them distributed all over the country, from Kashmir up to Cape Comorin.

I say that the very conception of having the present system should be overhauled, and should be reorganised. I should also say that on account of the great blunders of our Government along the political lines, we are suffering from the idea or the danger that there might be war. And because there is the danger that there might be war, we sanction any expenses that you demand for our military. But I think it is a great mistake to create this sort of situation.

I have always been hammering at the idea that the only remedy for all the ills of the world is world federation, a federated world government, with one capital, namely the world capital, at Honolulu, and with a world army and with a world court of justice, and having all the continental provinces as self-governing, Asia being self-governing, Europe being self-governing, and so on. I have detailed plans and the capital of Asia will be at Srinagar in Kashmir.

**Shri Raghunath Singh** (Varanasi): Have you a High Court?

**Shri Mahendra Pratap**: The High Court will be at Honolulu.

**Mr. Deputy-Speaker**: All the details are not to be discussed here.

**Shri Mahendra Pratap**: I beg to say that if we would only work out with concentration this idea of one world, one world order, world peace, one world federation with world-federated States, we shall solve all the problems.

The other day, I happened to say something very bad. Of course, I myself admit it. When our great speaker Shri V. K. Krishna Menon was speaking, I said that it was a criminal talk. But that was something very bad, and a great charge. I also come to the same thing. What I meant was this. Instead of talking of atom bombs and atom age, why not say that there should be a world federation? It is very clear that if you play with ink, your hands will become black. If you will play with sand, your hands will become dirty. But if you play with scent, your hands will get scented. So, I say that instead of playing with atom bombs and with the idea of war danger always, let us play with the idea of world peace and world federation.

**Shri Feroze Gandhi (Rai Bareli):** What to do with millowners? (*Interruptions*).

**Mr. Deputy-Speaker:** Order, order. The Chair is not to be excluded from this talk.

श्री महेंद्र प्रताप : मर ध्यान को य दसरी तरफ खींच कर ले जाते हैं और इसका नतीजा यह होता है कि जो मेरी तकरीर होगी वह वह खराब हो जाती है। यह बहुत अजीब बात है।

उपाध्यक्ष महोदय : प्रगर प्राप मुझे सुनेगे तो ऐसा नहीं होगा।

**Shri Mahendra Pratap:** मैं अर्ज कर रहा था.....

I was saying, as my hon. friend, Shri S. A. Dange, our Communist leader was saying, that these taxes fell over the common man. Our hon. Congress leader, Shri Ranga—my friend too—created here a cold war between the Congress and Communism. I want peace in this Chamber. We do not want war.

So I say that we should have taxes in a way that the common man does

not feel the burden of the taxes. Here I agree, but I do not say that I agree with Communism. I agree with sensible people who have such an idea. I say that there should be only one tax, a single tax, and that should be on land, on house property....

**An Hon. Member:** On water.

**Shri Mahendra Pratap:** ...and on bank balances. There should be no other tax; there should be no licences and no other harassment. All should be free to do as they please. Only we shall have a check to see that they do not do wasteful things, immoral things and unsocial things. There only we will check the people. So I say that this system of taxing is wrong.

I never prepare notes, but today I did. In our society, there are only two things—production and distribution. We should produce as much as we can and we should justly distribute it. We should not blindly distribute. Today shopkeepers are doing the work of distribution. They think that a particular thing is dear in a particular place and if they move that thing there, it will bring them profit. In this way, they are distributing the production.

Now, there are two things: either Government should control all for all so that we all become government servants and we all are sure of our monthly salaries.....

**Shri Feroze Gandhi:** Rs. 400.

**Shri Mahendra Pratap:** ...and bread and butter which we need, either it should be in such a way that by Government's management not even a beggar remains outside the government organisation, or there should be freedom and there should be proper production and distribution.

**An Hon. Member:** Not consumption.

15 hrs.

**Shri Mahendra Pratap:** One thing about these great plans of the Government to make bunds, dams... (*Interruption*)—I do not mean damned things, I mean these dams—is that it is better to ask the merchants to do

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that work. Then we will not have to spend so much money and tax the people. It is only a superstition. What I mean is this. Suppose there is the Bhakra dam to be built. We are building it. We know how much money it is going to cost. Now, instead of raising taxes and spending them on that dam and then taxing the people for the water and electricity, why not allow the merchants to do that? They will raise the money and then they will take the water tax, and then we will tax the merchants. A very simple thing.

So instead of taxing the people, we help the people to build great factories, great dams and great industrial plants and then we tax these merchants. This is a very simple thing.

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

**Shri Mahendra Pratap:** I am finishing.

I beg to say that the Parties are very much misusing our time and energy. Even in this House, we see the tussle, and this is waste of time and energy. Here there were speeches—I beg pardon of my hon. friends—not so much for the common man as to show that one's Party is very just, very right and doing very good things, so that the leader can step into the administration.

So I say if Shri Jawaharlal Nehru is Prime Minister or Shri S. A. Dange is Prime Minister or even if Mahendra Pratap is Prime Minister, it would not change anything; so long as the government machinery remains the same, I shall also be a puppet like Shri Jawaharlal Nehru in the hands of the Secretariat. (*Interruptions*).

**Mr. Deputy-Speaker:** Order, order. After becoming Prime Minister, he should conclude.

श्री बहादुर प्रकाश (दिल्ली सदर) :  
जनाब डिप्टी स्पीकर साहब, जब से यह

बजट पेश हुआ है इस पर बहुत ज्यादा चर्चा हुई है। मेरे ख्याल में जितने भी आज तक बजट पेश हुए हैं या कभी कोई और मामले पेश हुए हैं उन सब पर इतनी ज्यादा चर्चा या नुक्ताचीनी नहीं हुई जितनी कि इस पर हुई है। एक तरह से इस बजट ने लोगों के दिमागों में तथा उन के दिलों में हलचल पैदा कर दी है। मालूम होता है कि हम लोगों ने जो पहला पांच साला प्लान को पूरा किया है तो हम ने उसे स्वाब में ही पूरा किया है और हम स्वाब में ही थे। जम हमने दूसरा पांच साला प्लान तैयार किया और इस पर चर्चा की और वड़ी बहस की तो मैं समझता हूँ कि न सिर्फ उस सदन ने ही बल्कि सारे हिन्दुस्तान ने तथा हिन्दुस्तान में जितनी भी जिम्मेदार पार्टियाँ हैं, उन के लीडरों ने इस को मंजूर किया है। इस के बाद जब आज पहली बार इस प्लान को इम्प्लैमेट करने के लिये कुछ कदम उठाये जाते हैं जिन को कि इनकलाबी कदम कहा जा सकता है या मजबूत कदम कहा जा सकता है तो एक दम हमारे दिलों में कुछ घबराहट पैदा हो जाती है। हम एक बात सोचने लगते हैं और वह यह कि आया हम इस प्लान को पूरा कर सकेंगे या नहीं। हम एक तरफ सोचने लग जाते हैं कि हम प्लान में कुछ कतरब्यौत करे और दूसरी तरफ डांगे साहब कहते हैं कि प्लान पूरा होना चाहिये, प्लान में कोई त्रुटि मालूम नहीं होती। साथ ही साथ वह फरमाते हैं कि टैक्सों का यह जो बोझ है यह गरीबों पर पड़ता है और यह सरमायदारी को बढ़ाता है। यह जो बात उन्होंने ने कही है, यह मेरी समझ में नहीं आई है।

एक तरफ तो कहा जाता है कि प्लान को पूरा किया जाय और साथ ही साथ दूसरी तरफ यह कहा जाता है कि प्लान में कतरब्यौत की जाये और तीसरी दफा कहा जाता है कि प्लान की वजह से गरीबों पर जो टैक्स लगे हैं वे ऐसे बोझ हैं जिन को वे सम्भाव नहीं सकेंगे।

हम ने प्लान को मंजूर किया है। कांग्रेस तो उसे मंजूर कर के उसको वोटर्स के पास ले गयी और उन की उस की बाबत सब कुछ बतलाया। मेरे ब्याल में किसी दूसरी पार्टी न भी उस की मुखालफत नहीं की और एक तरह से सभी ने उस को मंजूर किया।

आज यह टैक्स प्रपोजल्स हमारे सामने आते हैं और उन पर चर्चा होती है, नवता-चीनी होती है और कहा जाता है कि आज वह ऐंजम्-शन्स नहीं रहे जो कि प्लान के वक्त थे। प्लान की रिपोर्ट में साफ लिखा गया है कि यह ठीक है कि ऐंजम्प्लस यह थे कि हमारे खाने पीने का सामान बड़े, कनज्यूमर्स गुड्स बड़े, खास तौर से खाने के सामानके बारे में कहा गया है कि उस में कमी नहीं होनी चाहिये बल्कि वह बड़े और यह भी कहा गया था कि हमारे फोरन एक्सचेंज के सोर्सें इतने नहीं हैं जिस से कि हमें बिल्कुल खुली छूट मिलजाय, सोर्सें लिमिटेड हैं और इसलिये हमें उन सोर्सें को ज्यादा से ज्यादा जमा करना होगा। यह बातें प्लान में कही गई हैं और यह भी कहा गया है कि जो टैक्सेज का सिस्टम है उस में भी काफी तबदीली करनी पड़ेगी। उस में यह साफ इशारा किया गया है कि टैक्स की बड़होत्री होगी और अगर हम बचत ज्यादा नहीं कर सकेंगे, और चूंकि फारेन एक्सचेंज की मिकदार मुकरर है और उस पर हमारा पूरा जोर नहीं चलता जितना चलना चाहिये तब हमें ऐसे तरीके अख्यतार करने पड़ेंगे जिनसे कि हम प्लान के लिये ज्यादा रुपया हासिल कर सकें। इस वास्ते आज जब यह टैक्स प्रपोजल्स हमारे सामने आये हैं, मैं समझता हूं कि हमें उन्हें कबूल कर लेना चाहिये। और खुशी के साथ कबूल करना चाहिये यह समझ कर कि प्लान को पूरा करने की जिम्मेदारी हमारे सिर पर है और हमें उसे पूरी तौर पर ले कर चलना है।

मेरे दोस्त श्री डांगे ने प्लान को मंजूर किया, टैक्सेज को कंठेम किया और कहा कि

टर्न ओवर टैक्स लगाया जाये और नेशनलाइजेशन किया जाये। मैं नहीं समझता कि क्या वह हवा में टैक्स लगाना चाहते हैं। आखिर टैक्स एक कौमी सरमाये पर लगता है और यह जान कर लगाते हैं कि एक हमारी नेशनल वेल्थ है और उम से किस हद तक हम टैक्स ले सकते हैं। यह जाहिर बात है कि चाहे वह नेशनल वेल्थ हमारे प्राइवेट सैक्टर के पास हो या आज पब्लिक सैक्टर में हो लेकिन आखिर तो वह लिमिटेड है। अगर आज हम तमाम प्राइवेट सैक्टर को पब्लिक सैक्टर में तब्दील कर दें तो क्या अचानक उससे नेशनल वेल्थ बढ़ जायेगी। और हम एकदम उतना टैक्स लगा सकेंगे जितना कि प्लान के लिये हमें जरूरत है? यह मुमकिन नहीं है। उन्होंने जो एक तजवीज दी वह थ्योरी की तजवीज थी कि एकदम हम नेशनलाइज करें और यह टैक्स बहुत बोझिल हैं और लोगों पर उसका बहुत बुरा असर पड़ता है।

हम देखें कि हमारे जो टैक्स प्रोजेक्ट्स हैं उनका असर कहां तक पड़ता है। यह ठीक है कि चाहे दाये तरह से और चाहे बायें तरफ से उस पर नुक्ताचीनी करें या कहें कि गरीबों पर इसका असर पड़ता है। और मैं मानता हूं कि इस बजट का गरीबों पर कुछ बोझ पड़ता है। हमारे सामने मसानी साहब ने ठीक कहा कि उसका मिडिल क्लासेज पर बोझ पड़ता है। मिडिल क्लासेज कितने हैं? अगर हम कुछ ब्यौरा लगायें और हम अपने अपर क्लासेज और लोअर मिडिल क्लासेज को भी मिडिल क्लासेज में गिन लें तो उनकी तादाद देश में २५ फीसदी से ज्यादा नहीं होगी। और मैं पूछता हूं कि पिछले ६ साल में इस नेशनल एकोनमी में जो रुपया यहां इनवेस्ट हुआ है उसका फायदा किसके पास पहुंचा है और वह रुपया कहां गया है? आखिर वह कहां पहुंचा है और किस तबके में पहुंचा है? जिस तबके के पास वह रुपया पहुंचा है तो क्या कोई भी देश चाहे वह सोशलिस्ट हो, कम्युनिस्ट मुल्क हो या

## [श्री ब्रह्म प्रकाश]

कैपिटलिस्टिक मुल्क हो, क्या वह बना करेगा कि उस तबके से एक हद तक आप कुछ रुपया टैक्स की शकल में या बचत की शकल में वापिस न ले सकें। तनासुब के तौर पर यह समझा गया है कि अपनी नेशनल इन्कम में से जो हमारी आमदनी बढ़नी है उसमें से २० फीसदी के करीब अगर वापिस ले लिया जाये चाहे बचत की शकल में या टैक्स की शकल में तो वह गैर-मुनासिब नहीं है और कोई मुल्क आज दुनिया के अन्दर ऐसा नहीं है जो यह कहेगा कि नहीं लेना चाहिये। इसके लिये शायद यह कहा जाये कि वह तो बड़े इंडस्ट्रियल मुल्क हैं और उन्होंने तरक्की कर ली है इसलिये आप उनकी मिसाल नहीं दे सकते तो मैं उनकी मिसाल न दे कर अपने पड़ोसी अनडेवलप्ड मुल्क चीन की मिसाल आपके सामने रखता हूँ। आप चीन को ले लें। उन्होंने भी इस बात को तसलीम किया है कि २२ फीसदी तक वह उसमें से ले सकते हैं और उनका ३० फीसदी तक लेने का इरादा है।

हमारे देश में करीब ७५ फीसदी लोग गरीब बसते हैं और उन्हें सूखी रोटी, उबले हुए चावल और नमक आदि जैसी मामूली चीजों के अलावा और कुछ नहीं मिलता है। मैं मानता हूँ कि ऐसे लोगों पर भी मजमुई तौर पर इन टैक्सों का कुछ असर पड़ता है। लेकिन असली जो बोझ है वह उस २०, २५ फीसदी तबके पर पड़ता है जिसके कि बारे में कोई शक नहीं कि उसकी आमदनी का दायरा बढ़ा है और उस आमदनी के दायरे पर अगर उस कुछ कुर्बानी देनी पड़ती है तो उन्हें गुरेज नहीं करना चाहिये।

मालूम कुछ ऐसा देता है कि हम सब लोग शायद मिडिल क्लासेज और अपर क्लासेज के रिप्रेंजेंटेटिव्स ज्यादा हैं और हमारी जेबों पर चूँकि उन टैक्सों का असर पड़ रहा है इसलिये वह हमें ज्यादा खल रहा है। यह भी ठीक है कि जहाँ तक शहरों का ताल्लुक है शहरों में ऐसे लोगों की तादाद ज्यादा है

जिनकी की आमदनी उस लोअर मिडिल और मिडिल क्लासेज के तबके में आती है लेकिन अगर गांवों में हम जायें तो वहाँ इसका असर बिल्कुल दूसरा है। हमें चाहिये कि इस सेकंड फाइव इयर प्लान को पूरा करने के लिये जो कुछ जरूरी हो करे। यह हमें समाजवाद की दिशा की ओर ले जाने के लिये एक कदम है और हमें अपने ऊपर, मिडिल क्लासेज के ऊपर और लोअर मिडिल क्लासेज के ऊपर यह बोझ खुशी से बर्दाश्त करना चाहिये और हमें इस प्लान को कामयाब बनाने के लिये पूरी ताकत लगानी चाहिये।

मुझे अफसोस है कि हमारे दोस्तों ने जो सामन की बेंचों पर बैठ हुए हैं, अभी से एक जिहाद इन टैक्सों के खिलाफ और हुकूमत के खिलाफ दिल्ली की गलियों में शुरू कर दिया है और मुझे पता नहीं कि और कहाँ कहाँ शुरू किया है लेकिन मैं उन्हें यह जरूर कहना चाहता हूँ कि जहाँ उन्हें इस बात का पूरा हक है कि वह लोगों को यह कहें कि यह टैक्स गलत है अगर वे ऐसा समझते हैं और इन टैक्सों के खिलाफ वे जिहाद कर सकते हैं लेकिन इतना मैं जरूर अर्ज करूँ कि कम से कम आम तौर पर तरक्की पसन्द पार्टियाँ और मुल्कों के अन्दर ऐसा कभी नहीं देखा कि वहाँ टैक्सों के खिलाफ प्लान की कामयाबी के लिये जिनको कि वह सही समझते हों और महज एक पोलिटिकल एंड के लिये जद्दोजहद शुरू करें।

मैं फाइनेंस मिनिस्टर साहब को मुबारकबाद देता हूँ। लोग अक्सर शुरू में ही मुबारकबाद देते हैं और बाद में कंडम कर के कहते हैं कि यह खराब है, यह बुरा है। इसलिये मैं उनको अखीर में मुबारकबाद देता हूँ कि यह बजट उनकी हेम्मत और जुरत का सबूत है। उन्होंने सही मानों में एक इकलाबी कदम उठाया है, और सही मानों में एक सोशलिस्ट इक्लाब की तरफ यह

मजबूत कदम है जिसको कि आने वाला जमाना पाद रखे। अगर यह कहा जाय कि इस से इन्फ्लेशन बढ़ेगा, कीमतें बढ़ेंगी, तो मैं कह सकता हूँ कि यह एक डवलपिंग एकानमी है, विकासशील एकानमी है। इस बढ़ती हुई एकानमी के अन्दर यह नहीं हो सकता कि प्राइसेज में स्टेबिलिटी रहे। इसलिये अगर कहीं कहीं प्राइसेज की अनस्टेबिलिटी रहती है तो इस से हमें घबराना नहीं चाहिये। क्योंकि आखिर यह तो हम समझते हैं ही कि पांच साला प्लान के पहले जो प्राइसेज थी, पांच साला प्लान के अन्दर रहना मुश्किल है, एक सतह पर आना मुश्किल है। वह अपना लेवल लेंगी, एक नया लेवल लेंगी। अनस्टेबल प्राइसेज से ही स्टेबल प्राइसेज निकलेंगी, इस को हमें भूलना नहीं चाहिये, इस से हमको घबराना नहीं चाहिये।

यह ठीक है कि हमारे यहाँ अनाज की कमी है और उस कमी को पूरा करने के लिये एक इन्कलाब की जरूरत है। जिस तरीके से आज कल सरकार का काम हो रहा है, यह ठीक है कि अच्छा काम हो रहा है, लेकिन मेरी यह राय है कि उस में एक और इन्कलाब की जरूरत है। लैंड रिफार्मस की जरूरत है, लेकिन इस से ज्यादा जरूरत है कि हम एक कोआपरेटिव सिस्टम को इन्कलाबी तौर पर तैयार करें। आज से तीन साल पहले की चीन की भी यह हालत थी कि वह दूसरे मुल्कों से अनाज ले रहा था, वहाँ के लोग दिल में कुछ परेशान थे। इस वजह से उन्होंने अपनी प्लान में कुछ तब्दीली की। जिस वक़्त वहाँ कोआपरेटिव फार्मिंग पर और कोआपरेटिव सोसायटीज पर एतराज हुआ, सारे मुल्क में एतराज हुआ, तो उस को एक इन्कलाबी तरीके से उठाया गया, और उस से एक जबरदस्त उपज अनाज की पैदा हुई। आज यहाँ पर कोआपरेटिव फार्मिंग का मजाक उड़ाया जा रहा है, लोग इस को नई चीज समझते हैं, क्योंकि यह वेस्टेड इन्टेस्ट्स

के खिलाफ जाता है, पेजेंट, प्रोप्रायटर्सशिप के खिलाफ जाता है। वह जमीन का मोह नहीं छोड़ना चाहते, जमीन के ही साथ, चाहे वह एक एकड़ ही क्यों न हो, चिपके रहना चाहते हैं। इस वास्ते खाली कोआपरेटिव फार्मिंग ही नहीं, बल्कि जो उस के दूसरे हिस्से हैं, यानी कंज्यूमर कोआपरेटिव और इंडस्ट्रियल कोआपरेटिव, वह भी आगे नहीं बढ़ रहे हैं। मैं अर्ज कर्लंगा कि हम उस को उस जोश और हिम्मत के साथ, आइडियलिज्म के साथ, नहीं ले रहे हैं जो उस के लिये जरूरी है। अगर हिन्दूस्तान की गरीबी को दूर करने का और यहाँ की एकानमी को तरक्की देने का कोई हल है, तो वह कोआपरेशन है, कोआपरेटिव सिस्टम है। अगर यहाँ की लैंड के जराय को इस्तेमाल करने का कोई वाहिद तरीका हो सकता है, तो सब से जबदस्त तरीका कोआपरेटिव फार्मिंग है। मैं ने अपनी तमाम जिन्दगी में कोआपरेटिव का काम किया है, या चूँकि मैं कोआपरेशन का वजोर था इस वजह से समझियें, मैं इस नतीजे पर पहुंचा हूँ, और मेरा ब्याल जम गया है कि हुकूमत की मशीनरी या खाली हुकूमत के जरिये कोआपरेशन का काम नहीं हो सकता। उस के लिये एक इन्कलाबी कदम उठाना पड़ेगा। मैं समझता हूँ कि वह इन्कलाबी कदम यह होगा कि इस को रोज-मर्रा के ऐडमिनिस्ट्रेशन से हटा कर, हुकूमत के नीचे से हटा कर, एक सेन्ट्रल कोआपरेटिव बोर्ड बना कर उस के नीचे कर दिया जाये। इसे एक नानआफिशल कैरेक्टर दिया जाये क्योंकि हमारी ब्यूरोक्रैटिक मशीनरी में वह जोश और हिम्मत नहीं है, उस के अन्दर वह आइडियलिज्म नहीं है, जो कि कोआपरेटिव सिस्टम की तरक्की के लिये जरूरी है। इसलिये यह जरूरी है कि हम इस को एक नया पहलू दें। सिबा चीन के कहीं भी, किसी मुल्क में, इस को गवर्नमेंट के तहत में नहीं रक्खा गया, न हुकूमत के साथ रक्खा गया। यह एक वालंटरी तरीके पर चला है और तरक्की हासिल की है। यहाँ इस चीज

[श्री ब्रह्म प्रकाश]

की ज्यादा जरूरत है। नहीं तो मुझ डर है कि कोआपरेशन की स्कीमों, जो कि बेशक वह ७ करोड़ से ४७ करोड़ की हो गई हैं, सिर्फ कागज पर धरी रह जायेंगी और उन का कुछ नतीजा नहीं निकलेगा।

इतना कह कर मैं सिर्फ यही और कहना चाहूंगा कि लोग प्लेन के लिये रुपया देने को तैयार हैं, लोग टैक्स का बोझ बर्दाश्त करने के लिये तैयार हैं, लेकिन वह हुकूमत से कुछ चाहते भी हैं। वह चाहते हैं कि यहां की हुकूमत की जो मशीन है, वह जरा तेजी से चले और उस में जो खराबियां हैं, वह उसके अन्दर से दूर हों। यह मशीन कुछ डिसेन्ट्रलाइज हो। यह नहीं होना चाहिये कि एक जगह चीजों का सेन्ट्रलाइजेशन हो और वहां से वह निकलें नहीं। आज एकानमी का ही सेन्ट्रलाइजेशन होना चाहिये, गवर्नमेंट मशीनरी का डिसेन्ट्रलाइजेशन होना चाहिये, दूसरों को पावर्स दी जानी चाहियें। जब तक पावर्स का डेलिगेशन नहीं होगा, काम करने वालों पर कुछ भरोसा नहीं किया जायेगा, तब तक कोई भी हो, उस के अन्दर स्पिरिट पैदा नहीं हो सकती। मोमेंट्स नहीं आ सकता है जो कि प्लेन को चलाने के लिये जरूरी है।

इन शब्दों के साथ मैं बजट के जो प्रपोजल्स हैं और बजट की टैक्स की मदें हैं, उन से आम तौर से इत्तफाक करता हूं, और मैं यह उम्मीद करता हूं कि यह सदन पांच साला प्लेन को पूरा करने के लिये उस को खुशी से बर्दाश्त करेगा और बोझ को समझते हुए भी हर कुर्बानी को दे कर इस प्लेन को कामयाब बनायेगा।

**Shrimati Ha Palchoudhuri (Nabad-wip):** The reason why we need this Budget, is that we need a planned Budget because we must change and develop. That there is a necessity for a Budget like this is absolutely apparent to everybody. I agree with

Prof. Ranga when he says that we have come forward with this Budget to the electorate and we have not been at all secretive about it. We have always said openly that we must have taxes. We cannot have a Plan without taxes. The things that we can provide with these taxes that we shall impose will determine the quantum of enthusiasm which we can evoke in the people. This enthusiasm can be generated only if we can give at least some of the things that they are vitally in need of. For this, we need to look at a short term policy and a long term policy. There must be some things which we must tackle at once. Of course there are long term policies which will bear fruit at a later date. The man in the street in towns or the peasant in the villages does not know the effect of the big plans, till at least some results reach him.

I will come straight to my points. The growing need is food. We hear so much about the situation not being alarming. There is no cause for alarm; there is no bad situation in the country and so on. We hear them. I agree that I am also happy to hear them. But, at the same time, it must be conceded that there is cause for consternation and that it is a critical situation. There are places in Bengal Sir, where food does not reach as quickly as we want it to reach. The hon. Minister has promised to help Bengal and we see a ray of hope. Yes, here, I have telegrams that say that there are hunger marches and starvation and deaths that relief has not reached those places. It does not mean anything if only Press notes come out. The Minister, I know, is making every effort but the relief made available must reach with speed if it is to be of any use.

In Bengal there are two immediate problems: (1) The man in the street must get his food. (2) Then, there is the question of slum clearance. There is a little memorandum that has been sent to us today. On page 5, it refers to slum clearance. The memo-

randum tells us that it has not been possible to keep the provisions for this as much as was necessary. If we want to enthuse people at all, we must have adequate provision for slum clearance not only in urban areas and big towns like Delhi and Calcutta, where it is vitally needed, but also in the district and smaller towns where conditions are heart-rending. Municipalities like Delhi and Calcutta have a certain amount of money to work with but these small district towns have no money. Unless a certain amount of Central aid is available, they cannot go forward with that work. The places where the conservancy staff live in the district towns are a blot on any Government and I think that the State and the Central Governments must join hands in wiping this sore from the face of India. If we want to serve the common man, the conservancy services' quarters in the bustee areas in towns must have priorities. It is there we must spend the money and not only on Asoka Hotels and other palaces where diplomats stay our funds are too precious yet, to allow for luxuries. When we do this, we shall find warmth and enthusiasm for the Plan. Then only will every strata and the young labourers know that there is a Plan for them, and that something is being done.

The rehabilitation programme in Bengal assumes vast proportions. It is a miserable thing. I have no quarrel with the hon. Rehabilitation Minister as to how much money was spent on West Pakistan and how much on East Pakistan refugees. Misery, wherever it is, must be looked after by the Government. Surely the misery of West Bengal today bears comparison with no other place on the face of this earth, because it is a continuing process. People are leaving Pakistan. We must have highpowered committees to look into and find out why people are leaving Pakistan. We must go into this question. The thing that has often been propagated is that they can get so much more in India and so they come away from Pakistan. Sir, go to the Calcutta streets and see

what they get in India, what we are able to do for them. They are dying like cats and dogs. Yet they leave Pakistan and come to India. Why? Because there must be something horribly wrong in Pakistan for them to prefer the streets of Calcutta, the slums, the dire conditions in the Sealdah Station to their homes in Pakistan. This must be gone into and discussions about it held.

The rehabilitation question in Bengal has also this aspect. The East Pakistan refugees do not want to go outside Bengal though they want to be rehabilitated. The Government must consider this and see, that when they take people to other States, that they are given livable conditions to settle there. I do not say that the Government has not done a good deal; but perhaps, more co-ordinated thought could be given to this question. When they are taken out to places like Bihar, Saurashtra, or wherever you are wanting to take them, give them Bengali doctors, Bengali teachers to teach their children in Bengali and so on. Then you will find that Bengali refugees will settle outside Bengal provided they get a certain atmosphere. It must be conceded that Bengalis cannot only exist on commercial lines. Camps with good roads and even electric lights will not necessarily keep them. They must have some cultural atmosphere, they must have the language round them. It is a human need that no Bengali can give up. The East Bengal refugees, particularly, speak a language which sometimes the West Bengal people do not understand. Then, how will a Bihari doctor treat an East Bengal patient? They must be given Bengali doctors, Bengali teachers, Bengali Social Workers, in their colonies. Then you will find that they will gradually grow and become part and parcel of the camps and colonies that you have set up for them.

There is another thing. I will certainly appeal to whatever political parties there may be not to make political capital out of human misery

[Shrimati Ila Palchaudhuri]

as has been done in the case of these refugees. It is a great pity. I think all parties must realise that it can never be a human act to create political capital out of the misery of people; to go and tell displaced persons, that they will get lands in Bengal if they come away. When they come actually they will find themselves in worse conditions than they were getting in the camps, for obviously there is no more land in West Bengal. So, if we are to blame the political parties that is the condition for which we can blame them. But, where we have not been able to deliver the goods, let us not blame political parties. Let us make all arrangements to fulfil their needs, then they will not be influenced by false promises. When we can look after their wants I am sure, they will come to regard West Bengal and India as their own home and they will be properly rehabilitated.

There are one or two things about the refugee problem which the Government must take into consideration. Instead of giving grants, if loans were given and the grants utilised for putting up some sort of constructive proposals for them to earn a livelihood, I think that would do them much more good. By giving a number of grants you cannot rehabilitate people. They must work and they must have some means of earning. We have now got a rising wholesale price index, and these are not war time figures:—From 376·0 in January 1956, it has risen to 423·2 in April 1957. Our foreign exchange, has also created a headache for the Government. We find that it has left a gap in the Budget. The hon. Minister himself has said so. I would like to point out that there are two things that can earn foreign exchange for us. They are the tea industry and shipping.

The Tea industry, has always earned a good part of our foreign exchange. That should surely be nursed, and various difficulties should not be put in its way so that it is unable to compete with international markets.

There is no duty on African tea while Indian tea has to pay duty. It cannot, therefore, compete in the international markets. You must see that industries which earn foreign exchange are given every protection.

About shipping, Sir, I have to make a particular request. We are in urgent need of building up our shipping because shipping is the invisible foreign exchange earner of India. I think we pay out something like Rs. 150 crores every year to foreign shipping by way of freight bills. If we had the quantum of shipping needed for our requirements we would have saved this much of foreign exchange. As allocation of at least another Rs. 50 crores for shipping is absolutely necessary. The Rs. 37 crores allotted has already been completely spent. We have no more money to spend on our merchant navy, which is also our second line of defence. It is imperative that we build our merchant navy, because without it, neither can defence be useful, nor trade function! Bottlenecks will be created. The Finance Minister in his speech said that the core of the Plan is steel, coal and transport. Well, shipping makes a big part of transport and shipping must be sponsored by Government so that it holds its own in India.

Sir, let me give a few figures. I will not take much time of the House by quoting figures. See what is done for shipping in other countries. In Liberia and Panama, for instance. They pay one dollar in Panama for registration and 1·20 dollars in Liberia. Which means that large ships like the 'Liberty' ships that we use in foreign trade would pay an annual tax of Rs. 2,000 and a registration tax of Rs. 20,000 in Panama and Rs. 24,000 in Liberia. Where is this kind of help to our shipping in India.

While I am on this question of shipping, I must say a word about our seamen who man our ships. Their welfare must be primary concern of the Government. They are adventurous, and hard working. They

go out into the far seas to get for India wealth and merchandise. They earn for India with their toil and endurance. The Indian seamen are second to none in the world. They must be given their full prestige in every port of the world equal with other seamen. India must see that they get it. I would appeal to the Government to bear in mind the welfare of our seamen.

Sir, in India, let us look to half our population who can easily be channelled to work for their country. The women of India form half our population. Their efforts must be utilised to do productive work for India. The women are capable of doing much but their capacity, their efforts, must be assessed, and they must be put in places where they can really be useful. They are always ready. They have taken up the challenge of building up a new India. Let the Government take them up. Let them have the opportunity they seek. Assess their capacity and show what road they can take so that they can really employ their energies in the right direction.

Today we are faced with the Plan. We must make the Plan work, but, it must be Plan for the people. Half the people are women. You harness their energies and you will find that the Plan will work. It is not only customs, excise and revenues that are the assets of a country. It is the people who are the assets. The women are your assets. If they go ahead, much can be achieved. The women of India today realise that to take India forward they must face years of difficulties and, perhaps, great sacrifice. They are willing to do it. We do not want stagnation and ease, we want, if it need be, sacrifice and perhaps danger, but with all that it also means Life, and the Surging forward of a new India!

Shri B. C. Ghose (Barrackpore): I would like to avoid polemical discussion of political or theoretical questions as far as possible and shall confine my observations to the budget

proper although I am conscious that economics cannot altogether be separated from politics. But before I come to the budget, I should like to make a few preliminary observations. In the first place, it is unfortunate that although we are in the second year of the second Five Year Plan, the progress report for the fifth year of the first Five Year Plan and the consolidated report on the first Plan are not yet in our hands. You will realise that these budgets are nothing but instruments for the implementation of the Plan, and without having a progress report of the Plan, it is difficult to make considered observations on the Plan itself or how far we are progressing.

In the second place, the former Finance Minister had promised that we would be supplied with annual plans. I should like to know what has happened to the annual plans. In the third place, I should like to have a little more statistics in our budgets about the Plan, statistics about the Plan outlay in the estimates, revised estimates and accounts for the years to which they may relate and also estimates of our savings in relation to our total income and our total national income and per capita incomes at least for the year for which the account has been closed. In the fourth place, while I shall congratulate the Finance Minister for providing us with an economic classification of the Central Government's budget which provides fruitful information, I should like to know as to when we may have a national income and expenditure statistics. Because, without such a statistics, it is difficult to make a proper appreciation of our economic situation and the future trends. In the fifth place, I should like to bring a matter to the notice of the House, a matter which I consider is substantial. When we approved the Plan, we approved the targets of the Plan as also the priorities and the way in which the Plan should be financed. I do not think that this Parliament approved merely the targets. What I mean to say is this. If

[Shri B. C. Ghose]

there is to be a fundamental change in the Plan in regard to the schemes that are to be pursued, in regard to priorities, or as to how the finances are to be adjusted, then it is right and proper that Parliament should have the right of discussion and also approve the changes made, particularly if the changes are of a fundamental nature and not minor. In the sixth place, I should like to know what has happened to the claims that were put forward after the first Five Year Plan was completed, particularly in regard to the food situation. What has gone wrong? Why is not the Government coming out with any adequate explanation about the position? It is really disconcerting to note that the hon. Ministers are trying to belittle the difficulties with which the country is faced in regard to the food situation. The Food Minister stated, when he was giving an explanation of the food situation, that prices might be compared to those prevailing in 1952-53. Why should we compare them with those in 1952-53 and not with those of 1954-55 or 1955-56 since food prices, particularly of rice and cereals, have gone up by more than 100 points, that is, by over 25 per cent?

I found the Home Minister saying in the other House that all prices have increased and there is nothing strange that food prices should also increase. But we should not take it so lightly, because I believe the crux of the problem today, apart from the foreign exchange situation, is the food problem. Unless we can solve it satisfactorily the Plan will be endangered.

Sir, when the first Five Year Plan was completed, the Government claimed that it was a complete success on the ground that it had (a) solved our food problems; (b) checked the inflationary pressures, and (c) laid a massive foundation for a superstructure on which the future of India could be built. Why is it, today, that in spite of each of these

claims, the Plan is going awry? The Government certainly should explain.

Time will not permit me to refer to many other aspects of the budget and, therefore, I shall come straightway to the core of the budget, namely, the taxation proposals. I shall take direct taxation first. Here, I should like to congratulate the hon. Finance Minister on the imagination and courage he has displayed in attempting to rationalise our tax structure. When the history on public finance comes to be written in future, I am sure he will find an honoured place in it. I support the new taxes, both the wealth tax and the expenditure tax. I believe that in course of time the gift tax will also come and the Kaldor proposals will be accepted *in toto*. There has been opposition to the two new levies on the ground that (a) we have had no experience and that the whole world has no experience with regard to expenditure tax, and (b) our administrative machinery is corrupt. With regard to the second objection, I should like to say that we have to go forward with such human material as we have and try all the time to improve the human material. There is no denying that there is corruption and there is no denying that the danger of that corruption will be increasing. The Government should appreciate that fact and try to improve the machinery as far as is possible.

With regard to experience, I think it is good that when we consider something as necessary and desirable, we go forward with it, and we shall be able to bequeath to the world some new experience. We bequeathed to the world that experience when we decided to resort to deficit financing on a fairly large scale against orthodox economic opinion. At that time there was fear that we might fail, but we have shown that deficit financing can be resorted to provided of course it is within limits. In the same way,

I believe that here also we shall be able to tread new paths. To those who bring in the argument of the effect of such taxation on saving, incentive, and the private sector I should like to say two things. Firstly, we should realise that all the major political parties in the country have accepted socialism or the socialist pattern of society as the goal of our social and economic policy. I believe that it inevitably means that there will be control and a gradual and progressive restriction of the private sector. It is no good arguing today whether that is good or bad. We have accepted it and consequences follow from the acceptance of that principle.

Secondly, what I would like to say is this. We should remember that out of a total outlay of Rs. 720 crores provided in the second Plan for the organised private sector, only Rs. 160 crores are really found by that sector itself. That means 22 per cent. is from public issues and from advances by managing agents, E.P.T. Fund etc. The balance of 78 per cent is found from out of the reserves and by institutional agencies. That is the contribution which the private sector is making today to the economy, so that those of our industrialist friends who always bring in this bugbear of saving, incentive and the private sector should realise the nature of the contribution that they are making to the economy.

But while I support the Finance Minister in introducing these new taxes, I certainly do not support him where he has given concession to some of those direct tax-payers particularly in the higher reaches. I think it is misconceived. It is not good because it has a demoralising effect on the people and it will not fulfil the objective that the Finance Minister has in view since it will not materially increase savings. I do not think that reduction from 91 to 77 or 84 per cent. will have any effect; and, if it will not have any effect, why give them this benefit when they have been already accustomed to paying higher rates? I think it will have a

bad psychological effect and it is not needed in view of our objectives. That is one of the reasons why I feel that this Budget, while certainly moving towards a socialist society up to a certain extent, is always thinking of the private sector and the capitalists and is also regressive in character in many ways, as we shall see when we come to indirect taxes. There is still concern for the rich without any sufficient ground. I could have understood this if any good would have arisen either in the interest of the economy or in the interest of the Plan. Both ways I feel it will be bad.

On direct taxation, I would submit two things. I would request the Finance Minister not to lower the exemption limit; I say that for many reasons. One is that it was raised on account of administrative difficulties which still persist. The other is that it will create very great hardship for the poorer people, who have not got the savings to pay this tax. You have to realise that people who are earning Rs. 250 a month will have to pay this tax. We also know that those people, for the last one or two weeks towards the end of every month, borrow to carry on their family budget and repay the amount the next month when they get their salary. Even if it is Rs. 3 or Rs. 1-8 per month. I do not think these people can afford to pay that. Therefore, I feel that it would not be right and proper, although I know that the Finance Minister can adduce in his favour the recommendation of the Taxation Enquiry Commission. But, the Finance Minister has not accepted the recommendation of the Taxation Enquiry Commission, and I believe quite rightly, in re-introducing the distinction between earned and un-earned income and giving concession to income earners in the higher reaches. Therefore, I feel that he should not quote the recommendation of the Taxation Enquiry Commission in his favour for lowering the exemption limit.

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The other concession that I would plead for is in regard to wealth tax on business companies which are new, because they do not earn any profits and they will be placed at a serious competitive disadvantage with regard to older companies. I would, therefore, urge that for a period of, say, 7 years, new companies should be excluded provided, however, they do not make any distribution of profits.

Coming to indirect taxes, I am sorry I cannot support the Finance Minister, because whatever statistics he may produce, the fact remains that prices will go up very much more. I do not know if it is true that he had said in the other House that people are not dying of starvation. It is a matter of semantics as to what we mean by starvation. If people are taking just one meal a day or one meal in two days, if that is not starvation, I do not know what starvation is. There are many people who are in that condition today; I can say that from my experience in Bengal. These people are gradually dying. You may say that it is due to some illness; in fact, they are really dying of under-nourishment and starvation. I would, therefore, plead that the Finance Minister should give certain relaxation in regard to the excise duties especially on sugar, matches, tobacco and also tea, because these are the items which impinge heavily on the cost of living.

I now come to the core of the problem in the sense that the Finance Minister may rightly say, "It is all very well to say that this or that proposed tax should be abolished or reduced; but how am I going to find funds for financing the Plan?" I am going to suggest that there will be no shortage of funds for all practical purposes and therefore, there is no justification for the imposition of these tax proposals. My remedy is not the one that was suggested by my friend, Mr. Dange. I am not against nationalisation, but what I say is, even if you nationalise, the resources that you will get will not be sufficient for financing the Plan.

I am in favour of socialisation. I have seen some of the nationalised industries in recent times and I must confess I do not feel very enthused. We do not want bureaucratisation; we want socialisation and not nationalisation. Then, how are we going to meet the plan expenditure. What is the plan expenditure? In the plan expenditure, there was a deficit of Rs. 850 crores, taking into account Rs. 400 crores left uncovered. To that we must add another Rs. 400 crores, which will be the increased expenditure, to which the hon. Finance Minister has already referred. That makes it Rs. 1250 crores. Then, he wishes to reduce our deficit financing by Rs. 400 crores, which I think is also a right suggestion. That will increase the amount that we shall have to find to Rs. 1650 crores. How are we going to find Rs. 1650 crores? My answer to that is this. The Finance Minister has said that the taxation proposals in March, September, December and in this Budget will bring him an amount of Rs. 800 crores. I have recommended for his reconsideration certain tax relaxation measures. If they are accepted, it will mean that the exchequer will lose about Rs. 150 crores. I will knock this off from Rs. 800 crores. So, if my proposals are accepted, we will get Rs. 650 crores. To that must be added Rs. 225 crores to be raised by the States and another Rs. 100 crores, which is the estimate of the Finance Minister for increase in revenue. To that we must add Rs. 200 crores more which can be got thus. Rs. 100 crores can be got by economy in expenditure. The Finance Minister will be failing in his duty, when he is imposing all these burdens on the common people, if he cannot at the same time effect economy in administrative expenditure to the extent of only Rs. 100 crores over the next four years. That is not asking too much. We, who have been in the Public Accounts Committee, know how public money is being wasted; saving of Rs. 100 crores is not a very high target that I am suggesting. An-

other Rs. 100 crores will be obtained from tax that is now being evaded. With the introduction of the Kaldor proposals, I believe that a tax return would be introduced under which it will be difficult to evade taxation. As a matter of fact, Kaldor estimated the tax that is evaded at about Rs. 200 crores a year. It may not be Rs. 200 crores; it may be Rs. 40 or Rs. 50 crores. So, I suggest that, if we really have an efficient administrative machinery, it will not be difficult to raise about Rs. 100 crores over the next four years. The Finance Minister's estimate is, however, only about Rs. 20 crores, at the rate of Rs. 5 crores a year. That brings us to a total of about Rs. 1175 crores. The last item is the shortfall in the plan expenditure, which we shall have to take into account. Rs. 400 crores that was left by the previous Finance Minister uncovered is really the minimum estimate of the expenditure of the Plan that was to remain unfulfilled. We know that however much we may wish to implement the Plan in full, we cannot completely implement it. Even in the First Five Year Plan there was, I think, a deficit of a little over 10 per cent. Even in the first year of the Second Five Year Plan our estimated outlay when the Budget was presented was about 825 crores and there is a short-fall. I believe, to the extent of about 100 crores. However much we try, I do not think we can complete the plan in its entirety. In regard to the first Five Year Plan, when there was no difficulty whatsoever of domestic or foreign finance, we fell short by 10 per cent because of our weakness in organization and our dearth of technical personnel. Those bottlenecks still continue; the plan has been increased by more than twice, and I do not think that our administrative capacity or organizational capacity and supply of technical personnel have proportionately increased. To these bottlenecks must be added a few other bottle necks. First there is the organization; secondly, technical and managerial personnel; thirdly the

essential raw materials, because we have provided for expenditure on construction and we have not the necessary steel and cement. Then there is the transport bottle-neck and finally there is the foreign exchange bottle-neck. I should like the Finance Minister to tell us how much domestic expenditure will be saved by his plan of staggering foreign exchange and what will be the effect on domestic expenditure. However, there will be a short-fall and my estimate is 12-1/2 per cent. which is Rs. 650 crores, i.e., the total on this side comes to Rs. 1,825 crores as against the Finance Minister's estimate of requirement of Rs. 1,650 crores, a balance of Rs. 200 crores. I have not taken into account the additional taxation we should get over the three more years of the Plan period. Railways, again, may require an additional Rs. 100 or 200 crores and that is also provided. So I say that for the purpose of implementing the Plan that we can really execute, it is not necessary to place this heavy burden on the people. Even if the proposals are made and accepted, there will be no dearth so far as domestic resources is concerned. There may be difficulties about foreign exchange, but that is another matter. I would like to tell the Finance Minister that even if it were possible to execute the whole Plan, but if in that process it would have meant such a heavy burden that the common people would not be able to bear, would he have done it? He himself had stated when he was speaking on his own Budget last year, when he was Industries and Commerce Minister: "The rate of economic growth can be too high for the health of society."

**Shri T. T. Krishnamachari:** What I said was that was a thing which we have to avoid. All that I said as Commerce Minister was that there are certain pitfalls in planning which we have to avoid. I am as conscious of these pitfalls as I was a year back.

**Shri B. C. Ghose:** It may be matter of opinion as to what rate of economic growth will be considered too

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high. One of his prophecies to the effect that that was his last budget speech has formerly gone wrong, I am glad to say. I hope that some of his other prophecies will go wrong.

The sum total of what I have been saying is this, that this Budget places a burden upon the common people which is too heavy. If we have to make a success of the Plan, we must carry the people also with us. I have tried to point out that even if we want to execute the plan and as far as it may be possible to execute it, it is not necessary to place all these heavy burdens on the people. Under these circumstances, it is not proper that we should antagonize them and lose their co-operation. There is a danger of that because the people are starving and unless the Finance Minister can do something about the food price line, I have no doubt that the Plan will fail.

In the end, I shall appeal to the Finance Minister to give his sympathetic consideration to the proposals made by me, lest he should grievously endanger the ends which he along with us must have in view, namely, peaceful progress and the preservation of a certain way of life that we all cherish.

16 hrs.

**Shri Morarka (Jhunjhunu):** The hon. Finance Minister in paragraph 41 of his speech says:

"The plan is the main theme and the dominant concern of all our thinking and policy-formulation. It could not be otherwise in a country which accepts development as its topmost priority. The Plan has run into difficulties, but I see no warrant for alarm or panic. What is required is preparedness to make the necessary sacrifices, and courage, and resourcefulness in handling the problems that arise in the course of its implementation."

The present Budget of the Finance Minister has to be examined in the light of the above statement and any criticism that one makes must be

subject to the over-riding necessity of implementing this Plan.

During the course of my speech, I propose firstly to refer to the taxation proposals of the Finance Minister. Then, I want to say something about our foreign exchange policy and then finally if I may say something, I would like to say about the economy which may be effected in implementing the Plan.

The new tax proposals are mostly based on the recommendations made by Mr. Kaldor in his report called the "Kaldor Report" and since much has been said by way of criticism against the Company Taxation, I would like to begin my explanation of this tax. Whatever criticism one may make against the Finance Minister about his Budget proposals, in fairness to him, one must say that in a budget by which he proposes to raise not less than Rs. 93 crores by way of revenue, to the corporate sectors of this country, he has given certain definite reliefs and has given the Companies a very lenient treatment.

Taking the taxation proposal in respect of companies in details, the first is about the income-tax of these companies. The finance Minister has raised the income-tax from 25 to 30 per cent. As the House knows the entire income-tax paid by the Companies is refundable to the shareholders at the time of his individual assessment. If the income of the shareholder is less he gets the refund. Otherwise he gets the credit for the amount the country has paid on his behalf.

The next proposal of the Finance Minister in respect of these companies is about the Corporation tax; he has increased the Corporation tax from 17 to 20 per cent on all incomes. At the same time he has reduced the Corporation Tax from 17 per cent to 10 per cent. on the income which one Corporation gets from another Corporation by way of dividend.

Then again, there is a substantial reduction in the dividend tax; he has reduced dividend tax from 12½ to 10 per cent, 25 to 20 per cent and from 37½ per cent to 30 per cent. The ques-

tion is not whether this dividend tax is reasonable or not, but the question is what are the proposals in the present budget? Does the present Budget reduce the tax or does it increase it? When the scheme of the whole Budget is to levy more taxes, even then the Finance Minister has somehow or other given relief in the dividend tax. This will give a substantial relief to section 23-A companies, with which I will deal immediately.

Section 23-A companies are those in which the public is not substantially interested, that is, companies which are controlled by small groups of people. These companies are obliged to distribute the entire profit that they earn after paying the taxes etc. by way of dividend. The 100 per cent profits that the company made had to be distributed to shareholders and the shareholders had to pay the super tax on the amount he received.

Now, under the new proposal that the Finance Minister has brought forward, an industrial company falling under section 23-A would be required to distribute only 45% of its net profits and it can keep 55% to itself. In other words, there would be a substantial relief by way of super tax to the shareholders of the company.

I have cared to make certain calculations to assess what relief the companies will get. For example if a company has a paid up capital of Rs. 50 lakhs and if made a net profit of Rs. 20 lakhs, then, under the old provisions, all the Rs. 20 lakhs had to be distributed among the shareholders and the company had to pay by way of dividend tax alone a sum of Rs. 5,37,000. Now, under the new proposal of the Finance Minister, the company will have to distribute only 45 per cent of the profit and that would reduce the tax liability to only Rs. 1,10,000. Instead of Rs. 5,37,000 the company will have to pay Rs. 1,10,000. This is not an exceptional instance that I have taken: such instances are common and the ratio of profit to capital is very high in many cases of 23A companies.

Next, I would like to refer to the increase in the bonus tax. The bonus tax has been increased from 12½ per cent to 30 per cent. It is true that the rise in the tax is very steep. But then you may not issue bonus shares at all. Even without this tax, the Government has the power to refuse the permission to issue bonus shares. Tax on Bonus shares is justified on two grounds—firstly, to make the dividend tax fully effective and secondly to make the Government's scheme of compulsory deposit a success. Without bonus shares tax both the schemes will be put in jeopardy.

I now come to wealth tax. Much has been said by way of criticism against this tax. The first criticism that is made is that this tax was not recommended by our Taxation Enquiry Commission who examined this problem so thoroughly but one Mr. Kaldor who came to this country from England made a hurried report and we accepted and are following that report. May I say in all humility that even the Taxation Enquiry Commission did not reject this idea of wealth tax. They said that a tax on wealth is sound in theory. But the only thing that was said against it was that the administrative machinery is not suited in this country for administering such a tax and for the time being this tax should not be levied. The report was made sometime in 1954. We are now in 1957 and beginning has somehow been made.

There is another criticism of the Wealth tax that this tax would discourage saving and investments: It is said that this is a tax on capital and therefore this would discourage people from forming capital. But an answer to this criticism is that the wealth tax is really paid out of the income of the wealth on which it is levied. In support I would like to quote what Mr. Kaldor says:

“An annual tax on wealth, though it is levied on the value of the principal, is really a tax on accrual and not a tax on th

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principal itself—as for example,  
estate duties or a capital levy  
are.”

The rate of the tax that we have levied is very moderate. Of course, it has to be moderate because in every country of the world it is so.

**Shri C. D. Pandé (Naini Tal):** We will double it if you like.

**Shri Morarka:** It is not a question of my liking.....

**Mr. Deputy-Speaker:** Some regard should be paid to the liking of the Chair also; and the liking of the Chair is that there should be no interruption here.

**Shri Morarka:** Thank you Sir, I was just referring to para 24 of Kaldor's report. It may be said by way of criticism that this tax should not be levied on companies at all. Here against, the rate, half a per cent, is very moderate, and the greatest justification for levying this on companies is that in India this is the only organised sector where we know about the wealth or the assets definitely. We know what the wealth of those companies is and it would be very easy and convenient for the Government to realise that tax. Therefore it is desirable from the point of view of administrative convenience that in order to collect this tax without any harassment, it is levied on the Companies. If we can do it, what is the harm? The rate is only half a per cent and that is also levied on the companies whose net assets are more than Rs. 5 lakhs.

I would now like to say a few words about the Expenditure tax. I do not agree with the proposal as brought forward by the Finance Minister, about Expenditure tax. Of course, on principal, I do not disagree with this tax also though it is equally true that no other country has experience of the working of this tax in the world. Even the most advanced countries who have the very best apparatus for administering such

tax systems, found it difficult to adopt it. Yet, for some reason or the other, our Government thinks that we can go ahead with it and we can make a beginning. But there is one provision in this bill which makes this tax less effective and more unscientific. The provision I refer to is about a person's income. That is before you can make a person liable for an expenditure tax, his income must be Rs. 60,000. If a person's income is Rs. 59,000 he can spend any amount he likes and there is no expenditure tax payable by him. If on the other hand, his income is Rs. 60,000 and even if he spend less than the 59,000 fellow still has to pay the tax. Is it an Expenditure tax or is it an Income-tax? That is why I call it unscientific. It would encourage people unnecessarily to show their income below Rs. 60,000. It would encourage them to show the figures below Rs. 60,000 so that they may not have to pay Expenditure tax at all. It is less effective because only these people whose annual income is above Rs. 60,000 would come within the mischief of this tax. Kaldor did not say anything. He prescribed no relationship between Expenditure tax and a person's income. Expenditure tax must be based on expenditure. How much you want to spend? How much you have actually spent? If you have spent more than what is permitted you must pay a tax. If you have not spent, you are exempted and you go free.

Sir, there are many economists throughout the world who have expressed their opinions against this Expenditure tax. But this Bill is going to be referred to a Select Committee, as the hon. Minister has said, I would not like to take more time of the House at this moment. I do hope that we will have a further opportunity to go into the details of the measure at some other place.

I now come to Personal tax. Under the proposal of the Finance Minister all classes of people received some

relief—big or small—except one class of people and these unfortunate people are those whose annual income ranges from Rs. 250 per month to Rs. 350 per month, and among them also if anybody happens to be a person who is unmarried, he has to pay a severe penalty. This class of people who get from Rs. 250 to Rs. 350 are those who suffer in two ways. First, they pay a direct tax in the form of Income-tax. Secondly, they suffer because of the increased excise duties and other consequences of inflation and high prices. They can very legitimately look for some sort of relief in such circumstances. Instead of giving such relief, you impose this additional tax on them. Arguments may be advanced that the tax is very nominal for a married person. The amount payable is Re. 1/- for Rs. 250/- and Re. 1/3 for Rs. 350 per month. That may be true. But, look at the family budget of these people. Is there any scope for the tax? Re. 1/3 may be nothing to you or to me; but when you examine the family budget of these people you will find that every pie matters to them. Therefore, I would request the Finance Minister to re-examine this thing and see if something could be done to these people.

Then, about excise duties, I would say only one word. Instead of raising these excise duties intensively, they should have been increased extensively; in other words, there should have been increase extensively in other words, there should have been a lower increase on a greater number of commodities rather than a steep rise on a fewer number of commodities. I think there is scope, and the Finance Minister may kindly examine this thing. whether excise duties can be imposed on certain other things. I have an instance in my mind, and that is of small motor cars. The Finance Minister has imposed a duty of Rs. 3,000 on big motor cars. I think we could easily begin by putting a duty of Rs 1,000 on small motor cars.

**Shri C. D. Pande:** He will keep it in mind for next year!

**Shri Morarka:** Similarly for cycles and various other things

Coming to the question of foreign exchange, the Finance Minister says in his budget speech:

"It is clear, however, that the problem is not merely one of raising more domestic resources but also of finding ways and means firstly to conserve and secondly to augment our foreign exchange resources in keeping with the large requirements of the plan. The steps we are taking in the field of domestic economic policy will, it is hoped, react beneficially on our foreign exchange position as well, but this latter is, admittedly a more difficult problem."

Then he goes on to say:

"The fulfilment of the Plan to Schedule postulates, *inter alia*, the availability of external resources on a considerable scale, and the need for these resources is the greatest in the earlier part of the Plan. Evidently, short-falls in this respect cannot be made good by a draft on domestic resources. We have this aspect of the problem under continuous review. It is not possible to say at this stage to what extent the progress of the plan will be affected because of foreign exchange shortage."

Now, Sir it is a very discouraging note. Even after putting all this tax burden on the people, even after becoming so unpopular in the country, even then we are not sure whether we would be able to put through our Plan; we are still facing a bottleneck in the form of foreign exchange, and the hon. the Finance Minister has only made a statement of fact. He has not shown any way out of it. He has said that the position is under their continuous review. That is very encouraging. But something more than that was certainly indicated on the part of the Finance Minister, as to what ways the Finance Minister is going to adopt or what policy he is going to follow so that this bottleneck would

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be cleared and our Plan could be put through.

I would say by way of criticism that the import policy that was followed by us in the past was a little too liberal. I would give you only one example to make my point clear. We imported, in 1953, 1954 and some part of 1955, huge quantities of sugar, not less than 15 lakhs tons. And how much did we spend for it? Rs. 80 (eighty) crores. What would have happened if we had not imported? And compare the consequences with what is happening today.

**Shri Bhattacharyya** (West Dinajpur): The sugar merchants would have cut our throats.

**Shri Morarka**: You have to wait and see. If the hon. Member here is afraid of the sugar merchants cutting the throat, and if in the armoury of the Government there is nothing to prevent his throat being cut, I think it is no use our talking and putting this burden on the poor man's shoulders i.e. imposing such heavy excise duty on sugar. (*Interruption*) Anyhow the matter may be left there.

And then secondly I may say that recently, to one country alone we remitted a huge amount of money. Though the payment was not actually due yet we made, a sort of, an advance payment, of course against our orders. But the payment was not due.

Why did we make this payment?

**Shri T. T. Krishnamachari**: Which country, may I know?

**Shri Morarka**: I am told it is West Germany.

**Shri T. T. Krishnamachari**: No, the hon. Member is wrong.

**Shri Morarka**: Then I stand corrected. But I was told.....

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

**Shri Morarka**: Please give me a few more minutes.

**Shri C. D. Pande**: He will please neither the Finance Minister nor the House; what is the use?

**Shri Morarka**: India recently announced its new import policy, and in that Government has said that its capital equipment would be allowed to be imported on certain deferred terms of payment. Now, the private *entrepreneurs* are finding it difficult to negotiate those terms from person to person on a private level. So some initiative must be taken by Government. Unless Government steps in and negotiates this on governmental level, it is difficult for an average man to get machinery and capital equipment on these credit terms. But this matter is not receiving that attention of the Government which it deserves. The other day when the hon. Member from Pali put a question to the hon. Minister for Commerce as to how many Trade Delegations visited this country, the answer was eleven. But to the further question, "Did you discuss with them the question of deferred terms of payment", to my great surprise, the answer was in the negative. This is a burning problem of the day, and we want the foreign exchange resources to be augmented. But even then when the foreign delegations come to this country we do not take the opportunity of discussing these terms of deferred payment with them. I do hope that some correction would be forthcoming in regard to that answer.

Then, in the field of our exports some positive steps should be taken. But before that I would say only one thing more about our imports. An Import Credit Corporation should be started just like the Export Credit Corporation. It should guarantee, in the schemes approved by Government, the payment to the foreign exporters on the due dates.

I must also say with regard to the imports, that though we had a large quantity of imports and depleted our foreign exchange resources, these large imports did also act as a blessing in disguise, so to say. All the extra money in circulation was mop-

ped up, and to that extent deficit financing was made possible. Today we find it difficult, because our imports are falling and our exports may go up. Therefore, the deficit financing would become difficult, and the Finance Minister has therefore rightly said that the quantum of deficit financing has to be cut down.

I would mention only two or three points about the economy in the Plan. The Plan as originally formulated consisted of Rs. 4,800 crores. Now it has been increased to Rs. 5,200 crores. That is all right. But when we were finding it difficult to raise the resources even for a Rs. 4,800 crore plan, what is the sense of increasing it to Rs. 5,400? There is a cry on the one hand of carrying over the Plan to the sixth and seventh year, i.e., reprising it, pruning it etc. and on the other side, there is a desire of increasing the size of the Plan from Rs. 4,800 to Rs. 5,400. I think we must curtail this Plan, that is, we must see the Plan through so far as the essential items are concerned. But there are many items under the Plan which are not so essential; these may be postponed. And particularly unwise spending on the Plan should be stopped immediately.

I will give you one example, if I may, of what I call unwise spending. In 1945, Field Marshal Auchinleck ordered a National Defence Academy to be set up. A committee was appointed and plans made. In 1949 our Prime Minister laid the foundation, and in 1955 the Academy was ready and started functioning. Rs. 6.54 crores was spent on this Academy. This Academy employs 1,800 people. The annual expenditure is Rs. 65 lakhs. After this Academy was ready, it was discovered that it was not suitable for all the three Services of the Defence Forces. And why? It is not suitable for the Air Force because there are some small hills around this Academy; so the planes cannot fly there. It is not suitable for the Navy, because there is no sea or any big river nearby. And the Naval Cadets must have the smell of the sea.

Between 1945 and today no sea has disappeared from there. And the hills were also there at that time. I am not against spending money on such things which are matters of national pride. But would you spend Rs. 65 lakhs every year and an initial outlay of Rs. 6½ crores on an institution which is characterised by high military authorities as a glorified public school? In all humility, Sir, I call it unwise spending.

Rightly or wrongly, Members in this House as well as people outside have a feeling that there is a lot of wastage, a lot of leakage and extravagance in the Govt. It may be that that feeling is unfounded. In that case, it is up to the Government to satisfy us here that this feeling is wrong and then it would be the duty of the Members to educate the people. But, if there is substance in that charge, remedial steps should be immediately taken. It is dangerous to allow such a feeling to continue as the basis of common thinking. It does not generate any enthusiasm for the plan which we need so badly. As it is, the people are grudging and groaning for the payment of these taxes. If, at the same time, they feel that whatever they pay is being wasted, they would resent all the more.

I will conclude my speech with one final quotation from the Taxation Enquiry Commission's report, which had something to say about this wastage and leakage. They say, on page 151, para 19:

"Since psychological and political considerations mingle with the economic in the determination of such a limit—that is, the limit of high taxation—it depends to that extent on popular understanding and appreciation of the plans of development formulated by Government. Efficiency in administration and economy in public expenditure—which make for more effective use of public funds and secure a better return on investment of tax proceeds—should at least diminish people's unwillingness to suffer an increase in tax burdens. They say finally.

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“Altogether, it would not be incorrect to state that taxable capacity shrinks with impecunious and unpopular policies and ineffective governance, and expands with beneficent and competent administration. Public expenditure in India has been moving increasingly towards beneficent expenditure, but it cannot be said with equal certainty that it is moving also towards economy and efficiency.”

**श्रीमती उमा नेहह (सीतापुर) :** जनाब डिप्टी स्पीकर साहब, मैं माननीय फाइनेंस मिनिस्टर साहब को बधाई देती हूँ कि उन्होंने एक ऐसा बजट पेश किया है और ऐसे टैक्स लगाने के सुझाव रखे हैं कि जिससे हाउस के चारों तरफ दुहाई मच गई है और दुहाई के सिवाय कोई दूसरी बात नहीं है ।

मैं इस बजट पर ज्यादा न कह कर केवल डोमेस्टिक एकोनमी के बारे में ही चन्द एक बात सामने रखूंगी। आज यहां पर मैं स्त्रियों की ओर से बोल रही हूँ। मैं उन की ओर से बोल रही हूँ जिनको कि मिडिल क्लास कहा जाता है या लोअर मिडिल क्लास के नाम से पुकारा जाता है या गरीबों की क्लास कहा जाता है। इन घरों में तेल, दियासलाई आदि ग्राम इस्तेमाल की चीजें हैं। मैं यह खूब अच्छी तरह से जानती हूँ कि किसी मुल्क का अग्रर डिवेलपमेंट होता है, किसी मुल्क की उन्नति होती है, तो उस पर सब को फरज होता है। यह जो काम है यह वगैर टैक्सों के नहीं हो सकता है, यह भी मैं खूब अच्छी तरह से जानती हूँ। आज इस हाउस में इस पर भी बहस नहीं चल रही है कि गांधीइज्म अच्छा है या कम्युनिज्म अच्छा है। टैक्सिस लगाना कोई बुरी बात नहीं है, ये सब को अच्छे लगते हैं लेकिन जो देखने वाली बात होती है वह यह होती है कि क्या ये मौजू हैं या नहीं हैं। आज आपने

कई चीजों पर टैक्स लगा दिए हैं या टैक्सों का जो रेट है उसको बढ़ा दिया है। क्या ये जो टैक्स लगाये गये हैं क्या ये गरीबों को बिल्कुल खत्म करने के लिए लगाये गये हैं। क्या इनसे गरीब आदमी जिन्दा रह सकेगे, यह सवाल इस वक्त हमारे सामने है।

जब मैं इस सवाल पर गौर करती हूँ तो सारे हिन्दुस्तान का जो नक्शा है वह हमारे सामने आ जाता है। हमारा देश बहुत गरीब है। हमारे देश को आजादी मिले अभी दस साल हुए हैं। इन दस वर्षों में हम पनप भी नहीं पाए हैं। जब हम पनपे भी नहीं तभी हमने पहली पांच साला योजना बनाई और उसको सफलतापूर्वक कार्यान्वित किया। इससे हमारे देश को काफी फायदा पहुँचा है। लेकिन इतना ज्यादा फायदा पहुँचने के बाद भी हम देखते हैं कि अभी भी हमारे यहां फाकेमस्ती है, गरीबी है और इन चीजों को हम देश से अलग नहीं कर सकते हैं, दूर नहीं कर सकते हैं। जब इतनी ज्यादा गुरबत है तो ये जो टैक्स लगाये जा रहे हैं ये किन पर लगाये जा रहे हैं और किन किन चीजों पर लगाये जा रहे हैं। हममें से ज्यादातर लोग गरीब हैं और वे किसी न किसी तरह से जिन्दा ही रहते हैं। ये लोग हैं जिन पर आपने टैक्स लगाया है। माननीय फाइनेंस मिनिस्टर साहब मद्रास के रहने वाले हैं। मैं भी मद्रास में रह चुकी हूँ और वहां पर मैंने खुद देखा है कि ग्राम तौर पर लोग गरीब हैं और इतने गरीब हैं कि वे दिन भर बैंगर खाने के काफी—और माड़ यानी चावल का पानी पी कर जिन्दा रहते हैं। अब जबकि काफी पर टैक्स लगाया जा रहा है तो काफी भी उनके लिए दुश्वार हो जाएगी और हो भी गई है। इसी तरह से चाय पर टैक्स लगाया गया है। मैं आपको बतलाना चाहती हूँ कि आज लोग चाय पी पीकर तथा उसमें रोटी के टुकड़े भिगो कर खाते हैं। मैं इस का मन आदमी में उस आदमी को शामिल करती

जिसकी आमदनी दो सौ या तीन सौ या चार सौ है। वह आज अपने परिवार का गुजर बसर नहीं कर सकता है। जब इन सब चीजों को मैं देखती हूँ तो इस पर भी जब ये टैक्स लगायें जाते हैं तो ये खलने लगते हैं। अगर गरीब आमदियों को तथा मिडल क्लास के लोगों को सरकार ने फ्री एजुकेशन और फ्री मैडिकल एड की फैसिलिटीस दी होती तो ये जो टैक्स हैं इनको अदा करना किसी को बुरा न लगता। लेकिन जो हालात आज हैं उनमें इन टैक्सों को अदा करना बहुत तकलीफ देह है।

इसके अलावा मैं यह कहना चाहती हूँ कि अभी कोई आमदमी मुझ से जिक्र कर रहे थे और कह रहे थे कि शहरी इलाकों में जरूर इससे तकलीफ होगी लेकिन देहाती इलाकों में नहीं होगी। अगर ऐसी बात है तो मैं फाइनेंस मिनिस्टर साहब से कहूंगी कि वह इलैक्शन के दिनों में देहातों में गए होंगे, आज मेरे साथ भी २० मील या ३० मील देहातों के अन्दर तक चले और मैं उनको दिखाऊंगी कि आज भी दस दस बरस की लड़कियाँ सगोटो बांधती हैं क्योंकि उनको कपड़ा नसीब नहीं होता है। गेहूँ वहाँ पर इतना महंगा है कि उनको खाने तक को नसीब नहीं होता है। वे गोबर के उपले शहर में बेचने के लिये लेकर आते हैं ताकि उनके पास नमक और तेल खरीदने के लिए पैसे हो जायें। जब आज देहातों की यह हालत है तो आपके टैक्सों का उन पर क्या असर पड़ेगा इस पर आपको विचार करना होगा। आज आप दियासलाई पर टैक्स लगा रहे हैं, तेल पर लगा रहे हैं, काफी पर लगा रहे हैं, तम्बाकू पर लगा रहे हैं, चाय पर लगा रहे हैं और ये सब चीजें गरीब आमदियों के इस्तेमाल की हैं।

इसके अलावा जब मैं तसवीर का दूसरा खल देखती हूँ तो सोचती हूँ कि क्या हमारे देश में रईस आमदमी नहीं हैं, क्या अभीर आमदमी नहीं हैं, क्या प्रिंसिपल नहीं हैं, क्या हमें इन लोगों को कम या ज्यादा टैक्स

लगाना है। अगर आप इन लोगों को बतलाते कि देश प्रेम क्या है, और देश के लिए सैक्रिफाइस करने का क्या मतलब होता है और उन्हें अपनी आमदनी में से कुछ देना है तो यह ज्यादा मुनासिब होता और वे लोग दे भी देते। मैंने यहाँ पर कई बार प्रिन्सीपलिस का जिक्र भी किया है। इसके जबाब में मुझे से कहा गया है कि कानून हमें इनको छूने की इजाजत नहीं देता। मैं पूछना चाहती हूँ कि कानून कौन बनाता है?? आपने कई कानून बनाए हैं। वह कौन सी अड़चन है जिसकी वजह से आप पसिस को छू तक नहीं सकते। आपको इस चीज को भी देखना चाहिए था। ये सब चीजें तो हैं लेकिन असल बात यह है कि जिस वक्त कोई आमदमी कोई परिवर्तन लाने के लिए खड़ा होता है या कोई शास्त्र सोशलिस्टिक पैटर्न आफ सोसाइटी की स्थापना की बात करता है तो सब से पहली जो चीज उसको करनी है वह यह है कि वह खुद त्याग करे। जब मैं इस चीज को देखती हूँ तो मैं अपनी सरकार से यह कह बिना नहीं रह सकती कि इतनी बड़ी महफिल, इतनी बड़ी एडमिनिस्ट्रेशन किस लिए है? एक एक आमदमी की जगह पर पांच पांच आमदमी आपने रखे हुए हैं, इसमें आप कमी क्यों नहीं करते। आप सादगी को क्यों अस्वकार नहीं करते हैं, आप आस्टेरिटी को क्यों नहीं अपनाते हैं। आस्टेरिटी यही से पहले शुरू होनी चाहिए, इसकी शुरुआत आप ही को करनी है। आपको इन सब चीजों को मंजूर करना है, आपको तनख्वाहों को कम करना है, आपको सादगी को अपनाना है और जब तक आप ये सब चीजें नहीं करेंगे तब तक आपके ये जो टैक्सिस हैं ये भी काम नहीं कर सकते हैं। अगर आप इन सब चीजों को अमल में लायें तो हम भी आपको खुशी से टैक्स देने को तैयार हो सकते हैं और अगर आप हमारी खाल भी खींचना चाहें तो उसकी भी हम इजाजत दे सकते हैं। तो सब से पहले आपको सादगी को अस्वकार करना है और पीछे

[श्रीमती उमा नेहरू]

सब दूसरी चीजें आती हैं। आपने 'ल्थ पर 'क्स लगाया है। लेकिन जब मैं इस टैक्स को देखती हूँ तो पाती हूँ कि उसके अन्दर आपने काफी गुंजाइश रख दी है। लोग इवेंड कर सकते हैं, अंडर ग्राउंड जा सकते हैं। जब सब चीज अंडर ग्राउंड हो जाती है तो आप को इसकी चिन्ता होने लगती है और इस चीज को पकड़ने के लिए आप एक दूसरा ही महकमा यहां पर कायम करते हैं। इस टैक्स की तरफ जब मैं देखती हूँ तो एक अजीब ही चीज पाती हूँ। जो चीज कहीं पर भी आजमाई नहीं है वह यहां आजमाई जाती है। भारत की यह हालत है कि कोई भी बीमारी अगर यहां आती है तो वहम यहां कायम होकर रह जाती है।

मैं अपने सब मिनिस्टर साहबान की खिदमत में यह अर्ज करूंगी कि हम सब लोग खुशी से आपको टैक्स क्यों कि हम हम जानते हैं कि हमें अपनी दूसरी पंचवर्षीय योजना को कामयाब बनाने के लिए रुपया चाहिए लेकिन मैं चाहती हूँ कि आप मुल्क के सामने एक सादगी की मिसाल बन कर खड़े होंगे। यह हम कभी नहीं भुलाना होगा कि हमारा देश एक गरीब देश है और भिखमंगों का देश है और उनसे खुशी खुशी टैक्स लेने के लिए आपको सादगी का स्वयं एक आदर्श बन कर लोगों के सामने रखना होगा क्योंकि याद रखिये कि अगर आपने ऐसा नहीं किया और हमारे गरीब लोगों ने आपको रो रो कर यह टैक्स दिये और अगर आप इस तरह टैक्सों के भार से कौमन आदमियों को खत्म कर देते हैं, लोअर क्लास और मिडिल क्लास के सबके को खत्म कर देते हैं तो फिर इस देश की खैर नहीं है। क्योंकि जहां देश में मिडिल क्लास और लोअर क्लास खत्म हुआ वहां रेवोलूशन का आना जरूरी हो जाता है।

मुझे आखिर में अपने मिनिस्ट्रों से थड़ी कहना है कि गरीब जनता से और अधिक बलिदान करने को कहने से पहले आप

सादगी अरूयार कीजिये और यह जो सारे बड़े बड़े कारखाने हैं इनको समेटिये, बन्द न कीजिये लेकिन उनमें एकोनामी लाइये और यकीन मानिये कि ऐसा करने के बाद जनता खुशी खुशी आपको टैक्स देगी।

**Shri Supakar (Sambalpur):** When the Finance Bills are passed, the common man in India, the average tax-payer, will have to pay to the Government of India this year a sum of Rs. 19.74 over and above the payment made by the Government of India to the different State Governments. We find that the common man has to pay to the different State Governments a sum of Rs. 14, and for his travel—he has to travel—and for the conveyance of his goods to places, he has to pay another Rs. 10. All told, the average man has to pay during one year a sum of Rs. 43.74 to the different treasuries, leaving aside the liabilities to municipalities, panchayats and other district organisations. The Finance Minister has told us that the average income in India is Rs. 269, and if a man pays about Rs. 44 out of that, it works out to more than 15 per cent of his actual income. The Finance Minister has admitted that at the upper levels of income there is a lot of evasion. When we take this also into consideration, we can well imagine the fate of the poorer sections of our society who have to pay more than 15 per cent of their annual income to the different Governments, State and Central.

The Finance Minister has proposed a reduction in the direct taxation on the top income brackets. For this he has advanced two reasons. The first reason is that because there is evasion, there should be reduction in the percentage that should be recovered by way of tax, and the second reason is that higher taxation is a disincentive, that is to say, it does away with much of the incentive to work. But I would submit that this is the most inopportune time for the Finance Minister to choose to reduce the amount or the percentage of direct taxation on the

richer sections of the population. Indeed, when the poorer section of the people, the common man, pays a higher amount of tax on sugar, on tobacco, on tea and coffee, the Finance Minister should not have taken up this reduction in direct taxes, at this point of our national life when much stress is laid on planning.

So far as direct taxation is concerned, we find that the poor bachelor is further penalised by having to pay an additional amount of Rs. 60—unfortunately I am not a bachelor, I am only advocating their cause—and the married man gets a further advantage by an increase in the exemption limit. In a country which is supposed to be enforcing prohibition, in a country which is supposed to be over-populated, and which is over-populated, and where the Government is enforcing teetotalism by taxing to a very heavy extent sugar, tea, coffee and tobacco, there is no reason why the Government should have come forward to tax *brahmacharya* or bachelorhood at this point of time. Our Government is laying particular stress at this stage on family planning, and they are granting large sums to the different States to popularise that scheme, and we are surprised that these people who are helping to check overpopulation in the country should be taxed. Bachelors are always in a microscopic minority in society, and that is an additional reason why he should not have taxed them so much. Those who are helping to check overpopulating the country are rewarded with heavier taxation. The married man has more money and honey, but the bachelor has neither.

The price of sugar has gone up by ten *naye paise* for every seer, and I fear that after this heavy taxation, sugar to most people will not be as sweet as it used to be. A cup of coffee or tea that used to cheer will not succeed in cheering the poorer section of our population.

**Shri Sadhan Gupta** (Calcutta—East): The taxes will leave a bitter taste.

**Mr. Deputy-Speaker:** Now, one spoon should be as sweet as two used to be.

**Shri Sadhan Gupta:** But the taxes will leave a bitter taste.

**Shri Supakar:** I feel that even cigarettes, instead of smoothening and strengthening our nerves, will cause greater irritation.

I agree with the Finance Minister that there is a necessity for implementing our Plan, and, therefore, it is necessary to impose heavier and heavier taxes. But when the Finance Minister advises us to pay more tax, when he advises us to tighten our belt, and to stint ourselves for the time being, so that the country may prosper, an added responsibility rests on him to see that the wastage in governmental expenditure is reduced to the minimum.

I submit that when the common man is paying more for his cup of coffee or for his *biri* or cigarette, he should not be told that perhaps in the capital of India, one dinner in the hospitality department of the External Affairs Ministry costs Rs. 50, excluding drinks. I would submit that it is time for the Finance Minister to see that we attain or try to attain a very high standard of austerity in governmental expenditure and effect economies to the utmost limit.

So far as the Plan is concerned, I would submit that Government should give top priority to those things for which there is greater need, from the point of view of the rapid progress of the country. In this respect, I would submit that Government should invest more in starting heavy industries in different parts of the country. Next comes railway development programme. Then, we must have education as the next priority. Especially, primary education should be made free and compulsory within a very short interval.

I agree that we have to pay a sum of Rs. 93 crores by way of additional taxation. And the justification that has been advanced is that since we need more money for the Plan, we must pay more. But we received a pamphlet this morning which points

[Shri Supakar]

out that out of this extra taxation to the tune of Rs. 93 crores, Rs. 50 crores is claimed by the Defence Ministry; Rs. 25 crores goes towards the creation of a food subsidy fund, and Rs. 18 crores to the States. I do not know what remains. I submit that these extra taxes do not enthuse, and will not enthuse our people, when they know that these taxes are not claimed by the Plan itself but to a large extent to meet the normal expenditure of our States.

In this connection, I would like to draw the attention of the Finance Minister and the House to two important developments regarding the progress of our Plan, especially the Second Five Year Plan.

The first point is the gradual but sure dilution of our Plan from time to time as it progresses. Before the First Plan began, if we had to carry out repairs to a school, or an incomplete hospital had to be completed, or a tank had to be renovated, there was no plea of dearth of money on the ground that we had no Plans. But now that we have had the First Five Year Plan, and also the Second Five Year Plan which is in progress now, whenever we have to effect repairs to a primary school, or whenever we want to rebuild some hospital, we have to ask for a slice from the Plan expenditure. We are not only being asked to depend on the Plan fund, but we are also asked to contribute something to it by way of people's contribution. This is the tendency which is progressing very slowly but steadily. And I am afraid that a time may come when the Plan expenditure will become the normal expenditure, and that will be a very unfortunate thing.

Let me give an illustration of the dilution of the Plan. When the Railway Minister was replying to the debate on the Railway Budget, he told us that out of a sum of Rs. 423 crores spent on the First Five Year Plan of the railways, a substantial portion, namely Rs. 267 crores or so went for the

rehabilitation of the railways. I would submit that even if there had been no Plans, the track should have been re-built and the strain on the railways on account of war must have been met. But we find that a substantial portion of the Plan allotment is utilised for the normal expenditure, which means a dilution of our Plan programme. I submit that if there is a substantial dilution of our Plan programme, the people's enthusiasm is also diluted to a corresponding extent.

I now come to the introduction of an imbalance, or rather what I may better describe as the introduction of the caste system into every phase of our Plan; and caste makes a Plan an un-planned plan. I shall illustrate my point by first referring to our educational institutions and the expenditure incurred on them. We know that there are different kinds of schools for our children.

First of all, there are the public schools which may be regarded as the highest caste of schools for children. Then, we have the *ashram* schools, the basic schools and the ordinary primary schools. Everyone knows that the expenditure incurred on the maintenance of a public school or an *ashram* school or a basic school is much more than will suffice for the maintenance of two ordinary primary schools. The nation has been promised by our Constitution that primary education will be made free and compulsory within a period of ten years, that is to say, before 1960. But we find that we have not even taken any steps whatsoever in trying, for the sake of experiment, to make an attempt to make primary education compulsory in a substantially large area; on the other hand, we find that the introduction of more and more luxury schools at the cost of a substantial number of primary schools is not conducive to a widespread and broad-based plan.

I will come to another illustration—regarding the rural upliftment programme. We know that even there there are four classes, the Community Projects claiming to be the highest

class, which involved at least in the beginning an expenditure of Rs. 65 lakhs of rupees for each project block. The next class or next caste is the Community Development Block; then comes the National Extension Service and now we have the fourth class, the Post Intensive Block.

I will not multiply illustrations to show how we are going to increase the differences between the development programmes and the cost of the development programmes that we place before the public of India. But what I submit is that since the different classifications of these development programmes are placed before the country and implemented in a way whereby certain portions or certain classes or certain areas or persons who can please the demi-gods get the most out of the general expenditure of the country and there are persons who have to wait for years and years together for a development programme to come to their area, we find that in many places there is no enthusiasm left for the plan. I submit that we will find in many places that it is the poor, it is the lower middle class, who which pay a heavy tax, more tax than their pocket can bear. But we find that they do not get any advantage out of the plan—development—in return.

16.59 hrs.

[SHRIMATI RENU CHAKRAVARTY in the Chair.]

In such cases, I submit that it is necessary, if the Government want money for the Plan, if they want money for the development of the people, they must see that the whole country and all parts of the country get equal and equitable treatment. Otherwise, there is no use in enthusing people in the name of the Plan and trying to extract as much out of them as possible.

**Shri Tyabji (Jalna):** The Budget introduced by the Finance Minister is a valiant attempt to nurture and ultimately bring to fruition the physical aims of the Plan. But it is clear that in drafting the Budget, the Finance

Minister has been dominated—and I say rightly so—by the fear of inflation. So while he has retained the physical targets of the Plan, he has made fundamental changes in the financial proposals contained in the Plan.

The Plan, as prepared by the Planning Commission, provided for Rs. 800 crores of taxation. The Finance Minister has proposed to levy Rs. 1600 crores of taxation and correspondingly diminish deficit financing and fill in the gap. As the Finance Minister has said, a major head of his taxation policy is that the "taxes must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources required for investment". This helps us to understand the Finance Minister's taxes on sugar, matches tea, coffee and railway fares, and his lessening of the exemption limit of income-tax.

Inflationary pressures can be relieved in two ways: the first is to levy heavy taxes and to restrain consumption, and the second is to increase consumption goods which, in the case of India, amount to increasing agricultural production. That there is enormous scope for the development of agricultural production in this country cannot be denied. An acre of land in India produces 1/4th of what it does in Europe or America. May I here repeat a quotation from the report of the World Bank, which was recently read out with approval by the Vice-Chairman of the Planning Commission, at the Conference at Mussoorie:

"Proper application of known techniques, in conjunction with the possible expansion of irrigation and the cultivated area could increase India's agricultural output four or five-fold. By the time that has been achieved, new techniques will have been evolved and the way will be open for further progress. Results of the crop

[Shri Tyabji]

competitions organised for the Grow More Food Campaign show yields about seven times higher than the local average. India's yields are at present among the lowest in the world; with the labour force available, they could be among the highest. There is thus a great deal of scope for progress that is technically easy but is retarded by poverty and ignorance. As progress becomes technically more difficult, the rate will be maintained by the increasing power of educational forces that will develop more slowly".

The question of food can be looked at from another point of view. The consumption of food today in India is 2200 calories per person. The minimum required for sustenance is 3000 calories. I have taken these figures from the Second Five Year Plan. These figures are not in accord with what some other authorities say, but for the present I shall take them as correct. At the end of the Second Five Year Plan, the consumption of food is to be increased from 2200 calories to 2450 calories, when the minimum required for proper sustenance is 3,000 calories.

So even at the end of the Second Five Year Plan, the average Indian will be living on a standard of food consumption which is considerably less than what is required for mere sustenance; he will be living just a little above starvation level. Is it surprising that the production in India per man is one-fourth or one-fifth of what it is in Europe or America? What would one say of an industrialist who purchases an expensive machine capable of 40 years of good and efficient service, who does not supply the necessary lubrication so that at the end of 20 years the machine becomes useless? That is exactly what we are doing to our 360 million potentially valuable human machines. It is clear, therefore, that until consumption reaches this minimum of 3,000 calories, food can only in a very incorrect sense be

called consumption goods. Until that minimum is reached it forms an essential requirement for the human machine. Food is absolutely necessary in order to enable the human machine to produce up to its proper capacity. Until that minimum of 3,000 calories is reached, it cannot, in principle be distinguished from the machine itself as a necessary requirement for the production of wealth. Of course, after the minimum of 3,000 calories has been reached, food becomes a consumption article in the correct sense. The excess over 3,000 calories is not required for the production of wealth and then it is only a luxury which can be dispensed with. Madam, I do not want to labour this point any more. I doubt whether any Member of this House will disagree with my thesis that agricultural production must be increased. Now, the triple pillars of increased agricultural production are, first better utilisation of land; second, improved seeds, implements and methods of cultivation, and finally, co-operation. It will be seen that none of these three pillars rests entirely on a financial foundation. What is required is not money. What is required is a dynamic and forceful administration. I know that there are the Community and National Extension Schemes. But I am far from being satisfied about their working. I have visited the Community Development and National Extension Projects in my own constituency, and I cannot say that they are inspiring or that they are being worked with the resolution that they are being worked with the resolution that they require for their complete success. Then, coming to co-operation, I see no trace of that dynamic and enthusiastic urge for co-operation that alone can make it a success. Cooperation is today what it has always been, a wilted and wilting plant, growing, it is true, but growing at a painfully slow rate.

Now, I ask you to look at what is happening at the irrigation projects that we have completed or almost completed. Hundreds of crores of rupees have been spent and vast

dams have been constructed. We were told that many lakhs of acres of land would be irrigated and flower like gardens. But, what has happened? Though the dams have been built and the water is there only a fraction of the water is being utilised. This is most gross at the Tungabhadra Scheme and in the Damodar Valley. But I understand that it is so to a greater or lesser extent at almost all the irrigation schemes. Why in the name of God is this so? We are told, because of administrative delays and difficulties, because some file has not yet completed its destined round.

But that is not all. We are reclaiming land and constructing irrigation schemes at vast expense on the one hand. On the other, the desert of Rajputana is advancing and making inroads into fertile land and destroying it. In the First Five Year Plan there was a most excellent scheme for planting a forest belt to check the inroads of the desert. What has happened to this scheme? Nothing or almost nothing. So, while the area of agricultural land is being increased at vast expense by the construction of these dams and irrigation schemes on the one hand, it is being decreased on the other by the inroads of the desert.

What is the remedy for all this? One thing is clear. There is no lack of money or funds. What is lacking is dynamic drive and initiative and particularly, I say, dynamic drive and initiative from the top. It is no use blaming the villagers for not using better seeds or not forming co-operative societies, as if co-operative societies form of themselves like pools of water after a shower of rain. What is needed is direction and drive from the top.

Consider the three pillars of increased agricultural production that I have mentioned. As regards the first, proper utilisation of land, this is a fatherless and motherless child. Land is now utilised at the sweet and haphazard will of the owner, and where the owner is the Government at the even more irresponsible will

of the Collector. As regards the improvement of seeds, implements and methods of farming, something is being done by the Community Projects though not half of what is required.

As regards co-operation—land utilisation I called an orphan child, but co-operation is a child that is struggling with both a step-father and a step-mother. In the States co-operation is always entrusted to the most junior and generally the most incompetent Minister and here at the Centre, co-operation merely forms one of the departments of the Food and Agriculture Ministry.

**An Hon. Member:** Not everywhere.

**Shri C. D. Pande:** That is a fact.

**Shri Tyabji:** How can the Food and Agriculture Minister who is already weighed down by the anxieties of procurement and distribution and of the increase of prices in this pocket or that, how can he be expected to find time for such a long term scheme of development as co-operation?

My proposal is that a powerful new Ministry should be constituted at the Centre. This Ministry should be designated the Ministry for Land Utilisation and Co-operation. A most senior and dynamic Minister should preside over this Ministry. The formation of such a Ministry will not involve the engaging of much additional staff. Most of the staff that will be needed is already there burrowing in the vast corridors of the Ministry of Food. You have only to take that staff and start the Ministry. The new Ministry should have wide powers to give mandatory advice to the States on land utilisation and on the development of co-operation.

**Shri T. T. Krishnamachari:** No. Central Ministry can give mandatory advice.

**Shri Tyabji:** I will come to that.

In case the Ministry is not satisfied that the State is not following its advice with the necessary ex-

[Shri Tyabji]

pedition, the Ministry should have power to take the implementation of the schemes into its own hands. If necessary, legislation should be introduced for the purpose and the Constitution should be amended. I fully realise what the Finance Minister pointed out, that it is necessary to provide the Centre with powers to interfere with the States when it finds that they are not acting according to its advice.

Unless some dynamic steps such as the one that I am advocating are taken, I most earnestly submit that the Plan is in serious danger. As the Finance Minister has said the Plan has already, in its second year run into difficulties. The Finance Minister has taken such steps to save the Plan as lie in his power, by reducing the deficit financing and filling in the gap. But to do so he has had to double the taxation contemplated by the Plan and even to tax the poor who are already struggling against the rising cost of living. But, the difficulties into which the Plan has run are due to administrative lethargy and delays. If this administrative lethargy and delay had not been there the production of agriculture would have been stepped up to a far greater extent; the prices would not have risen; there would have been no inflation and the Finance Minister would not have been compelled drastically to increase the taxation contemplated by the Plan and we would not have been in the state in which we are now. The only remedy is a high-powered drive from a Ministry of the kind I have described, the powers of which will not be limited to the Union subjects but which will have power to interfere in the States when there is slackness in agricultural production. If such a Ministry is brought into being, then, the difficulties into which the Plan has run and to which the Finance Minister has referred will be solved and we can, then, properly approach him to reduce taxation. Until then it is futile to attack his proposals.

**Shri Maniyangadan (Kottayam):** In the first place, I have to congratulate the Finance Minister for presenting an illuminating and constructive Budget. The true state of affairs in the matter of finance is depicted by him. The question is posed as to whether we should progress or there should be a stalemate. As was stated by somebody here, we are wedded to the Second Plan and there is no question of divorce from it. Only the other day, the Leader of the Opposition has stated that the Plan should be carried through and expressed his hope and happiness that there was no slackness in the progress of the Plan. He felt that the implementation of the Plan should not be relaxed. Thus there is agreement on the question that the Plan should be implemented according to the schedule. The Finance Minister had to find funds for increasing the defence expenditure. From the Budget it is seen that due to reasons which are beyond our control, there has been an increase in the expenditure on the Plan itself.

Now the question is whether we should implement the Plan as scheduled. As it is, Rs. 4,800 crores are not sufficient for implementing the Plan. That is the true state of affairs now. It is also agreed that sacrifices must be made. People also are prepared to make sacrifices. If that be so, my submission is that the Budget, as presented could not be said to be one which is opposed to the interests of the people. It is the achievement of the targets that should lead one to conclude whether the Government has succeeded or not; not the money spent. The Plan is a national Plan and not the Plan of any particular party and I appeal to the Opposition Parties to co-operate by all means for the success of the Plan.

The Leader of the Opposition has stated that there is difference only in the approach in finding the money for the Plan. He has pointed out that nationalisation is the panacea for all the ills. I want to point out the state of affairs in Kerala where the Com-

munist Party is in power. These people here say that they want to curtail the private sector and bring all matters under the public sector. But, there is a frantic effort made by the Ministry there, going after capitalists and inviting them to that State and requesting them to invest in the private sector so that the industries there may be increased. Due to their past statements and declared commitments before the elections, it is true that the people are not coming forward to invest money there in industries. But, effort is made by them. When they reach responsible position, they feel that such large-scale nationalisation of everything is not in the interest of the country. I hope the Leader of the Opposition and his group will take lessons from persons who are in power in Kerala.

I have also to congratulate the Finance Minister on another aspect—the change made by him in the pattern of taxation by the introduction of new taxes on wealth and expenditure. It is a new thing as far as we are concerned and it is a move in the right direction.

I have congratulated him on the Budget but in the implementation of the Plan, the most important thing is the interest of the people. People must be carried forward with their co-operation. It is a people's Plan and the interests of the people should be looked after. The co-operation of the people is highly necessary.

One of the important objects of the Plan is to increase the standard of life. Here people are having one of the lowest standards of life. The family income must be increased. With the increase in the national income, there must be an increase in the family income also. But, the whole of it should not be pumped back. It is not conducive to the welfare of the people. A portion of that increase could be pumped back for development purposes but, if the whole is taken back then it will not improve the lot of the people.

Whatever may be the statistics or reports, in Kerala the price of food-grains has increased. Kerala is a deficit State and we have to pay for rice and other foodgrains much more than what we used to pay until very recently. It is an agricultural country and the main source of income is from arecanuts, pepper, ginger and such other things. The price of these commodities has gone down and so the income has decreased. Family income has decreased and the cost of living has increased. It is in this context that we have to view the effect of the new taxes.

Lowering the exemption limit from Rs. 4,200 to Rs. 3,000 for purposes of income tax may be good in principle, but, having in view the aspect which I just now mentioned, my submission is that it is a hard hit on the people.

Though the Second Five Year Plan envisages several big industries and other things for the welfare of the people as a whole, I have to bring to the notice of this House that no big industry has been allotted to Kerala. Practically, Kerala is ignored in the scheme of things in the Second Five Year Plan. In this context there were several proposals, and the State Government had given a plan, which was of course much more costly, a small portion of which only has been accepted by the Planning Commission. Even now there are certain proposals. The Plan is not a rigid one. It is flexible, and modifications here and there ought to be made.

In this connection I may mention something about the community development projects and national extension services. The state of affairs in Kerala is entirely different from that in other parts of India. The pattern of national extension services and community development blocks has to be viewed from an altogether different angle. The only salvation there, according to me, is small industries which could be run with the aid of power.

[Shri Maniyangadan]

Electricity is available there, and with a little more effort as much power as is necessary could be made available. If small industries which could be run with the aid of power are started and the people are given employment, that is the only salvation I can think of. Unless that is done the people there cannot be given any employment. As I said earlier, it is mainly an agricultural country. If the people are left to live on their agriculture alone, the growing population will have to starve in the near future. There is no scope for increasing food production there.

Therefore, industries have to be increased in Kerala. With regard to the question as to what industry should be started there and how it should be run, my submission is that some experts must be sent there, a survey taken and proper industries must be started. Unless that is done the people of south, especially Kerala, are not going to have any benefit out of this Plan.

Then I come to the increase in tax on tea, sugar and other things. Of course, the Finance Minister has in a brochure published that the increase in cost per cup of tea or coffee is very slight. The actual state of affairs, as I have got information from that part of the country, is that it has risen by about 25 per cent. Whatever be the reason, whether it be exploitation by profiteers or whether it be a mistake of the statisticians, the fact remains that the price has increased. I have to request the Government, if they stick to this tax, to see that the increase in price should not exceed what is expected by the Government. Strict measures should be taken to see that increase over and above the actual increase in tax does not take place.

I would also like to refer to the increase in the excise duty on vegetable oils. The production of coconut in Kerala is mostly affected by that; either the prices of coconuts must go down or the prices of oil must go up,

and that will only help the importers from Ceylon and other places. The people in Kerala are mainly dependent on coconut. They will be hard hit by this proposal.

Therefore, I request that at least in the implementation of the Plan some special consideration must be shown to Kerala. I am sure the Communist Government there will be supported by the opposition parties here. The Government there have requested the co-operation of all sections of people. I would make the same request to the opposition parties here to make the Plan successful and to take special care in the case of Kerala.

**Shri K. Khadilkar** (Ahmednagar): Sir, before I turn to the taxation proposals proper I would like to make one or two observations. Since this Budget was presented, or, if I may say so, even before the Budget was before the House, a section of opinion in the country has started agitating for curtailment of the Plan in some way or other, and after the publication of the Budget people who are interested in defending the living standards of the common man have also taken up the issue.

But, today it is not only the Plan but the method by which we have pledged to implement it—I mean the democratic method—which is on its test. There is a suggestion that instead of an integrated planned development we should attempt at a piecemeal programme of development. Then the bogey of lack of foreign exchange, lack of internal resources, all these arguments that are put forward by a section which, if I may say so, is more interested in torpedoing the present scheme of national development. Within the present framework of capitalist economy as it is today if a very sincere effort is made to bring about a social transformation, forces are generated in the process of development which are bound, slowly but surely, to undermine the capitalist structure as it is today. And that is the fear of

those who feel that if planned development is proceeded with, it will not stop here but ultimately, more sacrifices will be claimed from that section—modification or curtailment of the plan is being attempted to protest their interests.

Therefore, we will have to meet a certain amount of resistance from two quarters, and if we are determined to proceed ahead—and I feel that we should be determined—some way must be found out, before actual proposals for taxation and other things are discussed, as to how we can delimit the area of conflict, how possibly we can lessen the resistance. If I may quote the Chinese experience, there, in a multi-class society, a small beginning was made. But, while making that beginning, those who agreed on social objectives broadly were consulted, and through that consultative machinery a certain amount of common agreement regarding the objectives as well as the method of implementation was evolved. I would request the hon. Finance Minister to take a lesson from the history of Chinese development which is very recent, and share a little responsibility with those who are sitting on the Opposition side representing a section of the people, quite a vast section of the people, when the question of resources, the question of speed and priority, are before us. If the Treasury Benches feel that they can pursue their line of action in the same way as they are doing, it will do no good. I am not saying that they should share power with the Opposition. What I am saying is that they should share responsibility for certain decisions, for social transformation in India, to be taken in consultation with those who are sitting in Opposition who are agreeable to the objective concerned. This is my concrete suggestion in order to lessen the resistance from both the sections. Otherwise, what will happen? It is not simply a question of Plan; it is a big experiment in social transformation or reconstruction and in the name of Gandhiji, the

father of the nation, we have under taken it and want to achieve our development democratically, and therefore the democratic method itself, I plead, is on test.

If you fail, you know what is the alternative? You will have to face it. Planning, if I may use a simile, is just like working on a belt method in an industrial plant in a modern factory. If you miss one operation, then the whole production is out of gear and you are thrown out. Here, in our country, we have undertaken a big national experiment. If we commit a slight mistake, we will be thrown out; the Plan will be jettisoned and we will prove our incompetence. People will lose faith in planning and lose faith in the democratic method.

Therefore, my first but very humble submission is that the Treasury Benches and those on the Opposition benches who broadly agree on the objectives, must meet together and meet the present crisis. Because the crisis is two-fold as you all know. One side of it is not in our hands. So far as the gap of foreign resources is concerned, we are told time and again that we have got very high international prestige, we have earned immense goodwill. And how far it will be translated, in what pleasure it will be returned, when we are in dire need for foreign resources, will be seen now. That good will and that international prestige will be tested now. So far as foreign resources are concerned, I am afraid we are in a way helpless. But if the question of exploring the resources at home, how to meet the demands of the Plan, who is to bear the burden, etc., are open for discussion, a way could be found out to tide over the present difficulties. I am sure that co-operation from others who have the socialist objectives before them and a certain amount of faith in socialism, will be coming forth readily. If this method of creating resources is not tackled in such a way, what is going to happen? What has happened after the publication of the budget

[Shri K. Khadilkar]

proposals? We have seen, for the first time, as they say "French without tears", that we cannot have planning without tears. That consciousness has reached the very lowest strata of our society. The common man has experienced the pinch as soon as these proposals were published, now the people sitting on the Treasury Benches should go to the people and defend the proposals of new taxation. I would suggest, "Go to the people, face them boldly and put your tax proposals to test.

**Ch. Ranbir Singh (Rohtak):** We went to the people.

**Shri K. Khadilkar:** I am coming to that. We also went to the people. So, go to the people and say, "These are the proposals." Take counsel. If the people suggest, "All right, we are prepared to shoulder the burden provided, the alternative resources which should be tapped first are harnessed to meet our developmental needs" proceed ahead.

Here is the question of priority in sacrifice. Whether you are going to preserve the present structure intact on top of socialism and what not, in the name of Gandhiji, or you are prepared to put to test your faith in socialism, is the issue before us at the time of this budget discussion. Therefore, before taxing the common man, my suggestion is, you should explore all the other resources. Have we seen other resources available roundabout? For instance, the Finance Minister said that he wanted to broaden the base of tax structure, because the base is corroding. Shifting that burden to the people who hardly earn about Rs. 250, he is going to remove that corrosion. What is that corrosion? That corrosion is, as Kalder has pointed out, every year more than Rs. 200 crores to Rs. 300 crores of income goes without tax being paid on it. Have you brought those offenders—I mean the tax-dodgers—to book? Is it equity? Even according to the standards we follow not the socialist equity, but I am

saying it in the capitalist sense—are you prepared to treat them without discrimination? If a small petty trader makes a wrong calculation, he is immediately proceeded against. But such people whom I mentioned earlier are known to the Treasury Benches. They provide the finances of the party; we all know it. Therefore, they cannot be touched. Unless you are prepared to proceed against them and whatever punishment by way of penalties is imposed on them and recovered, who is going to pay taxes to you?

**Shri Radhelal Vyas (Ujjain):** And to us also.

**Shri K. Khadilkar:** I am prepared to accompany you. Let us go together. Therefore, my suggestion is this. That corrosion has taken place. It must be removed boldly and faced squarely.

The hon. Finance Minister has made one or two welcome innovations in the tax structure. For instance, tax on wealth or on expenditure—such proposals may be worth trying. But the question is in the name of broadening the tax-base. Are you going to tax those middle class people and to what limit? The hon. Finance Minister has said that the middle class is an expanding group of people, who earn between Rs. 200 and Rs. 300. But he has not given one important item in the budget. I mean the employment budget. If he were to give those figures, the position would be clear. According to the available figures, about ten lakhs of middle class educated people are unemployed; and who feeds them? The middle class family; so, this burden is equally on the middle class. One cannot forget it. And, you say that they should be made to feel a little burden for the sake of saving this Plan. Therefore, my suggestion is that unless you are prepared to tap the sources which are easily available you should not tax the middle-class people.

There is another good gesture by the hon. Finance Minister, namely, setting apart Rs. 25 crores as price subsidy. I welcome this move because the Plan is not likely to succeed unless the price line and the wage line are tightly held together. Once the price line goes out of control, you will never be able to control the wage line also. So far as the rural producer is concerned, this is a good suggestion, but I would like to add one more. In known chronic scarcity areas like districts in Maharashtra, which I have the honour to represent here, there should be a system of grain banks, because in our countryside, according to the expert committee's report, 93 per cent of the credit needs were supplied by private agencies. Now there are lots of restrictions on money-lending and other activities of that nature. So, all that money—I mean the commercial and trading capital—with which exploitation was carried on in the countryside from generation to generation has entered a new field since the last war. It indulges in speculation and such other anti-social activities to reap rich harvest of profits. I remember in 1943-44, when I was in jail, there was a representative of a trading community along with me as a political prisoner. He established some connection with the jailer and other staff. That man is a Congressman. He earned Rs. 10 lakhs by cornering goods one after another.

17.48 hrs.

[MR. DEPUTY SPEAKER in the Chair.]

This is the practice prevailing all round. What are the Members on the Treasury Benches looking for when they tax matches, beeri, coffee or tea leaving untouched this trade capital to operate freely in a speculative way in the countryside disturbing the whole price mechanism? This is the disturbing factor in our rural economy. They must make every effort to mop up this capital. This is not at all difficult. Before giving licences to those who practice moneylending or such other business, you can make a demand from this section, you can devise some method

to curb them. Unless you do that, this price subsidy of Rs. 25 crores will not be enough to check the price rise and once you lose the price string, it will ultimately lead you to disaster.

Then there is another question. As the Leader of the Opposition, Mr. Dange, said, are we going to leave the rich harvest of import and export trade built up since the advent of the East India Company as agents and sub-agents and the whole machinery reaching the countryside in the hands of a few monopoly traders, and tell the people, "We are committed to build up a socialist pattern of society"? Who is going to believe you? I would never say, of course, that we should follow the Soviet Union or China; we will have to evolve our own model and it is a good thing that a national organisation like the Congress, enjoying such a high prestige, has dedicated itself to build up the country and bring about social transformation in a democratic way. It has a great moral force; it is not a military force. You can persuade the people to pay more for beeri, tea, sugar or coffee, provided they are convinced about the bona fides that you have tapped every other source, which needs be tapped. But you have done nothing of the kind. Therefore, as an hon. Member, Shrimati Uma Nehru, just now said, if you look at it from the most appealing angle of the housewife or the mother, and see how she feels about the Budget, then you will realise what sacrifices you demand from them and how can they bear it. You have taken the vote on a blueprint; you have taken the vote on that plan frame, it is for you to implement the Plan and face the people. If you allow it to be torpedoed by the vested interests from one side, then it will lead you to disaster. For instance, I was surprised to hear my hon. friend Mr. Masani saying that as far as possible, the Plan should be pruned and that some part of it should be altered, because planning ultimately is likely to lead to bureaucratisation and what not. I would like to make a humble sub-

[Shri Khadilkar]

mission. He is supposed to have studied economic science. Joan Robins the well-known economist, has suggested that in an under-developed country like India, there is no question of Capitalism, the development will be brought about by socialism only. We shall have to avoid the danger of bureaucratisation. During the British regime ordinary or common man has lost all economic incentive. That observation has very recently been made by a foreign observer. The meaning of this observation must not be lost sight of. You do not want even a leave little incentive in his life; you want to get every farthing from him in order to foot the bill of the Plan and at the same time, you shield that section which can afford to pay more. We shall get more time when actual demands are placed before the House....

**Shri K. N. Pande (Hata):** There should be a time-limit for this speaker also.

**Shri Nath Pai:** Let us have fair-play.

**Mr. Deputy-Speaker:** He is getting his allotted time. The hon. Member should not be impatient. Members are being given about 20 minutes and he is the first speaker from his group. Normally also he is entitled to 20 minutes. He started at 5.32 and it is now 5.52, just 20 minutes.

**Shri Thirumal Rao (Kakinada):** Ringing of the bell three times is somewhat misleading.

**Shri Nath Pai:** That was to silence the noise in the House.

**Some Hon. Members:** No.

**Mr. Deputy-Speaker:** The hon. Member would conclude in a minute or two.

**Shri K. Khadilkar:** If some hon. Members of the House find my remarks unpalatable—truth is unpalatable—to them, I am very sorry.

**Mr. Deputy-Speaker:** The remarks are very sweet and are being enjoyed; but there is pressure of time.

**Shri K. Khadilkar:** I would just conclude.

Before I conclude, I would again urge that these who have to shoulder the responsibility of the Government, must make a new innovation, because you cannot divorce planning from the mechanism of planning and politics altogether.

Therefore, as I said at the outset, you must make a beginning. Discover a common area of agreement, reduce the area of conflict, take the opposition into your confidence, take the people into your confidence. And then with determination you will be able to carry and shoulder the responsibility, the big responsibility, to carry forward the big experiment that you have undertaken. As I said at an earlier stage, if you fail, it is not the Plan only; the method itself will be discredited. And there is no other alternative left—what it is I need not mention.

With these remarks I thank you, Sir, for the opportunity given to me.

**Mr. Deputy-Speaker:** Let us hear the hon. Member there.

**Shri Mohiuddin (Secunderabad)** rose.

**Mr. Deputy-Speaker:** Well, if there is nobody else, I shall call Mr. Mohiuddin. I would like to make this observation. Hon. Members have sent their chits, but that is all to facilitate the Chair to call a Member. But the principle of catching the eyes till holds good and must be adhered to.

**Shri Mohiuddin:** An eminent economist and authority on taxation said that bad taxes generally meet less political resistance than good taxes.

Now, in a democracy the important thing is that the taxes should be levied in such a way that every one who pays the tax should feel and recognize that he is paying the tax. He should recognize that he is making a contribution to the exchequer of the nation of which he is an important member, and that he should

be able to question his representative as to what has been done with the money. The taxation proposal which the Finance Minister has brought forward is, in this sense, a very democratic tax. It covers practically every sector of the nation from the rich down to the poor.

It is generally argued that the indirect taxes will fall heavily on the poor as well as on the lower middle classes. Mr. Dange who spoke this morning shed copious tears on the fate of the poor and middle classes and he proposed that the alternative method of acquiring resources for the Plan is that a number of industries should be nationalised. I may refer to the method adopted by Soviet Russia in the early part of the thirties and even late in the twenties. The industries were nationalised, whatever industries existed at the moment. The sale of the products was in the hands of the Soviet Government. They raised the prices of the products, cloth and other essential goods for daily consumption; they raised the prices of these articles so that the cultivator and the poor man had to pay heavily for the Government and development expenses. We do not forget in what way the cultivators were forced to pay for cloth and other articles that were supplied from the town. The terms of trade, as they were called, between the urban area and the rural area were heavily against the rural parts. The rural population was heavily squeezed so much so that ultimately they even refused to sow the land so that they could force the Government to reduce the prices of the articles that came from the urban areas.

18 hrs.

Now, Sir, with this knowledge of history of the methods adopted by the Soviet Government it is hardly feasible to propose that the incidence of these indirect taxes on the poor would be heavy and that they should not be imposed. The Finance Minister has had a very difficult task in 1957. The cost of living had increased from 322 to 336 and in February

it stood at 341. The prices of cereals have gone up. The reserves of foreign exchange have dwindled to the minimum, and the supply of domestic goods has shown only a modest improvement. And the savings have failed to respond to the increasing demand for investment. This is a list of the economic ills which we have to face in 1957. These economic ills have accumulated with great intensity during 1956 and 1957, and they had to be drastically treated. These drastic ills require drastic remedies. And the remedies proposed by the Finance Minister, I am sure, will bear fruit in the course of a year or two or three years.

Now, Sir, the economic ills that I have just enumerated are all attributed to the size of the Second Five Year Plan. Every Member who opposed these taxes has said that the rise in prices, the increase in the circulation of currency and all the other economic ills that I had listed above, are due to the Second Five Year Plan. But if we thoroughly analyse the situation we find that these economic ills are not wholly attributable to the Second Five Year Plan.

Our foreign exchange reserves which stood at a very high figure were gradually coming down on account of import of machinery and other consumption articles. The cash balances held by the Government of India in 1951-52 were Rs. 181 crores while in 1955-56 they have come down to less than Rs. 60 crores. All these reserves were exhausted on account of the development expenditure of the First Five Year Plan. The Second Five Year Plan, though of a larger size, is a natural consequence of the First Five Year Plan and it is, therefore, necessary that if we want to carry through the Second Five Year Plan, at a time when our foreign exchange reserves have been exhausted, when the Government of India's cash balances have dwindled to the minimum, we must bear the necessary taxes to meet the demand for investment.

[Shri Mohiuddin]

The forum for free enterprise and some capitalist friends have been suggesting that the Plan should be revised in such a way that the investment proposed to be made in the heavy industries is reduced and there is greater development on the light industry section. India is in a critical stage of transition. We import food, we import essential raw materials for industry, and also we import machinery for capital goods. That we have to import all the three items, food, essential raw materials and capital goods, makes the economic situation very difficult and very critical. We have got to break the vicious circle. We have got to get out of the vicious circle so that, in the near future, we may be able to produce our own machinery, our own capital goods on a large scale and reduce our imports of other items as far as possible. It is not sufficient to say that we should devote more energies for increasing production of food and other raw materials. It has been well established by history and economic theory that if we want development of the country, it must be balanced development. If we simply devote ourselves to development of agriculture, we will be nowhere, just as if we simply devote a very large proportion of our resources only for heavy industries, we will naturally have to face calamities and difficulties. There must be a balanced development. I think, the Second Five Year Plan provides a balanced development on all sides.

To reinforce my argument that the development of heavy industries as well as other industries along with agricultural is essential, I would give a quotation from the World Economic Survey of 1955, a valuable document which surveys the economic condition of the last ten years after the Second World War. The Survey says:

"Much as increased exports are necessary to finance essential imports, one-sided expansion of the output of primary products

would only widen the gap between the developed and under-developed countries."

If we devote ourselves to primary products, the gap will be still further widened between developed and under-developed countries because the consumption of raw materials in the world for industrial purposes and the import of these raw materials is proportionately going down. The reason is, the share of the raw materials in the value of the final product have also declined as the composition of output has changed in favour of synthetic articles. If we simply devote ourselves to the production of raw materials for other countries or food, it will not lead to higher standard of living. The balanced economy that is proposed in the Second Five Year Plan is a desirable objective that we have placed before the nation. Almost all the under-developed countries are now undertaking the establishment of factories and other development plans. It will be found in a few years time that the demand for machinery from these under-developed countries in Asia and South America will be so heavy that the supply of machinery will be very difficult. If we develop the manufacture of heavy electrical goods and other heavy industrial machinery, we will be in a very advantageous position five or seven years hence. I, therefore, fully support that the Plan for heavy industries that we have placed before the nation should be fully implemented.

I would like to mention one more point and that is, the Finance Minister has clearly stated that in view of the inflexible taxation in the States, the Centre has to undertake more and more responsibility for providing funds to the States. He has referred to the slum areas, to low paid employees in the States, and he is persuading, as he said, his colleagues in the Central Government that more funds should be provided from the Centre to help of the States. In the

Plan, there is a matching grant system. If a State provides so much of funds, the Centre provides the rest of the money for a particular project. In such States like the Andhra Pradesh which have been reorganised recently and the resources for which have for all time been restricted, I am very sure the Finance Minister will persuade his colleagues that the rules of matching grant should not be strictly enforced. In these cases, where on account of valid reasons the local resources are very limited, of which Andhra is one very important example, if these grants are given without local resources coming forward, I am sure that in a few years' time the resources of Andhra State will increase considerably.

**Shri Shankaraiah (Mysore):** I consider the Budget for this year to be a very important one as it has got very many features affecting the country. No doubt there has been a good deal of agitation and a great stir in the country, but a cool and dispassionate thought bestowed on the Budget will not give room for any such concern. I for one feel 'hat we have to take such a bold step at this particular time. Our aim is the achievement of a welfare State and for that purpose we have undertaken Five Year Plans. We are now in the midst of the Second Plan and we must be prepared to make all sacrifices. Except for a few items which affect the common man, the other proposals of taxation are most welcome. I heartily endorse them and congratulate the Finance Minister on bringing these proposals.

The first thing I would observe regarding the Budget is that it speaks of the determination of the Government to implement their policies and the Second Plan. The Second Plan has to be implemented, and particularly the heavy industries have to be ushered in. In the interests and progress of the country we cannot halt in the middle and prove ourselves a failure. Therefore, we have to make all sacrifices possible, and I am glad the Government have come forward

with determination with these fresh taxation proposals.

These proposals are not new. They were not unexpected, but I would even go to the length of saying that they are inevitable because in the interests of the country every one should make sacrifices for implementing our Plan and achieving our objective. I would also congratulate the Finance Minister on putting a halt to deficit financing and taking to taxation measures, though to a certain extent and for the time being they affect the people, and the common man also.

Wealth and Expenditure Tax coupled with Companies Gains Tax also is a welcome feature. Nobody would be reluctant or against such a proposal, but I have my own fears regarding the implementation of these taxes. The Finance Minister should not be dissuaded from taking stern measures to see that the defects or evasions likely to arise impeding the implementation of these proposals are removed.

We know that the present agitation does not come from the common man with regard to these taxes. It is only such people who have been evaders and who have been adapts in evasion of taxes that are carrying on a great agitation. If the common man is given relief on certain items he will be content and be ready to sacrifice for the sake of the country. He will mutely pay the taxes levied on him. But it is the tax evaders that carry on this agitation, and they take to every means to prevent these taxes particularly when they are wealthy people, and when they have got money at their command and intelligence, they carry on this agitation. I request the Finance Minister not to halt in the middle, but to take every firm measure to implement the scheme.

The Expenditure Tax and the Wealth Tax are new items of taxation and revenue for India, we are making an experiment. But this is not the first time in the world since England tried it in 1919 for the first

[Shri Shankaraiiah]

time. Hugh Dalton was a champion of this property tax in England. Just after the First World War they were depleted in finances and in every hard circumstances, in a worse condition than our own country. He proposed it and many supported it and they actually passed it. It was a graded property tax levied on £5,000 and upwards up to one million pounds, but when it was passed they found it difficult to implement it. The evasions were such that they had to give it up altogether. The question of evaluation was a difficult one. Even a small country like that had to take nearly 2½ years to evaluate the properties, and in a big country like ours there would be all sorts of obstacles, and therefore my plea that it should not be given up in the middle but must be pursued at any cost.

Again in 1951 they tried to impose this tax, but the economists of their country and the world over thought it was a very difficult tax to be implemented. Therefore, taking the previous history and the circumstances and the countries that have tried it into account, I am sure many obstacles will come in the way. As I said, evasion would be the first thing. When these people cannot evade it, they try to corrupt the officers and try to escape. And then when corruption and bribery fail, they try to protect things by going to litigation. Litigation will be very tardy and there will be considerable delay. Therefore, all these things should be avoided and this should be implemented in a very strict manner.

With regard to the Wealth Tax, I would suggest that the privy purses given to the Princes should not be left out. In making this suggestion I am conscious of the provisions that are contained in the Constitution. In the hour of need when the common man is making his contribution by paying more for his necessities, I do not know why these Princes should be left alone and their privy purses

should not be touched. I want a clear statement by the Finance Minister in his reply that they will not be exempted. If I may be permitted to say so, formerly these privy purses were intended not for pomp etc., but they used to be spent in the interests of the common man. There have been very good instances of this kind, but now all the expenditure that used to be met by the Princes are being met by the Central and State Governments.

This amount is a sort of complete gift. When the common man is making such a sacrifice and is foregoing some of the essential necessities, I do not know why these princes should not make a voluntary surrender of their privy purses for the sake of the building up of this nation.

If no such voluntary surrender is made, I would request the Finance Minister to bring forward an amendment to the Constitution, and I can assure him that this House will not lag behind in giving its fullest support to that measure. I hope the Finance Minister will make a clear statement with regard to this matter.

I now come to the question of nationalisation of banks. There are several banks in the country, such as the scheduled banks, the commercial banks, the State banks and so on. The House decided to nationalise the Imperial Bank, and the State Bank was formed in the year 1955. Even though it is now more than two years since the State Bank was formed, yet some of the State banks have not been taken over and merged in the State Bank. For instance, the Mysore Bank, the Jodhpur Bank, the Bank of Baroda etc. are still operating as before. Once the principle of nationalisation has been accepted and also implemented, I do not know why these banks should be allowed to continue and they should not be taken over by the State Bank of India, especially in view of the fact that the administration of these banks is in the hands of the members or

directors who are interested in pursuing their own ends. The purpose why I am making this suggestion is this. Certain evil trends are noticeable at present in the running of these banks. The directors are trying to make use of the present position and create a situation where they show concessions to their own friends, and thereby increase the bad debts; the good debts are being written off, while the bad debts are being increased, with the result that when the time comes for the State Bank to take over these banks, there would be a considerable loss to the State Bank. I hope the Finance Minister will take immediate steps to see that those State banks which have not already been taken over are also immediately taken over by the State Bank of India, so that these evil trends could be checked.

There is one other thing that I would like to point out and that is the disparity in the grades of pay of the civil services and the provincial services. The ICS officers are getting a higher grade, and the IAS officers also are getting a higher grade, but the provincial service officers are getting quite another grade, while the non-gazetted officers are getting yet another grade. The moment a provincial service officer is taken into the IAS he gets a sudden jump in his pay. Those who have not been lucky enough to be selected still continue in the provincial service, and in spite of the fact that they have been in service for a very long time, and they are equally experienced and capable and are perhaps discharging their duties more efficiently than some of the selected people, they still get a lower pay. This has created a heart-burning among the members of the provincial services. Considering the needs of the times, the pay scales of the ICS officer are too high. Consequently, the administrative expenses in the governmental machinery are also too high. I hope the Finance Minister will go into the pay structure and see that this wide gap between the scales of pay of the provincial services, the non-gazetted

services and the ICS is removed, and a sort of uniformity is brought about so that there is no sense of heart-burning among the provincial services. It will also go a long way in helping to remove the lethargy that has entered into the provincial service officers, because they feel that in spite of the fact that they have talent and capability, their claims are being ignored while those who have been selected are considered to be far superior and are enjoying all the facilities. This sort of differential treatment has created a sort of inefficiency among them, and a sort of indifference in the discharge of their duties. Though I would not like to favour the idea that they should be so indifferent, I would like to point out that this wide disparity gives scope for such a thing. I hope the Finance Minister will take the earliest opportunity to set up a commission to go into this question of pay structures, both at the Centre and in the States, and see that the disparity between the ICS officer, the provincial service officer and the non-gazetted officer is removed, and thus an economy is made in the administrative expenses.

In conclusion, I would like to say a word about the prices of foodstuffs. While we are supporting these taxation proposals, I would request the Minister to see that immediate relief is given to the poor man by way of a reduction in the prices of foodstuffs. When he is called upon to make a big sacrifice even in the matter of ordinary necessities, the first and foremost item is the prices of foodstuffs. He is not concerned with income-tax or any other tax. What he is concerned with is only with regard to the prices of foodstuffs. If food is made available to him at reasonable prices, he will not be worried whether property tax is levied or income-tax is levied or any other tax is levied. Nearly 80 per cent of the people in the country will be getting some relief, if only the prices of foodstuffs are brought down. If that is done, they will not grudge the levy of these taxes.

**श्री भवोरिया (इटवा) :** माननीय उपाध्यक्ष महोदय, माननीय अर्थ मंत्री में मैं सब से पहले यह कहना चाहता हूँ कि उनके और दूसरे साथी पानी पी करके इस बजट और पंचवर्षीय योजना की भूरि भूरि प्रशंसा कर रहे हैं।

**श्री रघुनाथसिंह :** कोसा भी जाता है।

**श्री भवोरिया :** तारीफ भी की जाती है.....

**उपाध्यक्ष महोदय :** अगर माननीय सदस्य मेरी तरफ ध्यान करेंगे तो अच्छा होगा।

**श्री भवोरिया :** जितने भी विशेषण हैं या जितने भी एडजेक्टिव हो सकते हैं वे सब लगाये जा रहे हैं और कहा जा रहा है कि यह समाजवादी बजट है। अगर माननीय अर्थ मंत्री महोदय यह समझते हैं कि नाम में अगर कोई बजट अच्छा हो जाता है तो अगर इस को कम्युनिस्ट बजट कहते हैं और इस विशेषण को भी इसके साथ जोड़ते तो भी कोई आपत्ति की बात नहीं हो सकती थी और वह ऐसा कर सकते थे। लेकिन यह बात तो सही है कि किसी भी संगठन, संस्था, सरकार या बजट की ऊपरी शक्ति को देखने में उसकी वस्तुस्थिति या उसकी रीयलिटी का पता नहीं चल सकता है। जब किसी चीज को कार्यरूप में परिणत किया जाता है, जब उसको अमल में लाया जाता है तभी यह कहा जा सकता है कि यह चीज सही है या गलत है।

श्रीमानजी, इस बजट के सम्बन्ध में यह कहा गया है कि इसमें टैक्स इसलिए बढ़ाए गए हैं कि पंचवर्षीय योजना सफल हो, कामयाब हो। मैं पूछना चाहता हूँ कि योजना आखिर है किस लिए? पंचवर्षीय योजना इसलिए है कि मुल्क को तरक्की हो, मुल्क की तामीर हो। अगर इस योजना के जरिये में मुल्क को तरक्की व तामीर नहीं होती

है तो मैं समझता हूँ कि ये जो नए कर लगाये जा रहे हैं, ये मुनासिब नहीं हैं। हमको यहां पर यह देखना होगा कि ये जो टैक्स लगाये जा रहे हैं ये हम को किधर ले जा रहे हैं। जहां तक हम समझ पाये हैं वह यह है कि यह पंचवर्षीय योजना सारे मुल्क को कबरिस्तान की तरफ ले जा रही है। जिस योजना के पीछे देश की जनता की प्रेरणा होनी चाहिए थी, गरीब आदमियों का हाथ होना चाहिए था, उसके अन्दर आज हम देखते हैं कि न गरीब की प्रेरणा उसके अन्दर है, न गरीब का हाथ है और न ही उसकी हमदर्दी इसके साथ है। केवल थोड़े से चुने हुए शहजादों और शहनशाहों के बल पर इस योजना को कामयाब नहीं बनाया जा सकता है।

श्रीमान जी, जहां तक मुल्क की आजादी की उन्न का सवाल है, आज वह बढ़ती जा रही है और इसके साथ साथ मुल्क के ऊपर टैक्सों का जो बोझा है वह भी बढ़ता जा रहा है।

जहां तक हमारा सवाल है और हमारी पार्टी का सवाल है, मैं श्रीमान् जी, आपको बताना चाहता हूँ कि जितने टैक्स हैं अगर इनका दूना बोझा भी हमारे ऊपर होता तो हम खुशी खुशी अदा करते लेकिन कब, जब इन बढ़े हुए टैक्सों के साथ ही साथ आम जनता का आराम बढ़ा हुआ होता और सुख और सुविधा बढ़ी होती, गरीबी घटी होती और हमारी जनता खुशहाल होती। लेकिन हम क्या देखते हैं कि मुल्क के अन्दर गरीबी बढ़ती चली जा रही है, तानािम की हालत गिरती चली जा रही है और लोगों के माल और जान की सुरक्षा की हालत तो मुल्क में आज यह है कि एक हाथ में किसी का सिर काटिये और दूसरे हाथ में रुपयों की थैली लेकर धानेदार की मेज पर पेश कर दजिये और कोई पूछने वाला नहीं है। जब सुरक्षा की हालत यह हो और मुल्क में गरीबी निरंतर बढ़ रही हो तो मैं जानना चाहता हूँ कि यह बढ़े हुए टैक्स क्यों लगाये जा रहे हैं? यह केवल

इसलिए किया जा रहा है कि अमीरों के कैलाश को उठाया जाय और जाहिर है कि जब अमीरों को कैलाश मुल्क में उठेगा तब अपने आप गरीबी का पाताल गहरा होगा ।

हमारे मुल्क में एक तरफ तो यह थोड़े से सरमायेदारों का तबका है जो मुट्ठी भर तादाद में हैं और जो गरीब और मेहनत करने वाले लोगों के ऊपर शासन कर रहे हैं । हम देखते हैं कि यह जो टैक्सों का भार है इसका असर गरीब तबके पर ज्यादा पड़ रहा है । मिसाल के तौर पर तम्बाकू के ऊपर लगने वाले टैक्स को ले लीजिये । सिगरेट पर टैक्स १० आने से १२ आने किया गया और तम्बाकू के ऊपर ८ आने से एक रुपया किया गया । इसके लिए यह कहा जायगा कि नहीं २ ही आने बढ़ाये गये लेकिन वास्तविकता यह है कि २ आने नहीं बढ़ाये गये । जब वहां तम्बाकू कूट दी जाती है तब एक रुपया हो जाता है लेकिन जो सिगरेट विदेशों से मंगाई जाती है उस पर रुपये में सिर्फ २ आने बढ़ाया गया है जब कि तम्बाकू पर ८ आने टैक्स बढ़ाया गया है । इसका मतलब यह हुआ कि गरीबों पर, किसानों पर जो उत्पादन करने हैं और उपज पैदा करते हैं उन पर तो टैक्स बढ़ता चला जा रहा है और जो थोड़े से लोग हैं जो बाहर से व्यापार करने वाले लोग हैं और जो सरमायेदार लोग हैं, जिनकी चीजें मिलों में तैयार होती हैं उन पर टैक्स कम लगाया जाता है । उदाहरण के तौर पर शक्कर को ले लीजिये । आज हाउस में एक माननीय मंत्री ने सवे यह बतलाया था कि आज गन्ने की कीमत १ रुपये ५ आने और १ रुपये ७ आने है जब कि सन् १९४६ में इसी गन्ने की कीमत अंग्रेजों के राज्य में २ रुपये फी मन थी । लेकिन हमें बहुत ही अफसोस के साथ कहना पड़ता है कि जब मुल्क आजाद है तब आजादी के दिनों में उस गरीब किसान को गन्ने की कीमत में ७ आने और ११ आने की कटौती कर दी गई । जब शक्कर की कीमत बढ़ाई गई तो मैं अपने वित्त मंत्री महोदय से जानना

चाहता हूँ कि उन्होंने और सरकार ने गन्ने की कीमत क्यों नहीं बढ़ाई ? गन्ने से ही तो शक्कर पैदा होती है । यह अजीब बात है कि जिससे चीज पैदा होती है उस चीज पर तो कीमत बढ़ती नहीं है लेकिन उससे जो चीज मिल में जाकर तैयार होती है उस पर कीमत बढ़ती जाती है । इससे यही मतलब और यही निकर्ष निकलता है कि यहां पर जो कोई भी कानून बनाये जाते हैं वह किसानों के लिए नहीं, गरीबों के लिए नहीं, बल्कि मुट्ठी भर लोगों के लिए बनाये जाते हैं ।

आज अगर सरसरी तौर पर देखो जाय तो ऐसा मालूम पड़ता है कि मुल्क के अन्दर कुछ थोड़े से लोग तरक्की कर रहे हैं । पंचवर्षीय योजना का निचोड़ लोग कहेंगे कि यह है कि मुल्क में तरक्की हो और देशवामी सुखी और खुशहाल हों लेकिन यह तरक्की कुछ थोड़े से लोगों तक ही सीमित मालूम होती है । मुल्क के अन्दर कुछ लोग मोटर रखने वाले बढ़ाये जा रहे हैं, कुछ लोग रेडियो रखने वाले बढ़ाये जा रहे हैं और ऐसा मालूम पड़ता है कि इस हिन्दुस्तान के कीचड़ में कुछ कमल उगाये जा रहे हैं । हिन्दुस्तान जो गरीब मुल्क है पिछड़ा हुआ मुल्क है और जो आर्थिक और सामाजिक दृष्टि से पिछड़ा हुआ है, उस गरीब मुल्क में जिसमें करोड़ों बेकारी की अवस्था में है अगर वहां पर कुछ थोड़े से कमल तैयार किये गये तो यह पंचवर्षीय योजना जो चल रही है इसको अपना लक्ष्य प्राप्त करने में १०० वर्ष लग जायेंगे और इस तरह की २० योजनाएं भी आप बना लें लेकिन तब भी सारे देश को ऊंचा नहीं उठाया जा सकता है ।

आज तो सवाल इस मुल्क के अन्दर जन हिताय और बहुजन सुखाय का है ज्यादा लोगों का हित किया जाय या मुट्ठी भर लोगों का हित किया जाय : मैं चाहता हूँ कि सरकार जिन तरीकों को अग्रल में ला रही है उन तरीकों को छोड़ना होगा और ऐसे तरीकों को इस्तेमाल करना होगा जिसमें ज्यादा से ज्यादा लोगों का हित होता हो । कमल

[श्री भदौरिया]

चाहे न निकलें लेकिन मुल्क के अन्दर जो कीचड़ है उसे हमवार किया जाय और उसे पाटा जाय जिससे कि सारा मुल्क सरसब्ज हो। आज मुल्क सूख रहा है। श्रीमान् जी, मुझे लोग कहेंगे कि फिर आलटरनेटिव क्या है, विकल्प क्या है? यहाँ पर बहुत से विकल्प पेश किये गये और उन विकल्पों का यहाँ पर मजाक उड़ाया गया। जिन लोगों ने सन् १९३४ से लेकर सन् १९५२, ५३ तक समाजवाद और राष्ट्रीयकरण को विदेशी चीज बताया और उसे देश के विरुद्ध बताया और उस विज्ञान और उस फिलासफी में विश्वास करने वाले लोगों को देशद्रोही बताया, आज उन्हीं लोगों द्वारा समाजवाद और राष्ट्रीयकरण को स्वीकार किया जा रहा है लेकिन कुछ जामा दूसरे ढंग का है। जो लोग सन् १९३४ से लेकर सन् १९५२ और १९५३ तक जिस चीज को गलत बतलाते रहे, अब उसी चीज को वे लोग सही मान रहे हैं। अगर आज की बात सही है तो यह कहना पड़ेगा कि २० साल तक गलती की गई और अगर मुस्ताखी माफ हो तो यह कहा जा सकता है कि झूठ कहा गया।

श्रीमान्, अगर कीचड़ को पाटना है तो ऐसे काम करने होंगे जो कि हमें सही दिशा में ले जायें। हमें खुद अपने अमल से जनता को वह सही रास्ता दिखाना होगा। कहा तो यह जाता है कि हम देश में समाजवादी ढंग की समाज की स्थापना करना चाहते हैं तो क्या समाजवाद की स्थापना देश में इस तरह होगी कि जिसमें गांव में बसने वाले चौकीदार की एक दिन की आमदनी ढाई आने हो जब दूसरे लोग एक एक दिन के अन्दर ३०, ३० हजार रुपये कमाते हों और जब तक यह अन्तर रहेगा तब तक इस देश से भ्रष्टाचार नहीं मिट सकता है और तब तक मुल्क का उत्थान नहीं हो सकता है और तब तक हम अपने राष्ट्र का मस्तक ऊंचा नहीं कर सकते हैं। अगर देश से भ्रष्टाचार को दूर करना है तो केशव किशो कम तनखाह पाने वाले आदमी

को गाली देकर उसे ईमानदार नहीं बनाया जा सकता है। अब हमारा मुल्क आजाद है और इस आजाद मुल्क के अन्दर लोगों को गाली देकर या कोस कोस कर काम नहीं कराना है बल्कि वस्तुस्थिति को देखना है। देखना यह है कि हमारे मुल्क के अन्दर बीमारी क्या है और जब तक बीमारी का, रोग का निदान ठीक से नहीं होगा और पहचान रोग की ठीक से नहीं की जायगी तब तक रोग का इलाज भी ठीक से नहीं किया जा सकेगा। आज हमारे देश और समाज के भीतर भ्रष्टाचार और रिश्वतखोरी का बोलबाला है। आज मुल्क के अन्दर जो रुपये पैसे का अन्तर है वह बहुत चौड़ा है और उसको पूरा पाटने की जिम्मेदारी आज उन लोगों पर है जिनके कि हाथ में हुकूमत है, उन लोगों पर जो कि आज इन बजटों को तैयार करते हैं।

हमारे मित्र लोग आज इस बजट की प्रशंसा करते थकते नहीं। लेकिन हमारे सामने असली सवाल तो यह है कि क्या उस पर अमली जामा पहनाया जा रहा है और किस तरह से कदम उठाया जाय ताकि हम और हमारा मुल्क सही दिशा में अग्रसर हों। गांधी जी ने एक बात कही थी कि मुल्क को बचाने के लिए अपने को बिगाड़ना होगा।

जो लोग ऐसा समझते हैं कि मुल्क बन चुका है आज वह अपने ही बनाने में लग हुये हैं लेकिन वे लोग जो अभी तक यह महसूस करते हैं कि मुल्क नहीं बना है उन लोगों को अभी अपने को और बिगाड़ने की कोशिश करनी होगी। वह लोग भी जनता से चुन कर आते हैं जहाँ से हम लोग और दूसरे लोग चुन कर आये हैं और उन्हें पता है कि जनता की कौसी हालत है। जो टैक्स यहाँ पर लग रहे हैं और जिनकी कि यहाँ पर तारीफ की जा रही है, तो मैं उन तारीफ करने वाले मित्रों से कहूंगा कि जरा आप उन ग्रामीणों की क्षोपड़ियों में जा कर देखिये जहाँ से कि आप चुन कर आये हैं

तो आप पायें कि आज उन झोंपड़ियों में प्रवेश है। इस का अन्दाजा वहाँ नहीं लगाया जा सकता है। इसका अन्दाजा वहाँ लगाया जा सकता है जहाँ के मिट्टी के तेल के दीपक बुझ गये हैं। इसका अन्दाज वहाँ लगाया जा सकता है जहाँ पर शकर की कीमत बढ़ जाने से—नीचे के दर्जों के आदमी तो शकर खाते ही नहीं हैं—बीच के दर्जों के आदमी शकर खाना कम करते जा रहे हैं। कहा तो यह गया है कि बीच के अर्थात् मध्य वर्गीय दर्जों के लोगों का दर्जा बढ़ाया जा रहा है, लेकिन अगर सही बात कही जाये तो ऐसा प्रतीत होता है, प्रतीत ही नहीं होता है, यह वास्तविकता है कि इस मुल्क के अन्दर जो चीज अंग्रेजी राज्य के २०० वर्षों में भी हम पाते रहे हैं, आज हम देख रहे हैं कि सन् १९४६ के बाद वह चीज कम होती जा रही है, और अगर पंचवर्षीय योजना के अन्दर हमारे काम करने का यही तरीका रहा तो, मैं भविष्य-वाणा तो नहीं करता, लेकिन मालूम होता है कि जो बीच का वर्ग रह गया है, वह भी नष्ट हो जायेगा। उनका आमदना तो कम होती जा रही है, लेकिन उनको रहना सफेदशेरा ही है। बच्चों को तालीम पर भी खर्च कर रहे हैं। तब वह बेबारे कपड़े तो साफ पहना करते हैं, लेकिन पेट में पट्टी बांध कर रहते हैं। अगर इसी तरह से पट्टी बंधती रही तो यह पंच-वर्षीय योजना इस सदन के अन्दर और हिन्दुस्तान के अन्दर पूरी नहीं हो पायेगी। उम के पूरे होने के पहले ही जो मध्यम वर्ग है, जिस में से हमेशा मुल्क के लिये ऐसे लोग पैदा होते रहे जिन्होंने मुल्क का नेतृत्व किया है, कवि पैदा हुये हैं, वह काम ही मुल्क में नैस्त नाबूद हो जायेगी। इस लिये उसे उठाना है तो उम की तरफ आप को ध्यान देना होगा। लेकिन कौन ध्यान दे? क्या हम ध्यान देंगे? आप ध्यान दें। आ जो जनता की कमाई देहातों से खिंच खिंच कर आती है, शहरों और नगरों में

आती है, वह मूट्टी भर लोगों पर खर्च की जाती है। जब तक यह रबैया रहेगा तब तक कुछ नहीं हो सकता। एक तरफ तीन आने रोज चले हैं और दूसरी तरफ तीस हजार ६० रोज चले हैं।

**एक माननीय सदस्य :** आप अमल कीजिये।

**श्री भदोरिया :** आप हम में अमल करने के लिये कहते हैं? हम अमल करना चाहते हैं। यहाँ के मेम्बर्स को ४२० ६० माहवार दिये जाते हैं। मैं उस में कटीती चाहता हूँ। उस में से कम से कम २०० ६० काट दिया जाय। केवल २०० ६० सदस्यों को दिया जाये।

**An hon. Member:** You can surrender it.

**Shri Bhadoria:** I can surrender it and I have surrendered it; not for you or for the Government, but for my party which would work for the peasants.

**Mr. Deputy-Speaker:** Now, there shall be no running commentary. The hon. Member is going to conclude his remarks.

माननीय सदस्य को इस तरफ ध्यान दे कर चेअर को ही एंजूस करना चाहिये।

**श्री भदोरिया :** मैं चेअर को ही एंजूस कर रहा हूँ लेकिन इधर ऐसे लोग हैं जिनको यह चीज अलगना है।

**उप-ध्यक्ष महोदय :** आप अगर मेरी तरफ ध्यान देंगे तो तकलीफ नहीं होगी।

**श्री भदोरिया :** मैं बता रहा था कि अगर मुल्क से भ्रष्टाचार को दूर करने है, अगर मुल्क को तरक्की के रास्ते पर ले जाना है, तो मेरी राय में मुल्क के अन्दर जले ही वह दिन कभी आये, लेकिन यह

## [श्री भदोरिया]

तभी हो सकेगा जब तक ग्रामदनी कम से कम और अधिक से अधिक बांध दी जायेंगी। मेरी राय में कम से कम १०० ६० मासिक हर आदमी को मिलना चाहिये। इस पर दूसरी तरफ से तर्क पेश किये जायेंगे कि अगर हम तन्स्वाह को बढ़ा कर, ग्रामदनी बढ़ा कर १०० ६० करते हैं तो नये टैक्स लगाये जायेंगे। लेकिन यह तर्क थोथा है, क्योंकि जब आप १०० ६० करना चाहते हैं तो ऊपर से भी घटाइये, अधिक से अधिक १००० ६० कीजिये। अगर सारे देश के अन्दर मासिक ग्रामदनी का अनुपात १०० और १००० ६० के बीच का बना दिया जाये तो मुल्क की गरीबी दूर हो सकती है। बिना मुल्क की बेकारी को दूर किये हुये मुल्क की गरीबी दूर नहीं हो सकती है। मैं इसका अर्थ यह निकालता हूँ कि जब तक मुल्क के अन्दर आर्थिक विकेन्द्रीयकरण नहीं होगा, जब तक आर्थिक शक्ति को ऊपर से ले कर नीचे तक समन्वित नहीं करें, तब तक हम इस समाज का नया ढांचा नहीं बना सकते हैं। आज सवाल इस बात का नहीं है कि कुर्सी पर कौन बैठा हुआ है, और न कुर्सी पर बैठे हुये इन्सान को बदलने का सवाल है। मुख्य सवाल इस बात का है कि कुर्सी पर जो इन्सान बैठा हुआ है, उसके सामने जो मेज है, उस मेज पर जो आईन रखा हुआ है, उस को बदला जाये। अगर वह आईन वही रहता है जो पुराना है, जनता के लूटने का है, तो कुर्सी पर कोई बैठे, कोई फर्क नहीं हो सकता है। जहां तक हमारा सवाल है, हम कुर्सी पर बैठे हुये इन्सान को नहीं बदलना चाहते हैं, उस आईन को बदलना चाहते हैं जिस के मातहत हिन्दुस्तान के अन्दर कम से कम ७५ प्रतिशत गरीब जनता का शोषण होता है।

जहां तक खेती बाड़ी का सवाल है, गल्ले की पैदावार के लिये कहा जाता है कि वह बढ़ रही है, लेकिन जो गवर्नमेंट की

बुलेटिन आफ फूड सिचुएशन है, अगर आप उस को देखें, तो साफ जाहिर होता है कि इस मुल्क के अन्दर गल्ले की पैदावार बढ़ नहीं रही है बल्कि घट रही है। यह हमारी पोथी नहीं है, यह सरकारी बुलेटिन है, मैं उसी में से स्टैटिस्टिक्स पेश कर रहा हूँ। जो चावल बर्मा से सन् १९५३ में आया वह १ लाख ५० हजार टन था, और अब कितना आ रहा है? सन् १९५५ में आया है २ लाख ७४ हजार टन। अगर मुल्क के अन्दर गल्ले की पैदावार बढ़ती तो विदेशों से आने वाला गल्ला कम होता।

एक माननीय सवस्य आबादी भी तो बढ़ी है।

श्री भदोरिया : जब इस मुल्क के अन्दर गांधी जी जिन्दा थे, तो ५० करोड़ रुपये का विदेशी कपड़ा आता था। उसे देख कर गांधी जी के आंसू निकला करते थे। आज हमें अफसोस के साथ कहना पड़ता है कि आज देश का अरबों रुपया विदेशों से गल्ला मंगाने में जा रहा है। ऐसी हालत में भी हुकूमत कहती है कि हम तरक्की कर रहे हैं। क्या यही तरक्की का रास्ता है? क्या इसी ढंग से मुल्क की तरक्की होगी, और इस तरह से देश का निर्माण होगा? मैं ने बर्मा का उदाहरण श्रीमान जी की खिदमत में पेश किया, अब दूसरा उदाहरण पेश करता हूँ।

श्री रघुनाथ सिंह : लेकिन श्रीमान जी, जो आंकड़े अभी दिये गये हैं वह बिल्कुल गलत हैं। जो यह कहा गया कि १०० करोड़ रुपये का गल्ला बाहर से आता है, वह गलत है।

उपाध्यक्ष महोदय : आंकड़े गलत नहीं दिये, नतीजे में आपस में एक्स्लाफ है। एक एक नतीजा निकालता है, दूसरा दूसरा निकालेगा।

**श्री भवोरिया :** यह भी हो सकता है। उन को अपना तर्क पेश करने का पूरा मौका है।

**श्री ल० ना० मिश्र (सहारसा) :** आंकड़ों में तर्क की जरूरत नहीं होती।

**श्री भवोरिया :** तर्क नहीं पेश किये जा रहे हैं। यहां पर आंकड़े पेश किये जा रहे हैं। जो किताब हमें सप्लाई की गई है, उसी में से मैं पेश कर रहा हूँ। अगर मुल्क के अन्दर गल्ले की पैदावार को बढ़ाना है तो यह तभी मुमकिन है जब मुट्ठी भर लोग, जिन के हाथों में, नाजुक कलाइयों में सिर्फ घड़ी बांधने से दर्द होने लगता है, जिन नाजुक कलाइयों के आदमियों के पास करोड़ों एकड़ जमीन है, वह खत्म हो जायें। इस मुल्क के अन्दर माढ़े चार करोड़ इन्सान ऐसे हैं जिन के पास जमीन नहीं है, जब तक इस मुल्क के अन्दर ६ करोड़ मजदूर हैं जो धर्ती को तोड़ कर करोड़ों टन गल्ला पैदा कर सकते हैं, जब तक वह बेकार रहेंगे तब तक गल्ले की पैदावार नहीं बढ़ाई जा सकती है। इसलिये मैं श्रीमान् जी की मार्फत इस हुकूमत से यह दख्वास्त करना चाहता हूँ कि जमीन का बटवारा होना चाहिये। जिन लोगों के पास ३० एकड़ से अधिक जमीन है, उनसे कानूनी तौर पर ले कर उसी का बटवारा कर देना चाहिये। कुछ लोग कहेंगे हम भूदान कर तो रहे हैं। यह क्या भूदान कर रहे हैं। जब तक इस भवन के अन्दर जो कि देश की सब से बड़ी पंचायत है, उसमें आप का बहुमत है, इस सदन ही में नहीं, इस देश के सूबों में जो वजार्ते हैं, वहां आप का बहुमत है, लेकिन इस बहुमत के होने के बावजूद भी आज करोड़ों लोग बेकार हैं, मजदूर तड़प रहे हैं, नये भ्रमदान के नाम पर जमीन-दारियां खत्म हुई, लोगों से बेगार ली जा रही है। इसलिये जमीन का बटवारा होना चाहिये। प्रीवी पर्स की बात को लीजिये। बहुत सी रकमें पेश की जा रही

हैं। अभी आज से पहले १० मई को हिन्दुस्तान के अन्दर स्वाधीनता संग्राम की पहली शताब्दी मनाई गई। हमें अफसोस के साथ कहना पड़ता है कि १८५७ की आजादी की लड़ाई में जिन लोगों ने अंग्रेजी हुकूमत का साथ दिया, देश के गरीबों का खून पिया, आज उन्हें, उन अंग्रेजों के दोस्तों को हम गरीबों की कमाई छीन छीन कर २०, २० हजार और ५०, ५० हजार रुपया दे रहे हैं। जिन्होंने देश की आजादी की लड़ाई के साथ गद्गारी की थी, उन को इस तरह से मदद की जा रही है। इस लिये मेरा यह सुझाव भी है कि जब एक कानून है तो उस कानून को चलाने वाले भी आप ही हैं। आज भी लोग अपनी तरफ से लाखों करोड़ों के हीरे जवाहरात होने के बावजूद भी जनता की खून की कमाई खा रहे हैं। यह देश की जनता के साथ महान् विषवासघात है।

**उपाध्यक्ष महोदय :** बाकी फिर किसी वक्त कहियेगा।

**श्री भवोरिया :** कहने को तो बहुत कुछ था। दिल में बहुत उवाल थे, लेकिन चूंकि यह आप का आदेश है, इसलिये मैं बैठ रहा हूँ।

**उपाध्यक्ष महोदय :** बाद में फिर कई चांस आयेंगे और तब आप कह सकते हैं।

**Shri S. K. Banerjee (Cooch Behar) :** Sir, there was a lot of speeches from friends who have spoken before me. This is the fag end of the day and I will not take much time. We are first seeing the Plan. I shall read the following lines:

“The Second Five Year Plan marks a crucial phase in the development of our country. It will lay the foundations of basic industries in the country, put our food production on a reasonably safe base of growing productivity, and equip our basic

[Shri S. K. Banerjee]

services such as railways and power supply for meeting the growing requirements of an expanding economy....”

We have accepted this. To implement the Plan, it is very natural that we should require funds. The taxation proposals that have been presented by the Finance Minister is to that end.

I must congratulate our Finance Minister that he has been bold enough to place these taxation proposals before the House in order to implement the Second Plan. In these proposals, there are two groups of taxes: one direct taxation proposals such as expenditure tax, wealth tax, tax on companies, capital gains tax, etc.

I think all of us here agree that there is no point in discussing these proposals at all because the people who are affected are really wealthy men who can part with some portion of their wealth. We are taking a slight portion from their income. So, there is no point in discussing the matter at all.

19 hrs.

The next is the indirect taxation proposal. There is the tax on sugar, match, tobacco, vegetable oil, tea, coffee and others. These indirect taxes will touch the pockets of the common man and also the poor people. But in view of the fact that we must go ahead with the Plan, we should accept some hardship and if these taxes are a little amended by the Finance Minister, we shall raise some resources from these taxes. We are to reduce the disparity in incomes between the different sections of society in the country. These taxation proposals aim at that and

we must congratulate the Finance Minister in this regard.

I shall be failing in my duty if I do not say a few words with regard to the difficulties of my constituency. I have come from Jalpaiguri—Cooch Behar. It is predominantly a tea area and I shall give you some ideas as to how these excise duties will affect us. This area produces about 520 million lbs. of tea. About half of it is sent to foreign countries. Last year, we had to reduce it by about 25 million lbs. because it was in excess of demand. So, we are thinking that we should increase the consumption of tea by about 100 million lbs. The per capita consumption of tea in India is only half a pound per year. If we can increase our consumption the weakest link in this industry will disappear. When we are thinking of increasing consumption, this excess tax has come. Hon. Finance Minister has said that the increase will be about one-third of a naya paisa per cup of tea. I am afraid in Delhi and other places, it has been raised from two annas to three annas per cup. It will be consumed less and the object to increase production will be at jeopardy. I would, therefore, request him to review the position. He knows very well about the tea industry when he was Commerce Minister. I have to say a few words about refugee rehabilitation.

Mr. Deputy-Speaker: Would he like to continue tomorrow?

Shri S. K. Banerjee: Yes, Sir.

Mr. Deputy-Speaker: He may continue tomorrow.

19-03. hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday the 29th May, 1957.*