

the damage can be sufficient to require some repairs. 11 hours' time was the time required for the repairs. The repairs could be effected only by that evening. As I said, three poles have been uprooted and two others were damaged.

12.36 hrs.

**GENERAL BUDGET—GENERAL DISCUSSION—Contd.**

**Mr. Speaker:** The House will now resume further discussion of the General Budget. The total time allotted for this is 20 hours. Time taken so far is 15 hours 47 minutes. The balance left is 4 hours 13 minutes. We have been allowing the time that is taken after 12 o'clock on other items to be added on to the time for the general discussion of the budget. Therefore, we could add half-an-hour more for it. Now, how long would the hon. Finance Minister like to take for his reply?

**The Minister of Finance (Shri Morarji Desai):** About an hour.

**Mr. Speaker:** 4 hours 13 minutes plus half-an-hour would make the total time to five hours roughly. We are starting at 12.35. So, 4 hours 13 minutes added on from now will come to about 5 o'clock. The hon. Minister will take.....

**Shri Morarji Desai:** If I start, say, at 4 o'clock, I would require about an hour.

**Mr. Speaker:** Very well.

**Shri Braj Raj Singh (Firozabad):** May I suggest that the general discussion may be allotted one more hour, and the hon. Minister may be requested to reply tomorrow?

**Shri S. M. Banerjee (Kanpur):** He may reply tomorrow, Sir.

**Mr. Speaker:** But then we will be interfering with the other programme. If the House wants to sit for half-an-hour more or one hour more, I have no objection. But there must be quorum.

**Shri Morarji Desai:** The message has to go to the other House today.

**Mr. Speaker:** Yes; there must be some time for the Vote on Account after the discussion is over. If the House is willing to sit till 6 o'clock, I have no objection to allow half-an-hour more for the general discussion.

There is another thing. The Rajya Sabha is not meeting on Saturday. We have to send the Vote on Account Bill to the Rajya Sabha today so that it will have to dispose of it tomorrow. We have to send the Bill to the Rajya Sabha before 5 o'clock today. So there is no chance of extending the time. I shall call upon the hon. Finance Minister at 4 o'clock. He may finish his speech at about five minutes to 5 o'clock. Then we can have the Bill sent to the other House.

**Shri Venkatasubbaiah (Adoni):** Mr. Speaker, Sir, I congratulate the hon. Finance Minister on having presented the budget. But many hon. Members have spoken about the various taxes that have been levied. Yet, in the context of the general improvement of the economy of the country, I do not say that there are any heavy additional taxes on the people. However, one should not lose sight of the fact that 80 per cent. of our population lives in the rural areas and they have already been taxed by the State Governments as well.

So far as the agriculturists are concerned, for their land they are taxed. If they are given irrigation facilities, they are charged with water rate and betterment levies. If they grow commercial crops, they are also taxed. So, we should not overburden them with further taxation.

The actions of the Government have been criticised and they are being criticised on the ground that no development at the village level has taken place. But it is far from the truth. If we look at the developmental activities that have been carried on over the last two five year plans, I must say with pride, and I can congratulate

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the Government, that much progress has been made in the rural areas through the NES and Community Development projects.

Sir, in the villages, and indeed in every village, we find enthusiasm bubbling among the rural population which was formerly lethargic to the activities of any social or constructional type in this country. After the decentralisation of power, and democratic decentralisation in the country, more so in Andhra Pradesh where *zila parishads* and *panchayat samitis* have been constituted, I can say with reasonable pride that the real benefit of the developmental activities that are being undertaken has trickled down to the village level and a new village leadership is coming up to shoulder the responsibility of the economic reconstruction of the country. I have to say that the channels of financial assistance or social consciousness are flowing, but they are being choked at some places by the usual official red-tape and other methods. If these things are removed, I do not think there would be any difficulty and all-round development will take place in the villages.

One important aspect I have to bring to the notice of Government is regarding the co-operative sector that is working in this country. We are wedded to co-operative commonwealth and we are contemplating of channelling every assistance through co-operative societies. But when we see the way in which these co-operative societies are working in this country, we have to feel sorry that the real assistance that is needed is not reaching the people. I remember on one occasion, the Prime Minister stated that it had taken six months for him to get a co-operative society registered and even after six months he was not able to get it registered. We thought it would have a salutary effect on the co-operative officials concerned, but we find that they have taken it as a compliment and whenever non-officials or social workers like us try to get some society

registered, they say to us, "When even the Prime Minister has taken six months, you could afford to wait for a year more". In that way things are happening. For the actual development of this country, the agricultural department and also co-operative institutions should work properly, so that there may be real development at the village level.

Another important thing I want to put forward before Government is this. I am sure the Finance Minister will be angry with me if I say about the way in which prohibition is working in this country. I have got bitter experience in my social work in that regard. Formerly we were fighting and striving to get prohibition implemented in an effective way. But when we see the actual state of things in the country, it is having very adverse and bad repercussions on the society. A chain of illicit distilling is being carried on and it is having very bad social repercussion. A class of vested interests, people owning hundreds of illicit distilleries, are coming up and they are proving a menace to the social fabric of this country. It is more dangerous in my state of Andhra Pradesh. The implementation of prohibition has been entrusted to the police department, with the result there is demoralisation in the police department and there is every danger to the law and order situation in that part of the country. So, our Government is seriously thinking of removing this from the police department and forming a separate department for its implementation.

Whatever it is, I earnestly appeal to Government that the States may be allowed to scrap prohibition and get good revenues for the implementation of economic programmes for the poor, undeveloped people, for whose benefits prohibition is intended to be enforced. That amount can as well be spent for slum clearance and construction of houses for Harijans. Several other ameliorative activities can very

well be done by the scrapping of prohibition. It is going to prove a serious social danger to this country.

Adverting to my State, Andhra Pradesh has not got its due share from the Central Government. Soon after the formation of the Andhra State, so many people doubted the wisdom of our leaders, whether this re-organisation will be conducive to the national interests of our country. But when we see the progress that has been made by Andhra Pradesh in the last four or five years, we can say with reasonable pride that it has made rapid strides in the economic development of that part of the country. In the first year of the Andhra State, Rs. 64 crores and odd had been allotted and our Government was able to spend it on ameliorative activities. Then, after the integration of Andhra Pradesh and Hyderabad, nearly Rs. 295 crores had been set apart and I can say with reasonable pride that they have done a very good job. Even in the second Five Year Plan, they have progressed very well so far. The target of food production in the second Five Year Plan is 16,43,000 tons. They were able to achieve production of 11 lakh tons of foodgrains so far and they are hopeful of doing the rest in future also.

Andhra Pradesh, with its mighty rivers like Godavari, Krishna, Tungabhadra and Vamsadhara, with its mineral resources and abundant forest wealth is a temptation to everybody, but not to the Central Government. It is supposed to be the granary of the whole country and the agriculturists there are striving hard to produce more for supplying foodgrains to the whole of the country. But so many times on the floor of the House, we requested the Central Government to start a fertiliser factory in that area. But that request was not acceded to. Our State Government has to take the initiative and start a fertiliser factory irrespective of the central assistance. Even now I learn that they have made a request for assistance for the capital structure from this Government. I appeal to Government to see the reasonableness of the request of the State

Government and to give as much assistance for starting a fertiliser factory in that area as possible.

About the progress of the Nagarjunasagar project, we can say with reasonable pride that our engineers were able to construct it rapidly and keep up to the schedule. At times, the work is going on even ahead of schedule. But whenever additional allotments are requested from the centre, it is being denied. Under the Nagarjunasagar project, nearly 40 lakh acres are being irrigated and it is going to be one of the biggest projects in our country. Because it caters to the needs of the entire country, the project may as well be taken over by the Centre and financed entirely by the Central Government.

About the Pochampad project, this will go a long way towards improving the economic conditions of the people of the Telangana area, who are subjected to famine often. Formerly the Devanoor project was contemplated in the second Plan. But instead of that, we feel, the people of Andhra Pradesh want with a unanimous voice, that it should be replaced by the Pochampad project. I am told there is some difficulty at the Planning Commission level. I want that there should be no difficulty so far as irrigation projects are concerned, because they are going to prove of great economic benefit to the country.

So far as minor irrigation is concerned we are making rapid strides in that direction also. If we see the figures supplied by the Government, it is the Andhra Pradesh Government that has stood first so far as the execution of minor irrigation projects is concerned. There is vast scope to execute minor irrigation projects and I want that more amount should be allotted to the State Government.

Lastly, I want to point out that even for what we have to get in the normal course we have to make Herculean efforts to make this Government convinced of the reasonableness of our demand. For example, the integration

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of Hyderabad and Andhra has taken place some four years back. The bifurcation of Hyderabad has also taken place. But, in spite of our repeated demands, a PMG circle was not formed by the Government. It is a reasonable request even on grounds of administrative efficiency but that reasonable request has not been conceded to by the Government. There is a feeling that in spite of our best efforts, in spite of the rapid development that has taken place in other parts of the country, this area has not received the necessary attention which it ought to have received from the hands of the Government. Though Andhra State happens to be the third largest State with a population of 3.36 crores, even its legitimate needs are not looked into or sympathetically considered by this Government. Here I want to bring to the notice of this Government that South India does not consist of Madras alone. The south comprises of Madras, Andhra Pradesh, Kerala and Mysore. So, whenever it is found that there is regional imbalance which has to be rectified by the starting of new industries, one should bear in mind that the south does not consist of Madras alone. There is Andhra Pradesh which deserves more sympathy and more consideration at the hands of this Government.

So far as agricultural production is concerned, Andhra Pradesh has achieved much progress. But so far as industrial production is concerned, we are not able to make much progress. During the last two plans no major industry in the public sector has been started in our area. Even in the sphere of small-scale and cottage industries much care has not been taken. If there is any regional imbalance or lop-sided development that will result in the weakness of the country as a whole. So, there must be a clear perspective of the whole country and every part of the country should re-

ceive its due share, more so in the case of Andhra Pradesh.

**Shri Rameshwar Rao** (Mahbubnagar): Mr. Speaker, the hon. Finance Minister must be complimented for a budget that does not fit in with the accepted or expected "forms". It has certainly confounded the critics. Of course, my friends opposite have found fault with it and have criticised it. If they did not do so, they would hardly be the opposition. If the stock markets have been experiencing conditions of a temporary boom, and here I use the word "temporary" advisedly, it is not the result of any concessions given, but it is the result of imposts not levied. At first glance the Budget proposals are apt to be slightly misleading, especially if one desires to overlook the very significant sentence in the Finance Minister's speech wherein, while discussing the defence expenditure, he says:

"It may be that later in the year, if the circumstances necessitate it I may have to come before this House for additional funds."

So, I expect that we will have the sledge-hammer in September.

An analysis of the defence estimates will reveal that, as against the revised estimates of Rs. 243.70 crores for 1959-60, the provision for 1960-61 is Rs. 272.26 crores, an increase of only Rs. 28.56 crores. I hope I would not be accused of wishful thinking if I were to say that the actual expenditure for 1959-60 is likely to be more than Rs. 243.70 crores. In any case, out of the increase of Rs. 28.56 crores, I am inclined to believe that about Rs. 18 crores is as the result of the recommendations of the Pay Commission. That leaves only Rs. 10 crores for extra expenditure on defence. Surely, the Finance Minister is not being serious when he would have us accept that defence estimates have been prepared against the background of the present threat to our

borders. However, with the prospect of the Prime Minister of the Peoples' Republic of China coming here next month and the need to exchange pleasantries, I shall not find fault either with the Finance Minister, or with the Defence Minister for a matter of that, for not being inclined to expose their hand completely. I have no doubt that the Finance Minister will come back later in the year for substantially additional funds and with interesting imposts.

In passing, however, I would like to refer to a question recently answered by the Deputy Minister for Defence, regarding certain aircraft that were reported to have been grounded due to lack of replacements and that they are not being attended to promptly. The Deputy Minister for Defence in his reply said that the aircrafts purchased from France have not been grounded. Probably, the question was not correctly and fully put. I would like to know the position regarding Gnats and Hunters. They are grounded, most of them, because we cannot obtain replacements for them or because they are not being adequately attended to. In any case, the fact remains that we are still depending on obsolete equipments for our defence. Compared to the MIGs of China or even the Sabre-jets of Pakistan, our Gnats and Hunters are obsolete. The German army is reported to be equipping itself with 104-Gs which are the fastest aircraft of the world today. So, it is time that we look forward and not remain stationary and stay where we are.

However to come back to the Budget, quite a number of friends opposite have been worried about the rather big uncovered gap in the Budget. The normal growth in revenue receipts, I expect, would make up this gap. Customs and excise duties are bound to rise and with increasing commercial and industrial activity as well as the tightening of the tax-collecting machinery, as suggested by the Tyagi Committee, larger receipts to the Exchequer can be anticipated.

The economy has certainly moved out of the stupor of the last two years and is diversifying itself and is rapidly expanding. It is but right that in a period of development, especially in view of the anticipated net investment of Rs. 9,950 crores in the Third Plan, excise duties should become broad-based, especially when direct taxation has almost reached the saturation point.

**Dr. M. S. Aney (Nagpur):** But that is denied by him.

**Shri Rameshwar Rao:** That is why I said "almost".

**The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi):** So there is still scope?

**Shri Rameshwar Rao:** Yes, some little scope in the corporate sector not very much. The items earmarked for additional imposts, except for diesel oil and bi-cycles, can absorb the extra tax that has been imposed.

About diesel oil I would like to urge the Finance Minister to consider if he can knock off the extra 5 pP excise duty on diesel oil and make it a round one rupee. That would certainly encourage the farmers who use diesel oil for pumps to produce a second crop, of food, which is so necessary for us. This is an aspect which certainly, I hope, the Finance Minister will take into consideration.

However, though there are encouraging aspects of the economy, we cannot afford to be complacent. The rise in the all India cost of living index by 5 points hides the real facts. The average housewife has to spend very much more than this "five points" extra to keep the pot boiling. This increase in the cost of living naturally hurts the fixed income lower middle class urban people, the middle class that is growing because of our rapid industrialisation and upon the health of which middle class the progress of the country inevitably depends. If we

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are serious about protecting our democratic institutions and of strengthening our industrialisation process, we must make a special effort to protect this class of people, and especially in view of the large investment that we anticipate in the Third Plan, the makers of our financial policy, it is time should give due consideration to checking this inflationary spiral.

13 hrs.

In an underdeveloped country, passing through a period of rapid industrialisation and heavy investment, there are only two things that can act as sponges and siphon out the increasing money that we are putting into circulation. One is food and the other is cloth. If the internal consumption of cloth can be increased not in the urban areas but in the rural areas and if food production can be stepped up to a level where we can say that we are surplus, not a theoretical surplus because of low consumption but absolute surplus after taking into consideration the minimum required for a healthy society, then alone can the surplus money be sponged out of circulation and channeled into the development process either into investment or into saving or even into the public exchequer. The purchasing power of the rural sector, that is, 70 per cent of India, is so woefully low that even with a *per capita* consumption of not more than 16·8 yards of cloth—these are 1958 figures; no later figures are available—a slight increase in cloth production creates an artificial glut in the market with a resultant stoppage of the mills because there is no off-take. On the other hand it cannot be denied that food production, which is increasing, is not keeping pace with increasing demand and we have the anomaly of rising production and rising prices. The answer to this paradox in my view is heavy, I should say heavier, investment in the rural sector so that we can put more purchasing power in the hands

of the rural sector and remove the imbalance that we are rapidly creating between the urban and rural sectors of our economy. This heavier investment could be for increasing food production and for minor irrigation.

My hon. friend, Shri Venkatasubaiyah also referred to minor irrigation. This investment would certainly help us to have a two fold advantage. On the one hand it would rapidly increase food production and on the other it will place more money in the hands of the rural sector of our economy. The increased purchasing power in the rural sector would be absorbed by the increase in food production. Their demand for cloth would also increase. Thereby the extra money would be siphoned back into the organised sector of our economy.

On more than one occasion previously I have had the privilege of drawing the attention of this hon. House to the great and urgent need of attention being paid to the minor irrigation sector of our agriculture. I have had occasion of speaking about this in this House and outside and of drawing the attention of the hon. Minister concerned but I have not had any satisfactory answer. If I might point out, the minor tank has the same relationship with Bhakra-Nangal and Nagarjunasagar which the charkha has to the spinning mill. Some people say that the charkha has become obsolete but even so we are providing in the Third Plan, Rs. 140 crores for khadi and village industries. The reason for this is that we would like to put money into the rural sector of our economy, provide gainful employment to large numbers of people and encourage production of khadi. But surely if the charkha has not become obsolete, the small tank has also not become obsolete. If the planners and the hon. Finance Minister could provide Rs. 150 crores in the Third Plan for the restoration of these small tanks, they would be doing a

great service in expediting the increase in food production. This money being spent for restoration of minor tanks will help us tide over the lean period, the period of gestation of these gigantic irrigation and hydro-electric projects which we are now building which are nearing completion and which are so necessary for our future. I have often wondered why our administrators and our planners, who are extremely intelligent and learned people, cannot see the simple fact and the simple solution which I starting them in the face. Probably, being learned, Sir, they prefer learned and complicated solutions to simple solutions?

**An Hon. Member:** Good.

**Shri Rameshwar Rao:** One other thing I would like to draw the attention of the hon. Finance Minister to is a certain lacuna in the Wealth Tax Act. Every one of us knows that in the last ten years a large number of individuals—I would not say a large section—all over the country have been dispossed—and rightly so—of their *zamindari*s and so on in Bihar, U.P., Rajasthan, Madras, Hyderabad etc. Now some of them have been paid in bonds, which are selling at 40 per cent below par. Some of them have not been paid yet. In other cases the quantum of compensation that is due to them is still being assessed. Some of them are being paid in annual instalments. About ten instalments have been paid and another ten instalments are due. The Wealth Tax officers are assessing this unpaid quantum of compensation to wealth tax. Theoretically and juridically speaking it way be wealth. But in fact this amount is not in the hands of the assesseees. They have no dominion over this amount. They cannot sell it. They cannot mortgage it. They cannot enjoy it. It is an anticipatory wealth. It is an amount which will come to them in course of time. I think it is extremely unfair that these amounts should be taxed

to wealth tax when the persons concerned do not possess them. I was hoping that he hon. Finance Minister will very kindly come forward with a small amendment to the Wealth Tax Act making these amounts, which are not in the hands of the assesseees, over which the assesseees have no dominion, which the assesseees can neither sell, mortgage nor enjoy, not subject to wealth tax. Probably when the Wealth Tax Act was framed it was not the intention of the framers that such amounts should be subject to wealth tax. It is a lacuna which can only be remedied by an amendment to the Act. There is no other way of amending it and of preventing these people from being unfairly treated. If they had the money in their hands, they would invest it in business, probably earn some income out of it and not only pay wealth tax but income-tax also. On these amounts which are due to them they do not receive any interest. They have no income from these amounts and they have to pay an additional impost which is rather heavy.

One last thing before I conclude, Sir, and that is about payments that are made for imports from East European countries and from Soviet Russia. A report in yesterday's newspaper said that petroleum and petroleum products are being sold in India by Soviet Russia through a company in India. The hon. Minister, Shri Malaviya, said that he had no knowledge about it. All this is being sold for rupee amounts. It might look extremely useful to us to have to pay for these purchases in rupees, but I would like to ask the hon. Finance Minister whether he has any idea of how this money is utilised. Is there any check on the utilisation of this money? Is it kept in the State Bank of India or is this money being diverted for purposes other than what it should be diverted to, that is, other than commerce? If this money is spent on purchasing raw materials or for finished products from India to be taken to Russia and East European countries, we will be extremely happy. But if

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this money is going to be diverted for purposes other than what it is meant for, surely it not only has repercussions which are not very healthy but it also affects the general economy of this country. I hope in due course the hon. Finance Minister will consider this aspect also.

**Shri Khadiikar (Ahmednagar):** Mr. Speaker, Sir, let me as the outset congratulate the hon. Finance Minister on presenting a Budget which reassures the private sector and gives great fillip to the investment market. Let me also give him credit for pursuing a policy underlying last year's Budget of taxing the poor for the implementation of the Second Five Year Plan. But before coming to the details regarding the taxation proposals and other things, I would like to draw the attention of the House to certain fundamentals which are relevant and which should be taken into consideration while we are discussing the Budget.

What is a Budget in a developing State? That question must be answered first. In my opinion, the Budget is an economic instrument aimed at achieving a certain objective. If that is so, does the budget or the economic survey or the other Budget-papers really give a picture of the progress in attaining the objective, the direction in which the economy is moving? That is a very relevant question. I expected the Budget papers, particularly the economic survey, to give a little information at an academic level about the direction of our economy, but as one of the senior officers of the Finance Ministry casually mentioned to me in private conversation, it is more of an administrative type, it is sketchy, and where it has mentioned the price factor and other things, it is almost a casual mention.

I do not know what has happened to this country. When a gigantic effort of development is taking place

it is usual to have a certain amount of intellectual ferment, but I find today that even at the academic level there is a lack of fearless criticism or expression of opinion which we used to find in the olden days.

**Shri Naushir Bharucha (East Khandesh):** He started with congratulation.

**Shri Khadiikar:** That was due to him, but I am going to the fundamentals of the whole thing.

I was very much disturbed to learn that the panel of economists that has been set up to help draw up the Third Plan has come to the conclusion that it is no use presenting the plan frame any longer, but instead, it would be better to have a piecemeal report of development programmes. And, to my greatest surprise—it must be taken note of—a very senior Indian economist, a man like Dr. G. R. Gadgil, while reviewing our economic development, particularly agricultural development plans, has, in exasperation, reached the conclusion that the Planning Commission should be abolished, and that it is enough to have a sub-committee of the Cabinet to advise the Government on planning and other things.

These are very serious matters according to me, because, when, in my opinion, the economy is in the grip of inflation, and the Government is in the grip of complacency, if the academic world also takes the line of cynical indifference to the economic development of the country, I do not know what is going to happen. This is one major factor.

Secondly, planning at present means that there are certain targets and they are adjusted, and to meet the targets revenue resources are tapped in whatever this to be planning, nor is it socialistic planning. And for the enlightenment of the Finance Minister



and his Ministry, I would like to give one small quotation, and that too by a professor who is more in agreement with the free enterprise people, as to what he has to say about the planning effort in this country. In my opinion, his observation is correct also. Prof. B. R. Shenoy has said:

“...the Indian economy, today, is not a planned economy or a semi-planned economy. About 91 per cent of India national income is drawn from the private sector, ....

—this was said in 1958, and needs perhaps some slight marginal adjustment—

“...the public sector contribution being 3.7 per cent. The rest of the national income represents administrative expenditure. The functioning of the economy (including the functioning of the public sector)....

—this is very important—

“...is governed by the pricing system. The Indian economy is, therefore, a market-regulated economy, the appropriation of savings (finance), the acquisition of the factors of production for investment, and the distribution of the output of the production units being determined by the market and price mechanism....”.

So, after nearly nine years of planning, where are we? Shri Masani, because he is a free enterprise man, said the Finance Minister and his Ministry have become sort of prisoners of planned economy. I would say they are not prisoners of planning or planned economy, but they are more in the grip of the so-called market and price mechanism that is creating havoc even in countries which had the advantage of developing at a certain favourable period, in history.

Why am I referring to this aspect? The objective of our planning, according to the ruling party, is a socialist society. If that is so, we will have to find out the immediate results of that planning. Is there an attempt made anywhere to bridge the gap between the rich and the poor? Do we find it anywhere? Is there any attempt to bring about a little structural change in social relationships apart from the functional changes that are discernible here and there? If we take an objective view of the development and the plans, what do we find?

It has been said the basis of taxation is being broadened. The phrase is borrowed, unfortunately, out of context. What is being broadened is the base of the social pyramid in terms of poverty. This is the picture of the economy that we get.

There is another aspect of our planning effort. In the peculiar context of the world situation today, we are getting aid from both the blocs, but we are forgetting one thing. On the economic level, not on the war level, there is a growing tension between the two blocs which is now emerging. We must give serious thought to what is going to happen to India as a result of that.

Today we are ignoring it, and we feel proud that we are getting enough aid from this quarter and that quarter. When Mr. Khrushchev, a dignitary of our great neighbouring State, pays us compliments, we throw them on the face of the Oppositor and draw some comfort, but we are not prepared to take note of what serious socialist experts in the Soviet Union or China or elsewhere are saying about our economy. There we shut our eyes. In order to absorb or assimilate the aid, the recipient country must be prepared for some sacrifice. Just as a patient must be prepared to take the medicine and observe dietary restrictions if the medicine is to have good effect. Yesterday, somebody

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said, and it is being bandied about, that there is no direct relationship between money supply and prices. In fact, yesterday, advancing some economic argument, the Deputy Minister put forward the theory that inflation shows a certain amount of tempo and life in economy; and he advanced the theory of growth, quite an old theory, but which, let me point out to him, is more or less outmoded now. For, I know that in a developing economy, you can use inflation, but inflation must be used in a very small dose and under complete check; but if it goes out of control as it is doing in India, then you will have to view it seriously as in post-war Germany or pre-revolutionary China it did havoc. But you are ignoring that factor. You have not got the pulse under your fingers. That is the main weakness of all this.

I shall mention just one more point, before I come to the taxation proposals. What is the position so far as the international aid and other aids that we receive are concerned? In my opinion, that is a very important question. Recently, a great authority, a Cambridge professor of Economics, Mr. Thomas Balogh, who is the Economic Adviser to the Labour Party in Britain, which has an ideal similar to that of the Congress Party, has written something about this. He is not a communist, and let us see what he has got to say. I would like to know from the Finance Minister whether they have applied their mind, and if so, in what way. Even when we are getting aid, we are at a disadvantage. Mr. Thomas Balogh has stated that after 1953, that is after the Korean crisis, in terms of trade, we are at the mercy the Western market, as a primary producing country. I would like to quote just one sentence from what he has stated. He has stated as follows:

“Thus, primary producing countries, after a short period of relief immediately after the war, are

finding is increasingly difficult to sustain capital accumulation sufficiently to induce sustaining growth. According to the U.N. World Economic Survey for 1958, the poor primary producing areas lost more as a result of the deterioration of their terms of trade than the whole of their foreign aid.”

This is very significant. We say that we are receiving aid. What is the nature of the aid that we are receiving? Is it sufficient? Have we prepared the ground to absorb it to the best advantage? He says:

“The fact that the cost of a change in the automobile models is equivalent to the whole of the productive investment programme of India for several years should at least make people wonder whether the present system of allocating resources of the Western Alliance is sufficient as things stand to cope with their international politico-economic problem.”

The reason for my saying this is this. We are accepting aid, and naturally, we are grateful, but the nature of the aid such as we are getting is that ultimately, if the terms of trade are not improved in favour of the primary producing countries, the whole aid is completely nullified. And all the generosity of the Western countries is being wasted for another reason also. For, without thinking of the economic climate of the country, without bringing about any structural change in society, change is relationship as regards tenancy, direct control, taxation etc. you are now surviving on aid, and you expect that you will be able to fulfil the Second Five Year Plan, on the generosity of the West.

Here, there is one factor which has to be noted, and in fact, a slight admission is made about it in the *Economic Survey*. They have said, and even the Finance Minister at one stage

had the prick of his conscience and admitted that the foundation of the economic superstructure was very weak, and that foundation was food. There is no possibility of getting food surplus to build up a sustaining economy. Leave aside the fact that every year we are importing three million tons of foodgrains, and the money that we are getting under PL-480 is not being used to the best advantage of the country. It is running riot in our economy. That aspect shall have to be studied, but that has not been studied either by the Planning Commission or by the Finance Ministry; they will have to take serious note of it one day, as to how we are going to put to use the funds at our disposal.

13:26 hrs.

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

I shall finish with the theoretical aspect here, because I shall have to conclude shortly. I shall just deal with one more point so far as the foreign aid is concerned.

**Mr. Deputy-Speaker:** Already, the hon. Member has taken about the time that was allotted to him.

**Shri Khadilkar:** I shall omit that point, and I shall come to the taxation proposals. I would have liked to point out one or two things in regard to the theoretical aspect, but for want of time, I shall leave it at that.

So far as the taxation proposals are concerned, I am surprised that today there is a peculiar tendency visible. I do not think that in a democratic country this is a healthy tendency. In Bombay, the hon. Minister's friend and my friend Dr. Jivraj Mehta usually budgets in such a way that he under-estimates revenue by 20 or 25 per cent., and over-estimates the expenditure. This is the usual practice. If we look at the last year's deficit, we find that it was estimated to be about Rs. 58 crores, whereas actually it would be hardly Rs. 15 crores, and perhaps, if the accounts are finalised

next year, we shall find that it will be wiped out by the actuals. This year also, the revenue deficit is estimated to be Rs. 60 crores, which is more or less of the same order as that of last year. What I am surprised of is, while this is not done in the West why a democratic country of ours is pursuing this method. The method by which revenue is under-estimated and expenditure is over-estimated so as to absorb the probable shock that is likely to come about during the next year end, if the estimates go wrong, is entirely wrong.

Secondly, when you admit that you have failed to hold the price-line—and this is the admission made by the Finance Minister as well as the Economic Survey—what have you done so far? One of the objectives of the Plan is to assure particularly the poorer sections of our society that their well-being will not be undermined and that this will be at least guaranteed. In the Western countries, the real wage is the factor, which is always protected. But here, people talk 'Oh, there is a wage spiral'. They do not realise that this wage spiral is the result of sky-rocketing prices. It is neither to the benefit of production nor to the benefit of the wage-earner. Unless some remedy is found out to stabilise the prices, and particularly to create a sector of economy which constitutes the well-being of the common man which will not in any way be affected by the inflationary pressure, you will not be getting the fruits as you expect or the results as you desire, and the only thing that will happen then is that the poor people would be getting poorer still, and the rich richer still. I shall not read the quotation from Professor Shenoy, but I shall merely say that he has pointed out that because of inflation, over Rs. 350 crores are gathered in the hands of a small coterie of financiers; and in terms of national income, three to four per cent. is absorbed by this small coterie. This should not be allowed.

[Shri Khadilkar]

Coming to taxation, instead of taxing the transport industry, as he has done, the Finance Minister could have resorted to the other remedies that were available. Last year, I made one point in this connection, and I would repeat it now. What is the harm in taking over the gold trade? Today, gold trade in this country is conducted in collaboration with the smugglers by the regular operator in the market. Last year, this point was ignored. But I would repeat that if you take over the gold trade and do the gold operations through the banking institutions, you will easily get Rs. 40 crores every year. I would like to know what is Government's reply to this suggestion before resorting to this indirect taxation.

One more point and I have done. Shri Subbiah has come out with a statement concerning certain investments of the L.I.C. which has appeared in the *Hindustan Times* of today. This issue was raised in the Rajya Sabha also. Dr. Bose raised it. Shri Subbiah has referred to the present investment policy and has said that the deal that he has referred to is worse than the Mundhra deal. I do not know the facts of the case. But I would like to say one thing. In order to restore confidence and keep a national financial institution like the LIC above reproach, as I said once, instead of the present Investment Committee, let there be a Committee consisting of the Governor of the Reserve Bank of India, the Chairman of the State Bank of India and the Chairman of the LIC which will deal with investments. Outside these people, nobody should be allowed to enter that small Investment Committee so that the operators will not make inroads and such scandals which undermine the confidence of the common people in the economy will not be allowed.

**Mr. Deputy-Speaker:** Shri Shree Narayan Das. Not a minute after 15 minutes will be allowed. As soon as the second bell is rung, the hon. Member has to sit down, whoever he

might be, even without finishing the sentence, if it is unfinished.

**श्री श्रीनारायण दास (दरभंगा) :** उपाध्यक्ष महोदय, माननीय वित्त मंत्री जी ने सदन के सामने बजट पेश करते हुए देश की आर्थिक अवस्था का जो विश्लेषण किया है और बजट के कागजों के साथ आर्थिक अवस्था के सर्वेक्षण की जो रिपोर्ट सदन के सदस्यों की दी गयी है, वह बड़ी ही उत्साहवर्धक है।

सभी क्षेत्रों में उत्पादन के बढ़ जाने से देश की आर्थिक अवस्था को जो बढ़ावा मिला है वह सचमुच में न केवल वित्त मंत्री के लिए बल्कि सारे देश के लिए एक खुशी की बात है। यह भी मैं मानता हूँ कि जब हमने देश में योजनापूर्ण विकास का काम अपने ऊपर उठाया है और देश की पुरानी गरीबी से लड़ने के लिए महायुद्ध छेड़ा है, उस समय में देश के सभी वर्गों से त्याग और संयम की आशा करना या त्याग और संयम का आह्वान करना अस्वाभाविक नहीं है। यह भी अस्वाभाविक नहीं है कि जब हमने पंच वार्षिक योजना की स्वीकृति इस सदन से ली और ४६०० करोड़ रुपये दूसरी पंच वार्षिक योजना में खर्च करने का लक्ष्य अपने सामने रखा, तब देश के वित्त मंत्री कुछ करों के साथ बजट को देश के सामने उपस्थित करें। इस सदन के माननीय सदस्यों को हर साल उस पर आपत्ति करना उचित नहीं, कारण किसी भी देश के विकास के लिए रुपए की आवश्यकता होती ही है, खास कर हिन्दुस्तान जैसे पिछड़े देश के लिए जिसकी गरीबी विश्व विख्यात है, उसको हटाने के लिए हम प्रयत्न करें और फिर देश से त्याग और संयम के लिए आह्वान न करे तो मैं समझता हूँ कि वह वित्त मंत्री असफल होगा। वित्त मंत्री की जो स्थिति है वह एक ऐसी स्थिति है कि जिस स्थिति से हर एक आदमी को घबका सा लगता है। कोई भी वित्त

मंत्री जो अभी बीस पच्चीस वर्ष तक हिन्दुस्तान में आया—चाहे वह किसी भी पार्टी का हो—अगर वह बिना देश की जनता को तकलीफ दिए, बिना किसी प्रकार के ट्रैक्स लगाए, अगर देश का विकास कर सकेगा तो मैं समझता हूँ कि वह कोई जादूगर ही होगा। इसलिए वित्त मंत्री ने जो इन परिस्थितियों में—न केवल वर्तमान वित्त मंत्री ने बल्कि दूसरे वित्त मंत्रियों ने—देश की कर प्रणाली को सुधारने का प्रयत्न किया है और नए नए कर लगाए हैं, धन पर कर लगाया है, सम्पत्ति पर कर लगाया है, मृत्यु पर कर लगाया है, दान पर कर लगाया है, मैं समझता हूँ देश के बहुत से लोगों ने उनका समर्थन किया है। इस आशा से समर्थन किया था कि हम अगर आज त्याग नहीं करेंगे, आज अगर हम संयम नहीं करेंगे तो हमारी आगे आने वाली संतान को भी उन्हीं कठिनायियों का सामना करना पड़ेगा जिनका आज तक हमको करना पड़ा है।

जो भी कर लगाए गए हैं उसका असर, हम जानते हैं और तमाम देश जानता है, किसी न किसी रूप में वह जन साधारण पर ही जाने वाला है। इसलिए जो कर लगाए गए हैं मैं उनका समर्थन करता हूँ, लेकिन एक विचित्र घटना हमको देश में दिखलाई पड़ती है। उससे हमें चिन्ता होती है और वित्त मंत्री को भी चिन्ता होती है और साधारण जनता को भी चिन्ता होती है। पिछले वर्ष जब यह कहा गया कि हर क्षेत्र में, विशेष कर औद्योगिक क्षेत्र में हमारा उत्पादन घटा है, तो हमारे देश के अन्दर निराशा छा गयी। बावजूद इस बात के कि हम हर साल कठिनाई उठाकर, संयम करके, बहुत बड़ी रकम देश को कर के रूप में दें और उसे कारोबार में लगाया जाए और फिर भी हमारे देश का उत्पादन न बढ़े तो यह निराशा की बात है ही। पर खुशी की बात है कि इस साल उत्पादन बहुत बढ़ गया है। लेकिन इस बढ़ते हुए उत्पादन के बीच मैं हमारे देश

में एक अभाव सा नजर आता है। इतना उत्पादन होते हुए भी जो हमारे जीवन के लिए आवश्यक चीजें हैं उनका दाम बढ़ता ही जाता है। हम कोशिश करते हैं कि हम कठिनाई उठाकर और देश की गरीब जनता से रुपए लेकर कारोबार में इनवैस्ट करें इस आशा में कि इससे जनता का जीवन स्तर ऊंचा होगा, लेकिन हम देखते हैं कि योजना पर खर्च करने के फलस्वरूप जो भी थोड़ा सा धन हमारी साधारण जनता के पास जाता है वह जीवन की आवश्यक चीजों के बढ़े हुए मूल्य देने में निकल जाता है। मैं वित्त मंत्री को यह निवेदन करना चाहूंगा कि जब वह बजट पेश करते हैं तो बजट पेश करते समय इस सदन के सदस्यों के सामने कुछ आंकड़े रखें जिनसे यह मालूम हो सके कि जो हमारे देश का उत्पादन बढ़ता है, जो देश की सम्पत्ति बढ़ती है, जो देश की राष्ट्रीय आय बढ़ती है, जो देश की प्रति व्यक्ति औसत आय बढ़ती है, उसका असर हिन्दुस्तान के किन वर्गों पर विशेषकर पड़ता है। यह आसान काम नहीं है। लेकिन एक सरकार के लिए जो कि बड़ी रकम साधारण जनता से अभील करके बराबर लेती है, यह काम कठिन नहीं होना चाहिए। सरकार को यह दिखलाना चाहिए कि देश में जो धन और सम्पत्ति बढ़ रही है उसका कौनसा हिस्सा किस वर्ग के हाथ में जाता है। मैं ने माननीय वित्त मंत्री के भाषण को जिस समय वह उसको सदन के सामने रख रहे ध्यान से सुना था और फिर बार बार मैं ने उस भाषण को पढ़ा भी है। मैं उनकी इस बात का समर्थन करता हूँ कि अभी बहुत दिनों तक हिन्दुस्तान की जनता को कठिनायियों का सामना करना पड़ेगा और उसको बड़ा त्याग करना पड़ेगा और तरह तरह से साधन जुटाने के लिए तरह तरह के कर लगाए जायेंगे और जनता को वह कर देने पड़ेंगे। मैं उनके इस आह्वान का समर्थन करता हूँ। किसी भी वित्त मंत्री को ऐसा ही करना चाहिए। लेकिन मैं वित्त मंत्री जी से यह निवेदन करना चाहूंगा कि जहाँ वह जनता

[श्री श्रीनारायण दास]

से त्याग और तपस्या के लिए कहते हैं वहां वह यह भी देखें कि क्या सचमुच में हमारी कर प्रणाली ऐसी है जि जिससे सामाजिक न्याय हो सके और हमारी आर्थिक विषमता दूर हो सके। सदन के माननीय सदस्यों ने जो इसके विषय में कहा है मैं उससे पूरी तरह सहमत नहीं हूँ। जो उन्होंने त्याग के लिए आह्वान किया है उसका मैं समर्थन करता हूँ। लेकिन मैं वित्त मंत्री जी से यह अनुरोध करूंगा कि वह देखें कि साधारण जनता जो कष्ट उठाती है उसका लाभ कुछ थोड़े से लोग तो नहीं उठा लेते। मैं मानता हूँ कि हमारे देश में जो कर लगे हैं उनकी दर कम नहीं है, उनकी दर बहुत ज्यादा है। हमने वैल्यू टैक्स लगाया है, गिफ्ट टैक्स लगाया है, प्रापर्टी टैक्स लगाया है। लेकिन जब इतने टैक्स लगा रखे हैं तो क्या कारण है कि हिन्दुस्तान में फिर भी जो लोग धनी हैं उनका ही धन बढ़ता जाता है और जो लोग गरीब हैं, जो बड़ा त्याग कर रहे हैं और बड़ी कठिनाई उठा रहे हैं उनकी आमदनी घटती जाती है। मैं यह मानता हूँ कि आज जो मजदूर औद्योगिक कारखानों में काम करते हैं उनकी आर्थिक अवस्था में सुधार हुआ है। लेकिन जो देश की मध्यम श्रेणी के लोग हैं विशेषकर जो देहात के छोटे छोटे खेतिहार और मजदूर हैं उनकी आर्थिक अवस्था में कुछ सुधार नहीं हो रहा है। इसलिए इस तरफ ध्यान देने की जरूरत है कि जो कर हम लगाते हैं उनकी वसूली ठीक प्रकार से होती है या नहीं। आज दस बारह वर्ष से जब कि स्वाराज्य हुआ है यह बात कही जाती है। और काल्डर साहब न भी कहा था कि इस देश में ही नहीं दूसरे दूसरे देशों में भी आय कर की दर इतनी बढ़ा कर दिखला दी गयी है कि जिससे मानुम होता है कि सामाजिक न्याय पूरा हो गया है। हमारे यहां जो इनकम टैक्स की दर है अगर उसके मुताबिक ठीक प्रकार से टैक्स वसूल किया जाए तो किसी भी धनी आदमी का धन ज्यादा नहीं बढ़ सकता। लेकिन बावजूब

इस बात के कि हमने आयकर की दर को इतना बढ़ा रखा है, हमने एक्सपेंडीचर टैक्स, वैल्यू टैक्स, एस्टेट ड्यूटी लगा रखा है फिर भी धनी लोगों का धन बढ़ता चला जाता है। तो इससे मालूम होता है कि कहीं न कहीं हमारी अर्थ व्यवस्था में कोई त्रुटि है जिसको हमें दूर करना चाहिए। मैं वित्त मंत्री जी से आशा करता हूँ कि उनके समय में यह करने की कोशिश होगी।

राज्य सभा में भाषण करत हुए वित्त मंत्री ने कुछ माननीय सदस्यों पर आक्षेप किया। वहां शायद किसी माननीय सदस्य ने कहा था कि देश में आर्थिक विषमता बढ़ रही है, जो धनी हैं वे अधिक धनी होते जा रहे हैं और जो गरीब हैं वे अधिक गरीब होते जा रहे हैं। इसका जवाब देते हुए वित्त मंत्री ने वहां कहा था कि अगर किसी को मोटर होती है तो उस मोटर को देखकर दूसरे को भी इच्छा होती है कि मुझ को भी मोटर हो, और उसको अपनी आमदनी से मोटर नहीं हो सकती तो उसको तकनीफ होती है। मैं नहीं समझता कि जो माननीय सदस्य सामाजिक न्याय के लिए बात करते हैं उनको किसी के धन से ईर्ष्या है। हमारी पंच वर्षीय योजना का यह उद्देश्य है कि हम अपने धन को बढ़ाएं, हमने अपने संविधान में यह उद्देश्य रखा है कि हम अपने देश के धन को बढ़ाएं, हमने डाइरेक्टिव प्रिंसिपल्स आफ स्टेट पालिसी में यह रखा है कि हमारे देश के जो उत्पादन के साधन हैं वे किसी व्यक्ति विशेष या समूह विशेष के हाथ में न रहें। हमने अपने संविधान में यह भी माना है कि हमारी नीति यह होनी चाहिए कि धन एक जगह इकट्ठा न होने पाए। धन का समान बंटवारा होना चाहिए। तो वहां हमने यह उद्देश्य रखा है कि हमको धन बढ़ाना चाहिए वहां यह उद्देश्य भी रखा है कि उसका समान बंटवारा हो। इस अवस्था में कोई भी माननीय सदस्य वित्त मंत्री से पूछ सकता है कि क्या कारण है कि हमारे देश

में आर्थिक विषमता बनी हुई है। बावजूद इस बात के कि हमने तरह तरह के इन्फ्लैटर्स लगाए हैं, हम देखते हैं कि आर्थिक विषमता मिटाने का हमारा उद्देश्य पूरा नहीं हो रहा है। इसमें कहीं न कहीं त्रुटि है। हमारी अर्थ व्यवस्था में कहीं न कहीं कोई कमी है जिसकी तरफ हम ध्यान नहीं दे रहे। यह जो विषमता हो रही है इसकी कुछ वजह जरूर है। मैं केवल इतना कहना चाहूंगा कि उत्पादन की वृद्धि के साथ साथ यह जो एक अभाव हमारे देश में नजर आता है, यह जो फिनोमिना है, यह जो दुश्च है हमारी आर्थिक व्यवस्था का, यह हमारे लिए बहुत ही निराशाजनक है और किसी भी वित्त मंत्री के लिए निराशाजनक होना चाहिये और विशेषकर कांग्रेस पार्टी के वित्त मंत्री अगर निश्चिन्त हो कर बैठ जाते हैं तो यह ठीक नहीं होगा। यह ठीक है कि हमारे देश में उत्पादन बढ़ रहा है, हमारे देश में बड़े बड़े कारखानों की स्थापना हो रही है, हमारे देश में बड़े बड़े काम हो रहे हैं और उनमें हम बड़ा धन लगा रहे हैं और यह भी ठीक है कि हमारे प्रयत्नों के फलस्वरूप बहुत ज्यादा सुधार हुआ भी है, हमारे प्रयत्नों के कारण लोगों की दशा में जरूर सुधार हुआ है लेकिन जितना बड़ा प्रयत्न हम करते हैं, जितनी बड़ी कठिनाई में हम जनता को डालते हैं, जितने बड़े त्याग की हम जनता से आशा करते हैं, जितने अधिक संयम से उसको काम लेने के लिए कहते हैं, उसके मुताबिक हमारे प्रशासनिक ढांचे में सुधार नहीं हुआ है। हमारा प्रशासन न तो टैक्सों की वसूली में, न खर्च के मामले में, न खर्च की व्यवस्था करने में, न, खर्च में मितव्ययता लाने में उतना सफल हो सका है जितना सफल इसको होना चाहिये था, इसके बारे में जितना प्रयत्न होना चाहिये था अपना प्रयत्न ही नहीं पाया है। इसलिए मैं वित्त मंत्री महोदय से कहूंगा कि अब समय आ गया है जब कि आप जनता से त्याग की मांग करते हैं तो कम से कम उसकी दशा का तो हमेशा ध्यान रखिये। हमारे वित्त मंत्री का बही काम है जैसा कि कालीदास ने अपने किसी

काव्य में कहा है कि सूर्य जहां जहां से सम्भव हो, वहां वहां से, तालाबों से, समुद्र से सोख सोख कर पानी उगार ले जाता है और फिर उसको चारों ओर बरसा देता है खेतों में जिससे कि उपज होती है, इसी तरह से हमारे वित्त मंत्री का भी काम यही है कि जहां भी कहीं धन हो, उसको शासन के खर्च के लिए, देश के विकास के लिए ले लें और फिर उसकी न्यायपूर्वक वर्षा कर दें। उन्हें ऐसी वर्षा नहीं करनी चाहिये कि किसी के घर में तो वर्षा हो और किसी के घर में कोई वर्षा न हो। यदि ऐसा हुआ तो यह उचित नहीं होगा। मैं यह नहीं कहता कि हमारे मंत्री महोदय का यह उद्देश्य नहीं है लेकिन आज हमारी आर्थिक व्यवस्था में कुछ ऐसी ही बात हो रही है, इसलिए मैंने उनका ध्यान इस ओर खींचा है।

**श्री कमलनयन बजाज (वर्धा) :** जब बरसात होती है तो बराबर नहीं होती है।

**श्री श्रीनारायण दास :** वह एक ऐसी प्राकृतिक चीज है जिस पर हमारा कंट्रोल नहीं है।

**श्री त्यागी (देहरादून) :** लेकिन हर साल एक ही घर पर नहीं बरसती है।

**श्री बजर्राज सिंह :** करना नहीं चाहते हैं।

**श्री श्रीनारायण दास :** लेकिन हमारे वित्त मंत्री का पर्स पर खजाने पर कंट्रोल हो सकता है, ऐसा मैं समझना हूँ।

दूसरी बात मैं यह कहना चाहता हूँ कि हम बहुत बड़ी रकम प्रशासन पर खर्च कर रहे हैं, अपनी पंच वर्षीय योजनाओं पर खर्च कर रहे हैं और इतनी खर्च कर रहे हैं जिस का कोई ठिकाना नहीं है। विभिन्न क्षेत्रों में, खेती के क्षेत्र में, उद्योगों के क्षेत्र में, सिंचाई के क्षेत्र में, बिजली के क्षेत्र में, पालतों में, केन्द्र में, स्थानीय संस्थाओं के द्वारा तथा

## [श्री श्रीनारायण दास]

और तरीकों से हम यह सब खर्च कर रहे हैं। इस तरह से एक तरफ तो उत्पादन बढ़ रहा है और दूसरी तरफ दाम बढ़ रहे हैं जो कि एक बहुत ही विचित्र बात है। इसके बारे में जब पार्टी में सवाल उठा तो लोगों ने भी कहा कि साहब यह एक अद्भूत दृश्य है कि उत्पादन बढ़ने के साथ साथ दाम भी बढ़ते जा रहे हैं। हमारे लिए यह बड़े दुःख की बात है कि हम इतने बड़े प्लान को तो चला सकते हैं, प्लान में जो इतनी बड़ी बड़ी योजनायें हैं, उनको तो चलाते हैं लेकिन जनता के उस भाग की जिस के पास अखबार हैं, न वह बोल सकता है और न ही उसके पास कोई दूसरी ताकत है, हम रक्षा नहीं कर सकते हैं। राष्ट्रीय क्षेत्र में हम जिस पैमाने पर खर्च करते हैं, आज उसमें इंद्रोल की बहुत ज़रूरत आवश्यकता है। कंज़पशन पर नियंत्रण करने को हमारे वित्त मंत्री महोदय ने अपने भाषण में माना है लेकिन कंज़पशन को नियंत्रण करने का जब सवाल आता है, जब कंट्रोल की आवश्यकता पड़ती है, तो फिर हमारे वित्त मंत्री महोदय तथा उनके साथ साथ दूसरे लोग जो हैं वे हल्ला करते हैं कि साहब हमारे देश में कंट्रोल चल नहीं सकते हैं। जब इस तरह की बात कही जाती है तो बहुत दुःख का अनुभव होता है। प्रशासन के जरिये से आप १२ अरब रुपया खर्च कर सकते हैं लेकिन कपड़े और अन्न का वितरण लोगों की जरूरतों के मुताबिक, किफायती दामों पर आप नहीं कर सकते हैं। अगर आप कंट्रोल को नहीं चला सकते हैं तो आप प्लान को न चलायें। मैं जानता हूँ कि कंट्रोल में कठिनाइयाँ आती हैं, लेकिन प्रशासन का क्या काम है, सरकार का क्या काम है? जब प्रशासन पंच वर्षीय योजनाओं को चला सकता है तो क्या उसके पास इतने ईमानदार और सच्चे कार्यकर्ता नहीं हैं जो देश में कपड़े, बस्त्र और अन्न तथा और जो एक दो जरूरी चीजें हैं, उनका वितरण समुचित ढंग से जनता के लिए कर सकें? यदि यह नहीं हो सकता

है तो मैं समझता हूँ कि सरकार को इतनी बड़ी पंच वर्षीय योजना चलाने की हिम्मत नहीं करनी चाहिये।

अन्त में मैं इतना ही अनुरोध करूँगा कि जब देश का उत्पादन बढ़ रहा है तो उससे जनता का कौन सा भाग, जनता का कौन सा हिस्सा लाभ उठाता है, इस बात की जानकारी प्राप्त करने के लिए, इस मामले की छानबीन करने के लिए अगर कोई कमिशन या कमेटी भी बिठानी पड़े तो वैसे करने में आपको कोई संकोच नहीं होना चाहिये। अगर हमारा योजना आयोग इस बात का निर्णय नहीं कर सकता है कि हमारा देश में अब तक जितने रुपये खर्च हुए हैं उनका लाभांश जनता के किस तबके को गया है, जनता के किस क्षेत्र में गया है, तो कोई कमिशन या समिति इसकी जांच करे और यदि ऐसा हुआ तो मैं समझता हूँ कि इससे हम लोगों के दिमाग भी साफ हो सकते हैं और सरकार का दिमाग भी साफ हो सकता है।

इन शब्दों के साथ वित्त मंत्री महोदय ने जो कर-प्रस्ताव रखे हैं उनका मैं समर्थन करता हूँ लेकिन साथ ही साथ मैं चाहता हूँ कि जो कुछ बातें मैंने कही हैं उन पर ध्यान दिया जाए।

**Shri Ayyakannu (Nagapattinam—Reserved—Sch. Castes):** Mr. Deputy-Speaker, Sir, for the reason known to us there is not much excitement or controversy over this year's new Budget. But this should not lead us to think that our economic position is satisfactory.

It is a notable feature that our agricultural production has recorded a large increase and our industrial outputs have made significant advance. Yet it is not known why there is no reduction in the cost of agricultural products. This is a strange phenomenon that when agricultural production has increased the prices also are on the



increase. For this strange behaviour we can give so many reasons. But, to my mind, one of the main reasons is the middlemen who are responsible for this kind of abnormal behaviour of the prices. So, until we reach a stage of self-sufficiency, that is, until we keep pace with our demands, it is quite essential that all agricultural production should be under State monopoly. If it is not possible to accept this suggestion, the alternative is to have at least effective control over the prices. Again, in the First and Second Plans, if sufficient attention had been paid to agriculture, I hope the production would have increased, the prices would have come down and the cost of living index would have been reduced considerably. In this connection, I appeal to the architects of our Third Plan to provide sufficient funds to bring all the virgin lands under plough, to have adequate provision for more fertilizer plants, to allocate sufficient funds to introduce crop insurance scheme to protect the farmers from insecurity and sanction enough money to advance loans to the tiny farmers for credit-worthy purposes.

The problem of unemployment is looming large, day by day. The failure to employ youths tends to create a generation of non-producers. It is not only a red signal to democracy but it is also a great drainage to our national economy. Sufficient care should be taken to employ them. In this connection, I do not think it is inappropriate to refer to the unemployment problem among the Scheduled Castes. These people are placed in a peculiar position. But for the scholarships and other concessions given to them, it would not have been possible for them to come up to matriculation or graduate level. But this education does not leave them to win the bread nor have they enough money or other ancestral resources to depend upon. They are in a very precarious condition, just like a ship at sea without a rudder or compass. The planners should take special care

of them and they should be treated in a sympathetic manner and something should be done immediately.

Sir, coming to the taxes, as I have said in the outset, the Budget proposal is passing through largely with acclamations and congratulations, with a few exceptions; because the hon. Minister is tapping without hurts. Even this tapping might have been reduced to a considerable extent if all the taxes already levied have been collected in an efficient and regular manner. Prof. Kaldar has said that the income-tax evasion in India amounts to about Rs. 200-300 crores every year. It may be argued that it is the same condition in other countries also, with regard to all the taxes on personal assessment. Perhaps this may be the reason why Gladstone has said that this kind of taxation leads to a 'nation of liars'. Yet we have to accept that fraud and evasion are too much in our country. May I submit, in this connection, that in some of the European countries, the names of the income-tax payers are periodically published in all the local public places and newspapers? This has two advantages. It is likely that each one of the tax-payers would have an eye on his colleague and this would serve as a good check. Again, for the sake of prestige, each one would be tempted to overstate rather than understate the income. So, my suggestion for the publication of the names of the income-tax payers may be considered.

The Government has imposed the maximum taxes on the rural population. They have almost exhausted them. But there are some good sources in urban areas where we can get more revenue. For instance, some persons are owning fifty or hundred houses in a town. They should be taxed directly so that we can get more revenue.

I wish to say a few words about the indirect taxes. It is a mid-Victorian wisdom to adopt such taxes

[Shri Ayyakannu.]

in the hope that they are not being felt. Now, the ways are so much advanced and we can put direct taxes and collect them without evasion. These indirect taxes ultimately end in robbing the poor man. We should consider imposing more direct taxes so that the poor are not taxed too much. Concentration of wealth in a few hands is always dangerous. It is neither good to the society nor to the individual concerned. It can be tackled only by two means: direct taxation or compulsory acquisition, if not by revolution. To save our big brethern in this country, it is better they are directly taxed and we can thus ultimately pave the way for the socialisation in this country.

As the House is aware, even though Madras State is advanced in many respects, in regard to industries it has not developed as it is to be expected. My esteemed friends here referred to the Neyveli Project which is at present planned for producing only 2.5 million tons of lignite. This may be increased to 6.5 million tons so that we can help to plan the steel plant as well as the lignite project simultaneously. Again, it is said that in Cauvery basin there is a lot of oil and they have made a survey. Sufficient funds may be provided at least in the Third Plan to exploit the oil resources. The proposal to start the aluminium industry may also be given sufficient aid.

In conclusion, may I request the Finance Minister to give some relief for the diesel oil which is used for agricultural purposes? It is also to be considered whether we can lift the tax levied on cycle parts, commonly used by the poor people. There are so many ways to get revenue and so we can consider whether we can at least reduce this tax.

Lastly a word regarding the levy of tax on imported films. I am not bothered about the film industry because as has been well-said by some hon. Member here, it is not giving

good education to the people and just like drinking, it also becomes an evil habit, particularly for the labour class people. At the same time, we should see whether it would not completely annihilate this industry. Because of this new tax, every film has to spend a lakh more. It would not only paralyse the industry but will also lead to wholesale unemployment. I suggest they should have a graded taxation. For instance, if the film is of 1,000 feet, they can tax something and if it is more than that, the tax may be more. In that way, we can reduce the length of the film also.

I have pleaded for exemption and relief for some of the articles and anyhow the Finance Minister has to consider all these things. Most probably he may turn down all my requests. There is a saying that every old tax is good and every new tax is bad but the new becomes good in time. With these words of Professor Conard, I conclude and I hope that the Finance Minister will lead us to plenty and prosperity.

श्री साधू राम (जालंधर-रक्षित-अनुसूचित जातियां) : उपाध्यक्ष महोदय, आज हमारे देश में जो टैक्स लगाये जा रहे हैं मैं उन के सम्बन्ध में सब से पहले कहना चाहता हूँ। यह ठीक है कि बगैर टैक्स लगाये हुए कोई देश तरक्की नहीं कर सकता और आगे नहीं चल सकता, लेकिन जो टैक्स भ्रवाम को ऐफेट करते हैं वह देश में नहीं लगाये जाने चाहियें। इस वक्त देश के हालात ऐसे हैं कि वह एक क्राइसिस में है, भ्रवाम की हालत बहुत बुरी है। आज हमारे सामने करोड़ों लोग ऐसे हैं जो पेट भर रोटी नहीं खा सकते, कपड़े नहीं पहन सकते और जिन के पास रहने के लिये मकान नहीं हैं। ऐसी दशा में जब भ्रवाम पर टैक्स लगाये जाते हैं तो उन से बहुत बुरा असर पड़ता है।

14 hrs.

आज देश में हरिजन बेचारे करोड़ों की तादाद में हैं, उन के लिये गवर्नमेंट की

तरफ से रियायतें भी दी गई हैं, लेकिन वह रियायतें बहुत कम हैं। उन को वजीफे दिये जाते हैं लेकिन एक एक साल तक वह वजीफे उन को नहीं मिलते हैं जिस की वजह से आज उन को अपनी पढ़ाई बन्द करनी पड़ रही है। उन को गवर्नमेंट वक्त पर स्कालशिप्स नहीं देती है। पहले स्कीम थी कि दसवीं जमात तक जो हरिजन बच्चों को वजीफे दिये जाते थे वह सेन्ट्रल गवर्नमेंट की तरफ से दिये जाते थे, लेकिन पिछले साल से सेन्ट्रल गवर्नमेंट ने यह तय कर दिया कि वह स्टेट गवर्नमेंट ही तकसीम करेंगी। स्टेट गवर्नमेंट्स की हालत यह है कि एक एक साल तक किसी बच्चे को वजीफा नहीं मिल रहा है और वे बेचारे हाहाकार कर रहे हैं। उन की पढ़ाई रुक रही है। घर में उन की इतनी ताकत नहीं है कि वे फीस और दूसरे खर्चाजत बर्दाश्त कर सकें।

इस के अलावा मुलक में अनाज की किल्लत है। अनाज दूसरे देशों से हम को मंगवाना पड़ता है। आज २० ६० मन भाव है गन्धम का और गरीब लोगों के लिये बड़ी मुश्किल है। जो बाल बच्चेदार परिवार है वह २० ६० मन गन्धम ले कर अपनी गुजर कैसे कर सकता है? अगर जमीन की तकसीम का सवाल आता है कि जमीन तकसीम कर दी जाय ताकि मुलक की पैदावार बढ़े तो जमीन तकसीम नहीं होती है। मैं जानता हूँ कि पंजाब में लाखों एकड़ जमीन है, जो बेकार पड़ी है, बंजर पड़ी है, लेकिन उस जमीन को तकसीम करने के लिये पंजाब गवर्नमेंट कोई कोशिश नहीं कर रही है। जिस वक्त जमीन को तकसीम करने का सवाल आता है उस वक्त पता नहीं को-ऑपरेटिव फार्मिंग का नारा कहां चला जाता है। अगर जमीन लोगों को नहीं दी जाती तो को-ऑपरेटिव फार्मिंग कहां की जायेगी और मुल्क में पैदावार कैसे बढ़ेगी? रिहैबिलिटेशन डिपार्टमेंट के लिये पंजाब में

११ लाख एकड़ जमीन अनभ्रलाटेड एरिया निकली है। मैं ने इस के लिये होम मिनिस्ट्री को भी लिखा और रिहैबिलिटेशन डिपार्टमेंट की कमेटी में भी उठाया कि इस सवाल को लिया जाय, लेकिन जवाब यह मिला कि वह जमीन पंजाब गवर्नमेंट को फरोस्त कर दी गई है और उस को देने का हक पंजाब गवर्नमेंट को ही है। पंजाब गवर्नमेंट उसे देगी या नहीं, यह बड़ा टेढ़ा मसला है। मेरे खयाल में तो वह जमीन नहीं दी जायेगी। दूसरी और भी जमीनें हैं जो दो जा सकती हैं। सीलिंग मुकर्रर हुई है लेकिन उस का इम्प्लिमेंटेशन नहीं होता और सीलिंग के कानून को बेमाने बनाया जाता है। ऐसी दशा में मैं समझता हूँ कि जब ऐसे टैक्स लगाये जाते हैं तो उस से लोगों का कबूमर निकल जाता है। जो लोग गरीब हैं वह तो इस गरीबी की दशा में भी पीमे जा रहे हैं, और अमीर लोग जो हैं उन का धन बढ़ता चला जा रहा है। हम लोग मानते हैं कि हिन्दुस्तान के ८० फी सदी लोग देहातों में रहते हैं और कुल २० फी सदी लोग शहरों में रहते हैं। लेकिन शहर के थोड़े से लोगों की आमदनी बढ़ती चली जा रही है, और देहातों की बहुत बुरी हालत है। जिस वक्त मैं देहातों में जाता हूँ तो देखता हूँ कि उन गरीबों के घरों में खाने के लिये रोटी नसीब नहीं होती, वे लोग अपने बाल बच्चों के पेट पर पत्थर बांध कर सोते हैं, उन के पास रहने के लिये मकान नहीं हैं, हैवानों से भी बदतर उन की हालत है, उन के यहां गन्दगी भरी हुई है। जब यह हालत है तब फिर क्या किया जाये? उस गरीब को मदद करने के लिये जब हम कहते हैं तो उस पर कोई अमल नहीं किया जाता है। मैं जमीन को तकसीम करने के बारे में कह रहा था, उस को तो छोड़िये, लेकिन पंजाब में तो मैं यह देखता हूँ कि जिस वक्त कंसोलिडेशन होता है उस वक्त हरिजनों या गैर जमींदारों के लिये घर बनाने के लिये भी जमीन नहीं छोड़ी जाती है। आज इस आजाद हिन्दुस्तान में

## [श्री साधराम]

रहने वाले यह महसूस नहीं करते हैं कि आजादी किस बला का नाम है। एक तरफ हमारा समाजवाद का नारा है लेकिन दूसरी तरफ इस समाजवाद के नारे के बावजूद लोग टैक्सों के बोझ से दब जा रहे हैं। सेंट्रल टैक्सों को तो छोड़िये, स्टेटों में तरह तरह के टैक्स हैं, पंजाब में मरला टैक्स है, प्रापर्टी टैक्स है, सेल्स टैक्स है, हाउस टैक्स है, इतने टैक्स हैं कि मैं गिना नहीं सकता। मैं समझता हूँ कि टैक्सों की कोई ऐसी स्कीम भी होनी चाहिये जो लोगों को ऊपर उठाने की हो।

हम ने यहां स्माल स्केल इंडस्ट्रीज की बात बहुत सुनी। स्माल स्केल इंडस्ट्रीज में गरीबों के पास कोई कारखाने नहीं, कोई छोटे घरे नहीं। उन को भी सब बड़े बड़े आदमी स्माल स्केल इंडस्ट्रीज के नाम पर ले लेते हैं। इसलिये मैं समझता हूँ कि देश में जो टैक्स भ्रवाम को एफेक्ट करते हैं वे न लगाये जायें, और उन की मुवालिफत करनी चाहिये।

हरिजनों के लिये सविसेज में रिजर्वेशन मिला हुआ है, और तरह की रियायतें दी गई हैं। उस रिजर्वेशन को पूरा करने के लिये होम मिनिस्ट्री ने एक सर्कुलर सन् १९५७ में निकाला था कि हर एक डिपार्टमेंट में, हर एक मिनिस्ट्री में उसे इम्प्लिमेंट किया जाय, लेकिन किसी महकमे ने ऐसा नहीं किया। रेलवे मिनिस्ट्री ने उस पर थोड़ा सा अमल किया तो उस के खिलाफ हाई कोर्ट में रिट हो गया, हाई कोर्ट में उस के खिलाफ फैसला हो गया। वह फैसला होने के बावजूद मैं समझता हूँ कि गवर्नमेंट को उसे सुप्रीम कोर्ट में ले जाना चाहिये। हरिजनों की हालत को अच्छा करने के लिये वह चीज दी गई थी, लेकिन अब गवर्नमेंट की तरफ से कानून के जरिये से उस की धज्जिया उड़ाई जा रही है। हाई कोर्ट ने लिखा है कि वह चीज अनकान्स्टिट्यूशनल है। अनकान्स्टिट्यूशनल चीज को कान्स्टिट्यूशन के तहत कैसे

लाया जायेगा, वह तो पार्लियामेंट और गवर्नमेंट ही ला सकते हैं। मैं समझता हूँ कि इस के लिये एक कमिशन मुकर्रर होना चाहिये जिस में पार्लियामेंट के मेम्बर भी हों और उस के जरिये से देखा जाय कि कान्स्टिट्यूशन ने जो रिजर्वेशन हरिजनों को दिया है, देश भर में वह पूरा हो रहा है या उसे बराय नाम ही रक्खा गया है। वह आज स्टेटों में भी पूरा नहीं हो रहा है। सेन्टर में भी नहीं पूरा हो रहा है। मैं इस कमिशन के ऊपर जोर देता हूँ। यह कमिशन जरूर मुकर्रर होना चाहिये जो देश भर में घूम कर स्टेट ऐडमिनिस्ट्रेशन्स और सेन्ट्रल ऐडमिनिस्ट्रेशन से रिपोर्ट ले कि हरिजनों के लिये पूरा रिजर्वेशन उन के यहां होता है या नहीं और उसे पार्लियामेंट के अन्दर पेश किया जाय।

सेन्टर के टैक्स और स्टेट्स के टैक्स जो हैं उन सब को एक एक जगह और एक पैमाने पर देखना चाहिये। किस स्टेट में कितना टैक्स लगाया गया है और सेन्टर में कितना टैक्स लगाया गया है और सेन्टर का जो टैक्स है उस से स्टेट को कितना मिल रहा है, क्योंकि स्टेट्स के लोगों के पास रोजगार नहीं है और उन्हें गवर्नमेंट की तरफ से कोई आसानी नहीं मिलती है। इस कमरतोड़ महंगाई के जमाने में, जिस वक्त लोगों में इतनी बेचैनी हो, मेरे खयाल में इतने टैक्स नहीं लगाये जाने चाहियें। आप गन्ने की कीमत को ले लीजिये। गन्ने की कीमत वही है, लेकिन खांड ब्लैक मार्केट में बिकती है। शहरों में खांड कंट्रोल रेट यानी १ रु २ पैसा सेर नहीं मिलती है, ब्लैक मार्केट में बिकती है और आप एक ही जगह से १०० बोरे ले सकते हैं। तो क्या गवर्नमेंट का यह फर्ज नहीं है। जहां गवर्नमेंट टैक्स लगाती है वहां गवर्नमेंट की यह जिम्मेदारी हो जाती है कि वह इन चीजों पर कंट्रोल करे ताकि मुल्क में ये चीजें थोड़ी कीमत पर मुहय्या हो सकें।

पे कमीशन की रिपोर्ट यहां आयी। उस की वजह से सारे मरविस् वाले रो रहे हैं। वह कहते हैं कि हम को कुछ मिला नहीं है, और गवर्नमेंट कहती है कि हम ने बहुत कुछ दे दिया है। तो इस बेचनी को दूर करना गवर्नमेंट का फर्ज है। आज जो थोड़े से छोटे छोटे स्माल स्केल के घन्धे चल रहे हैं उन को बचाना चाहिये। चप्पल बनाने वाले एक डेपुटेशन ले कर आये। वह बताते हैं कि रबड़ की चप्पल जब तैयार करने हैं तो उसके सोन और हील पर टैक्स लगा है, लेकिन मुकम्मल चप्पल तैयार करने वालों को भी एक्साइज वाले घेर रहे हैं और उन के कारखाने बन्द हो रहे हैं। जो लोग छोटे कारखानों में छोटे इंजिन बनाते हैं वह एक इंजिन बेच लेते हैं तो दूसरा बनाते हैं। एक दो महीना एक इंजिन बनाने में लग जाता है। साल में पांच ६ इंजिन बनाते हैं। ऐसे कारखानों पर भी टैक्स लगाया गया है। मेरी दरखास्त है कि मंत्री जी को इन छोटे कारखानों को बचाने के लिये और देश की जनता की तरक्की के लिये विचार करना चाहिये।

एक तरफ तो हम कहते हैं कि इस वक्त हमारे देश में फ्राइसिस है और रुपया हमारे पास नहीं है, टैक्सों से रुपया आया तो हम उस से देश का विकास करेंगे। दूसरी तरफ मैं देख रहा हूं कि चंडीगढ़ जैसा शहर बसाया जा रहा है जिस पर कई अरब रुपये लग गये और पता नहीं कि कितने सालों में खत्म होगा या नहीं। तो वह रुपया कहां से आता है। अगर देश में लोगों से रुपया लेना है तो आप को देश में ऐसी चीजें करनी चाहिये जिस से लोगों में विश्वास पैदा हो, लोगों को तकलीफ तो होगी, मुल्क को बनाने में लोगों को टैक्स तो देना ही पड़ेगा, लेकिन उसके साथ-साथ उनको विश्वास होना चाहिये कि जो टैक्स हम से लिया जा रहा है उस को हमारे ही लिये खर्च करने का गवर्नमेंट का खयाल है। अगर आप चंडीगढ़ जैसे शहर

बनाने के लिये उन का रुपया खर्च करेंगे तो उन में विश्वास पैदा नहीं होगा।

एक तरफ तो हम गरीबी का रोना रो रहे हैं दूसरी तरफ हम फिजूल खर्च करने के लिये टैक्स लगाते हैं। तो मैं अर्ज करना चाहता हूं कि जो फिजूलखर्च है उन को बन्द करना चाहिये जैसे बड़ी बड़ी इमारतें बनाना, स्वाहमस्वाह नये शहर आबाद करना बगैरह। आप जहां जरूरत नहीं है वहां ज्यादा खर्च कर रहे हैं और देहात में जहां जरूरत है वहां खर्च नहीं कर रहे हैं। मुल्क का रुपया गवर्नमेंट के पास है। उस को ध्यान देना चाहिये कि जिन लोगों को सुविधायें नहीं मिल रही हैं उन को ज्यादा सुविधायें दी जायें, और मुल्क में जो टैक्स अवाम को एक्केट करते हैं उन को बन्द किया जाय।

**Shri Naushir Bharucha:** Mr. Deputy-Speaker, Sir, I am unable to agree with those who have been showering congratulations on the Finance Minister on the presentation of an extremely fine budget. The outstanding impression which I gathered from a perusal of the budget is that it is a budget of aristocratic dimensions based on the resources of a pauper. The central theme of the budget is the Plan. Even if we cursorily examine how this Plan is financed, one hesitates to think what will be the resources that will be available to this country from which it will have to finance a still more gigantic third Five Year Plan.

Sir, the revenues have been estimated at Rs. 896 crores and the expenditure at Rs. 980 crores leaving a deficit of Rs. 84 crores out of which Rs. 23 crores are met from fresh taxation and the balance of the deficit has to be provided by means of treasury bills. Time and again I have protested in this House against the abuse of treasury bills and it appears that my protests have been going in vain. Yesterday, the hon. Deputy Finance Minister quietly and coolly

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announced that no doubt the issue of treasury bills meant that one way of deficit financing.

May I point out to this House that according to the figures given by the Government themselves, during the three years of the second Five Year Plan, Rs. 2,450 crores have been spent. In the current year, Rs. 1,121 crores will be spent and in the budget year Rs. 1,174 crores will be spent, making in all a total outlay for the second Plan to the extent of about Rs. 4,700 crores. Where does this Rs. 4,700 crores come from? It may seem very strange, but I must draw the attention of this House to the fact that 75 per cent. of this has been financed by deficit financing and by borrowing without ever a thought as to how the repayment is going to be made.

I shall give the figures. By the end of the budget year, the total amount of treasury bills will run into Rs. 1,650 crores. Treasury bill means that the Reserve Bank is asked by the Government to issue certain bills without having a backing of even a single ounce of gold by way of fiduciary backing. In other words, it is nothing more than this: that instead of utilising the Nasik printing press for printing the notes, they only print bills. That is the only thing. The Deputy Minister of Finance admits that that is one way of deficit financing. It will reach a gigantic proportion of Rs. 1,650 crores by the end of the budget year. Added to that, there is plain and honest deficit financing to the extent of nearly Rs. 1,200 crores by printing of currencies. That gives in all a total of Rs. 2,800 crores, out of about Rs. 4,600 crores. Added to that, we have got market borrowings and small finances, which I put at no more than Rs. 800 crores for the five years. That gives you Rs. 3,600 crores through deficit financing, treasury bills and borrowing. The rest has come from foreign aid and other resources.

Then, what has happened to the Rs. 900 crores of additional taxation

which has been levied in the course of the five years of the Plan? It has gone for meeting the increasing expenditure of the administration—on defence, on civil administration and so many other things.

Therefore, when we look at the fact that out of Rs. 4,600 crores, Rs. 3,600 crores have been financed through deficit financing, treasury bills—which is nothing but one of the worst forms of deficit financing—and by borrowing, the House may ask what is going to happen to the third Five Year Plan, and where the resources for it are. We have been told that our sterling balances on the 19th February, 1960 stood at Rs. 203 crores. Under the Reserve Bank Act, you cannot draw your foreign securities below Rs. 115 crores. Therefore, the disposable foreign securities amount with us is only Rs. 85 crores or Rs. 88 crores. With Rs. 85 crores or Rs. 88 crores as our basis, which may dwindle down to Rs. 50 crores or so by the end of the budget year, we propose to have a third Plan of a still more aristocratic dimension running into Rs. 9,950 crores. The superstructure of a third Plan which may very well border on Rs. 10,000 crores has to be based on sterling assets which may be no more than Rs. 50 crores. Added to that, we will have to repay those loans which will start maturing repayment, and I really do not know how the House thinks—at least how a certain section of this House thinks—that the budget gives no cause for concern.

What is the inevitable result of this? Whether you like to speak it out frankly and recognise the ugly fact or whether you like it to conceal it in any other language, the value of the rupee is going down. The rupee has become suspect in the international market, and though today the inflation is small and gradual and the hon. Finance Minister takes the credit for having controlled it, there is no Finance Minister still born on earth who can control inflation.

**Shri Morarji Desai:** I have never taken any credit.

**Shri Naushir Bharucha:** He cannot take and he will not be able to take credit.

**Shri Morarji Desai:** I said I have never taken credit.

**Shri Naushir Bharucha:** I am glad that he says he does not take credit for controlling inflation. It means that he is helpless in controlling inflation.

**Shri Morarji Desai:** That also is not true.

**Mr. Deputy-Speaker:** He does not take credit; not that he is capable of controlling or not capable of controlling inflation, etc.

**Shri Braj Raj Singh:** He may be capable of it.

**Shri Naushir Bharucha:** Assuming that my hon. and learned friend says that he will be in a position to control inflation, let me ask this question. The money supply which has been added in one single year is to the tune of Rs. 170 crores, which is nearly 10 per cent of the existing circulation of notes. Production has not gone up in similar proportion. If the same game is to be played in the course of the third Five Year Plan, I wonder, what will be the position. Most of the hon. Members must have noticed that on the bullion exchange, the price of gold is going up. Price of gold is going up is nothing but another way of saying that the commodity value of the rupee is going down. That is at the bottom of the discontent that you find against the Pay Commission's report and everything else that you see in the shape of hartals, strikes and what not.

Therefore, I ask this question. If today, we have financed our second Five Year Plan largely by deficit financing, how long are we going to continue and carry on this game. The Reserve Bank cannot issue treasury bills indefinitely. A time must come when we will have to cry halt to it. I should have thought that the Reserve Bank, as the custodian of the

finances of this country should have stood up against the Government and said, "We shall not issue treasury bills at your bidding and dictate". What is the financial custodianship of the Reserve Bank? It has become a handmaid of the Government and it brings out currency and treasury bills at the order and dictation of the Government. This type of thing cannot be continued any longer. I think we are heading for a crash and when it comes, it will involve everybody in one common disaster.

Sir, money was obtained by begging from foreign countries and by creating paper currency. How is it being utilised? It is being sunk into bottomless sinks without any commensurate return. It is wrong on the part of the hon. Minister to say, as he asserts, that the budget and the plan are to lift the economy from stagnation and to get it moving to higher levels of production and higher standards. The first common principle is that whatever you have borrowed, you should be able to pay back. We have sunk, for instance, in the steel plants, nothing less than Rs. 560 crores. What is going to be the income, I do not know. I have got my doubts whether the steel that we produce in these steel plants will be sold in the market at anything less than the imported price of steel. If this is the type of expenditure that we are incurring, I doubt whether we will be able to make good the amounts that we borrow from other countries and to return back part of the paper currency we are creating today.

I come to another aspect. So far as our sterling and foreign securities resources are concerned, we have been told—I take these figures from the budget—that for 1958-59, Rs. 339 crores was the current account deficit, out of which Rs. 320 crores were met from foreign capital investment. Again, in six months of 1959-60, Rs. 142 crores is the current account deficit, out of which Rs. 115 crores have been met by foreign aid. There is no gainsaying the fact—and the

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hon. Minister has admitted it in his budget speech—that our mainstay, is foreign aid. In other words, the mainstay of our Plan and the main-stay of the country's economy is the beggar's bowl. How long is it going to be filled up? We say that no string attaches to foreign aid. I know no strings are attached whether aid is from Russia or the U.S.A., but a time may come when by simply refusing to fill up your beggar's bowl, considerable political pressure can be exercised on the country, a pressure which it will be extremely difficult to resist. So, it is no use saying that there are no strings attached and there is no obligation incurred by the country. A beggar or a borrower is ever under obligation and they are always bound by the string of the moneylender. That is our position.

I come to the taxation proposals to which I will briefly devote some time. I am surprised that internal combustion engine used for agricultural purposes is being subjected to taxation. On the one hand Government is thinking of providing cheaper electricity for lift irrigation, a thing which is very commendable. On the other hand, it is imposing burdens on agriculture, making it impossible for it to produce more. The same thing with regard to cycle parts, the poor man's transport. The hon. Finance Minister, who has perhaps not sat on a bicycle for 30 years or so, cannot understand the grievances of the poor man who rides the bicycle on roads where there is no other transport or where transport is so costly that it is beyond his purse. The hon. Minister does not understand because it does not pinch him.

With regard to road transport, I am surprised that transport is being increasingly handicapped at a time when we need more of road transport. Vehicles up to 16 H.P. will pay Rs. 1,000, cars over 6 H.P. Rs. 3,000 and other vehicles 15 per cent *ad valorem* or Rs. 2,500. There is more

taxation on diesel oil and on tyres. I wonder what is left in the field of transport that the hon. Finance Minister has not taxed.

The only thing which I can approve of is that it is good that income from co-operative societies has been brought within the purview of income-tax.

So far as prize bonds are concerned, I was rather surprised that the Finance Minister, who the public believed was always on a high moral pedestal, has fallen. They say, "The angels were bright, but the brightest of them fell". Maybe, perhaps, it was a slip, as Raja Mahendra Pratap had said.

With regard to the question of Posts and Telegraphs being placed on the same footing as railways, I strongly object to that, because payment on the basis of capital-at-charge is erroneous and it does not give the general revenues a proper return. What is more, as one hon. Member pointed out, placing P&T on the same basis as railways will take it away from the effective supervision of this Parliament. I protest against that, but if at all it is to be done, I suggest that the Railway Convention Committee proposed to be appointed should be expanded into a Public Utility Convention Committee and the payments to be made by these commercial departments should be based on certain scientific principles, the bases for which are available in any good text on economics and finance.

There is one thing to which I would refer and I will close my observations. That is the States Reorganisation Bill which has been published in Bombay yesterday. It is a good thing that this Parliament has at long last thought fit to give two States one to Maharashtra and one to Gujeratis. I hope the process of bifurcation will not bristle with difficulties. Unfortunately, it appears that in the resolution of border disputes, in both north and south of Bombay State, no fixed



principle has been applied and it seems that some sort of *ad hoc* settlement has been arrived at. I appeal to Government, particularly the Home Minister, to exercise his discretion and modify the provisions of this Bill, so that the boundaries are decided on certain definite basic principles and justice is done to all. We, in Maharashtra, are not averse to any areas going to Gujerat, if by applying one yardstick that is the result. I hope Government will look into it, so that both the States may get a start with harmonious and fraternal feelings and the tragic events of the past will be forgotten.

**Shri Kamalnayan Bajaj:** Mr. Deputy-Speaker, Sir, the hon. Finance Minister has not presented a brilliant or a great budget. It is not really necessary in the stage of the development of our country that a brilliant budget should have been presented either. We know in the past, when brilliant budgets have been presented what has been their fate and the complications they created. In a growing economy and developing industrialisation of the country, what is really needed is a realistic approach and a sound budget, which I am glad, the Finance Minister has presented to this House. For deficit financing many arguments have been put forward. I would only say that it is justified for many reasons but, above all, because of the credit-worthiness of the Government. It is true that deficit financing to the extent it is resorted to and the borrowings, as far as possible, should go into the big projects which would yield us revenues in future. If that is borne in mind then there is hardly any danger to our economy becoming shattered as pointed out just now by some of the speakers.

In a developing economy certain amount of inflation is unavoidable whatever you may do, and to check that tendency the emphasis should be on greater production. If the Finance Minister had provided more incentives for capital formation and savings in

the present budget, I have no doubt that would have been a better check to inflation. It would have created a climate in the country for greater production at a faster pace, and that would have been a sounder foundation for the inauguration of the Third Plan.

Yesterday, while answering a suggestion that the income-tax exemption limit should be increased from Rs. 3,000 to Rs. 4,200 the Deputy Minister of Finance, Shri Bhagat, compared the figures of other countries with that of ours, which is not very fair. Because, in other countries many social amenities under the welfare schemes are provided they are not comparable in our country. For that reason, I think the comparison is not proper.

Another reason for this suggestion is that this limit was already higher in the previous years and it was reduced only recently. Now with the cost of living going up higher still, there is all the more reason why this limit should be increased. Apart from that, when indirect taxes are also increased, the share of burden of that indirect taxation also goes to the person who pays these lower limits of income-tax. Yet another reason is that the revenue from this group by way of income-tax is comparatively very small and the percentage of administrative charges for the collection of these revenues are much more. Because of these reasons, I would appeal to the Finance Minister to reconsider his decision and, if possible, increase the limit from Rs. 3,000 to whatever figure that he thinks is reasonable this year or bear that in mind when preparing the budget for next year.

Yesterday, the Deputy Minister stated that direct taxation has reached a very high level. When the vertical taxation has reached the saturation point, the taxation has to be broad-based by the horizontal approach to obtain the greater proportion of the revenue yields and, to that extent, the Finance Minister has laid a very sound basis. I have no doubt about it.

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As more and more indirect taxes are made applicable, the vertical length of the personal taxation will have to be cut from either end. True, nobody will justify the evasion of tax in the country as proper but evasion specially in personal income-tax, is greater in percentage on either end of the slab; it is not so much in the middle. For that reason also the length of the personal taxation should be reduced from both the ends.

The excise duties this year have been spread on a large number of commodities. It is good on principle. I am, unfortunately or fortunately, I would rather say fortunately, connected with several industries like lamp, tubes aluminium plates, scooters, three-wheelers etc. on which excise duties have been levied. I think they can really bear it. If it is necessary for the country, even if it affects those industries, they can bear it.

**Shri Braj Raj Singh:** It will have its effect on the masses and not on industries.

**Shri Kamalnayan Bajaj:** Even the industry suffers when the prices go up, because the sales and other things are bound to be less. When there are no imports the benefit also goes to the masses. No industrialist would naturally like that there should be excise duties. But if it is essential and the benefit accrues to the country, it should be levied.

I would only like to point out that though the Finance Minister has enhanced the excise duties on lamps by 50 per cent, it really works out to 60 per cent and more. I do not say that, for that reason, it should be reduced. But if you say that it has been increased only by 50 per cent, it will create an impression in the minds of the public that whereas the tax has been raised only by 50 per cent, the industry is charging them more.

I want to say something about the excise duty on auto-cycles, with which I am not connected in any way. I personally feel that it is very much. The percentage of the duty is really very high and it would put that industry into hardship, because the duty on auto-cycles is also Rs. 175. While the range of price for the auto-cycles might be Rs. 300 and above, for scooters the range of price is Rs. 2,000 and above, whereas the excise duty on both of them is Rs. 175. It seems to have escaped the notice of the Finance Minister I would humbly request him to go into that question. If he finds that some hardship is there, I am sure he will reconsider the question.

Then, the different rates of sales tax in different States are really causing great hardship to the industry and Trade. There is a lot of corruption and litigation and there are all sorts of difficulties. Since Congress Government is functioning in all the States, if the Finance Minister with his personality and weight can bring about some sort of amalgamation of sales tax in different States as and the additional excise duty on articles in the country I am sure that it will result in a lot of benefit to the society at large and also to the Government. It will remove many complications and litigations; it will minimise evasion and corruption; it will definitely yield more revenues to the Government. Also, the collection expenses will be far less if these are collected at the source and not at the consumer end.

In the company taxes the present rate of 45 per cent is found to be very high by the company experts. While the Budget was being presented last year, the Finance Minister stated that it was not the intention that the incidence of tax should be increased, or more revenue has to be collected, through this tax, the only intention is to obtain the procedural advantage or convenience. In practice, it is found by the companies that more taxes

have been paid to the Government. The Finance Minister says that sufficient amount of experience has not been gathered. My only humble request to the Finance Minister is that if really more revenue has been collected so far, then he should give his consideration to this and re-adjust the taxation in a suitable manner. Of course, he is within his rights to levy more taxes on companies if he likes, and he can get away with that. But, in view of the assurance that he has given in the past, I am sure he will reconsider it on that account.

Regarding preference shares, there is a great complication about the dividends which have been contracted by the companies on the one side and the preference shareholders on the other. Normally, I would not request the Government to intervene in minor matters, and the Government is perfectly within its rights to say "Well, it is your affair; we have nothing to do with it". That is what the Government has more or less done. But, in this case, I do not think it is proper, because it will lead to a lot of litigation and heart-burning which is not justified. The fault is not of the trade or the parties who have contracted it; it is the result of the switch-over to a new system of taxation, because of which this unavoidable difficulty has come before the companies.

The Finance Ministry cannot get away easily by saying, "It is not our responsibility". It is their moral duty. If nothing can be done, as far as the preference shares are concerned, at least the *status quo* should be restored or some methods should be found out which the difficulties, if they cannot be altogether eliminated, could be minimised.

I have heard the hon. Finance Minister's reply in the other House. Still, I do not feel convinced that there is any justification for the tax on bonus shares. However, I leave it to his better judgement to consider it and do whatever he thinks advisable.

The extension of relief on donations to charitable institutions is welcome. But donations not only in cash but also in kind should be exempted. It has been extended, say, to commodities like sugar for the sugar industry and so on, but it should be extended to land, buildings, investments etc, even if they do not form part of the revenue of the year.

Another suggestion is that wherever land and buildings are donated the value is often more than the amount allowed, under section 15(B) of the Income-Tax Act, for that year. The donation should be allowed to be spread over a number of years just as exemption of medical expenses from expenditure tax is allowed. These changes, if adopted, should be deemed to have been included in the tax always so that the benefit will accrue to the charities. Very often people find that they have houses, land and other property to give but they are not able to give it to the charities because exemptions for such charities are not forthcoming.

The Chinese Prime Minister is visiting our country. With a very warm heart and in a cordial manner I would welcome him. It is not proper for us to speculate about or anticipate the outcome of such a visit. We must pray and hope for the best. It is in the interest of our country, in the interest of China and in the interest of world peace that we should create a suitable climate for the negotiations. Whatever best that can be done we should do so that proper results may come out of it. Some of the speeches, which were delivered in this House, were not conducive to such an atmosphere. I think it is injurious not only for our country but also for the world at large. I would plead with everyone that even if an enemy comes to our door the Indian hospitality should always be there and we should extend it. We are not at war with China. It is only a dispute. You may call it whatever you may like. But when he is coming to our door, we must extend our hospitality and wait for the results.

**Dr. M. S. Aney:** Specially when we have invited him.

**Shri Kamalnayan Bajaj:** As hon. Member, Dr. Aney suggests, specially when we have invited him it is all the more necessary that we should do that.

I would end, if you could give me only half a minute, by referring to corruption. Corruption has increased in this country. But that does not worry me much provided there is strength in the country to combat it. If there is a *punyaprakop* (Righteous indignation) among the people to fight corruption then there is no danger. But there is apathy in fighting this corruption. Moral strength is decreasing. That, to my mind, is more alarming. The Government itself is not clear about what to do. Its apologetic attitude is not going to help us much. I would suggest to the ruling party, of which I am an humble member, that if we want to root out this corruption from this country it is our duty to root it out from the ruling party first and enforce discipline. If we do that, it would be easier for us to remove corruption even from the Government.

Regarding the bifurcation of Bombay State I would take some other opportunity to speak.

**Shri Thanu Pillai (Tirunelveli):** Mr. Deputy -Speaker, Sir, much has been said about inflation and prices by the very people who have been contributing to inflationary tendencies. The barons of big business and dictators of trade unions on either side have been creating that inflationary tendency and in the name of mopping up the purchasing power we have been levying indirect taxation time and again. The sector, which is the most affected, is the wage-earning sector of middle-class men, but not middle men, who go about in the country with the loot buying and selling. These poor and humble wage-earners are always the target of attack. Even when the much talked of corrup-

tion is referred to they always point out to the lower man. It is always transferred to the lower subordinates. They are said to be the cause of all the evils in this country. I would humbly submit that that middle class, which is so much hard hit and despised, is the spearhead of all actions and activities in this country. In a country which is devoting itself to a dynamic expansion and development programme, the role to be played and being played by them is not small but very great. I would request the Government to pay attention to that class of people, whom they have so far forgotten. Let them remember who were in the forefront and who were the pioneers during the freedom movement days. Who took the brunt of it? Let them not forget that in this war against poverty it is the same class of intelligentsia, the middle class who are not rich and who are not labourers, which is going to play the greater part. They will have to play the greater part if they want to achieve the results. The planners and the administrators would not achieve that result of planning unless there is co-operation from the executive. And that executive means not only people in Delhi in the Central services but in other services also, particularly in the State services.

The hon. Finance Minister has said, corroborating the Pay Commission, that the Central Government cannot take responsibility for the pay structure of the State Government people. The Central Government is having more money. Therefore we pay more. From where did we get the money? We plan from here. We allocate funds. We give loans or grants. But which is the wealth producing sector in the Government activities? It is the employees of the State Governments. We are more or less only a collecting agent of taxes both direct and indirect. The real producers of wealth are governed by the administration in the States. Therefore it is very pertinent that Parliament should pay attention to their wage structure and their emoluments. There is no use in

saying that it is a State subject; because we take away the best of their available finances by way of taxation and what is left to the State Governments is very little. With those meagre finances they cannot possibly pay these wages which we are trying to give.

The Pay Commission has observed in its recommendations that Delhi Administration is concerned mainly with the administration of the Capital city and its employees have to live under the same conditions as those employed in the headquarters organisation of the Central Government; therefore the people in the Centrally administered areas, particularly, in Delhi, because they come in contact with the Central Government servants, they should be paid the Central Government wages. That is the argument. If a man in Delhi working in the State Government could be given a better wage because he is in Delhi, is it not a corollary to this that the man in the State working in the Central Government should get only the State Government's wages and nothing more than that? It is difficult to reduce; it is difficult to upgrade. Then at the time of our considering this new wage recommendation, at least we should have applied our mind to it. We are not an imperial Government here. Whatever reasons might have been there in the British days for different wage structure for the Central and State Government servants, there is no logic or reason why we should have this difference now. How we find the finance is a different matter. It is for the Finance Minister to find the sources from which we can take it out, and we always endorse his taxation proposals. He has to tax if he has to give more money to the States, or give them ways and means of paying better wages.

Take for instance a Class IV employee or a clerk in the P. & T. Department. They do mostly stereotyped form-filling work. They are not working in the field of develop-

ment. But the Central Government employees, and the railway and postal employees are causing a sort of disparity as compared to the wages of the State Government servants.

So far as people in Delhi, Bombay, Calcutta or any big city are concerned, their wages may be at a higher level. But if a Central Government servant living in Tinnevely or Madura gets about Rs 90 and we give him a 10 per cent dearness allowance in Delhi where the cost of living is much higher, how is it justifiable? If the Delhi wage is a fair wage, then the wage in the other towns is an over-wage; if the wage in the towns is a fair wage, the Delhi wage is an under-wage.

I would therefore like Government to consider ways and means at least by the end of the Second Plan, and come to some understanding with the States, for making the emoluments of the Central and State Governments on a par in the same city. Give them all assistance if they are transferred elsewhere. It is said that Central Government servants are liable to be transferred, but is everybody being transferred every day?

Of and on, there is demonstration and demand for more wages. However much you pay, they are not satisfied. While speaking on the Pay Commission's Report, Shri Narayanankutty Menon said that when you pay Rs. 5 the trader robs the man of Rs. 15. Then, why demand Rs. 5 more when you are not able to keep that Rs. 5? There should be a price-wage policy. There is no co-ordinated price-wage policy now. We are paying only one sector of organised agitators, the Government servants who may constitute six or ten million. Among 400 million people of India, if ten million people are to be pampered in this way, who is to care for the other 390 million? Are we going to guarantee this payment to all? What about the people who are not paid, for whom we do not take any responsibility? Who is giving dearness allowance and all these concessions to the people work-

[Shri Thanu Pillai]

ing in the fields, people working in the shops and the self-employed small artisans?

I would submit that the Government may consider giving wages in kind so far as the food content is concerned. You were giving grain shop facilities to the railway employees, and because, when market conditions improved, a large number of people opted for cash dearness allowance, you had to close it down. We are asking the country to resort to co-operative methods of production and distribution. Why not Government set an example by starting co-operatives for their employees, and distribute their wages in respect of the food content, consisting of eight or ten items, in kind. If Government resorts to payment of dearness allowance in kind, it will combat inflationary conditions. The private sector can also be asked to follow this method. If they are asked to give grainshop facilities, I am sure they will not procure at higher prices. They know how to procure at low prices, or even to produce at low prices. The cause of this inflation is that they just want to please one set of people, to pacify them, not to take up their challenge, and there is over-payment in one sector.

They say there is more production, but prices are also higher. How is it? That is because, though we are producing more to a certain extent, new people are having a little more money now and they have started eating rice for the first time; they were till now living on other coarse grains. That is the reason for inflation and higher prices in spite of greater production. No doubt we have produced more, and Government can take credit for having done a good job of it in the two Plans. Nevertheless, prices are increasing because new people are having more purchasing power now.

Take for instance sugar. There has been criticism among the public and by the other parties about the increase

in price, and our Prime Minister's observation that greater consumption of sugar is a measure of our prosperity. From 8 lakh tons, production of sugar has increased to 21 lakh tons. Surely, it is not the same people who were consuming 8 lakh tons, who are now consuming all the 21 lakhs. Obviously, new people have started eating sugar.

I would suggest that by the end of the Second Plan we come to a settlement about the wage structure both for the private and public sectors. The private sector is always paying much higher, because they want to reduce the high incidence of taxation of 12 annas or 14 annas in the rupee. And whom do they pay? Their kith and kin, or pet people, at the rate of Rs. 5,000 or Rs. 7,000 while we are putting a ceiling of Rs. 2,500 for our best top-class officers. So, talent is flowing from the Government and the public sector to the private sector. I know several scientists who join the CSIR just to make it a stepping stone, and then go away to Burmah-Shell, Caltex or some other company where their emoluments are higher.

I would suggest that the wage increase should be commensurate with the income in *per capita* income. At the beginning of every Five Year Plan let us come to a tripartite gentleman's agreement about wages, payment of dearness allowance in kind etc; and as the country develops and progresses, let it be reflected proportionately in the wages of the workers.

My hon. friend Shri Sampath, the other day referred to the Neyveli project and expressed doubts about a steel plant coming up in the South. I do not know why there is this fear complex. The Government, I understand, has already set up a committee to go into the technical feasibility of it, and they are at it. Perhaps he feels that it is bound to come and wants himself or his party to get the credit for having suggested; or, he wants to instil a certain fear in us so that we may also shout about it. I have confidence in the Govern-

ment that where a project report is good, they will not fail to implement it, because they know the region is industrially not advanced and so we are entitled to a certain consideration.

The development of the Tuticorin port was suggested as early as 1914, and we expected it to be included in the Second Plan but that has not been done. A million tons are being handled by the port now, and this will go up to 1½ million tons shortly which it can hardly cope with. Therefore, the development of the port is very urgent, and I hope Government will give consideration to it at least by the end of this Plan.

**Mr. Deputy-Speaker:** Dr. Atchamamba—Shri Achint Ram.

15 hrs.

**श्री अचिंत राम (पटियाला) :** उपाध्यक्ष महोदय, मैं आप को बुलाने के लिये धन्यवाद देता हूँ कि आप ने किसी तरह टाइम निकाल ही लिया . . .

**Dr. Atchamamba (Vijayavada)**  
rose—

**Mr. Deputy-Speaker:** I thought that the hon. Member wanted to speak, and therefore, I called her, but she did not get up. So, I called Shri Achint Ram.

**Dr. Atchamamba:** I got up, but I found that meanwhile, Shri Achint Ram had been called.

**Mr. Deputy-Speaker:** Now, let Shri Achint Ram speak. I was looking towards the side of the hon. Member, but the hon. Member did not get up. Now, I am afraid she has got up a little late.

**Dr. M. S. Aney:** She got up, but in the meanwhile, Shri Achint Ram began.

**Mr. Deputy-Speaker:** Now, Shri Achint Ram might proceed with his speech.

**श्री अचिंत राम :** मुझे उम्मीद है कि यह जो खर्चा हुई, उस के कारण मेरा टाइम

काटा नहीं जायगा। मुझे वित्त मंत्री महोदय से चन्द एक बातें भर्ज करनी हैं और वह केवल इस कारण नहीं कि वे वित्त मंत्री हैं बल्कि इस खयाल से भी कि वे गांधीवाद के हामी हैं और गांधी जी के खयाल के मुताबिक हिन्दुस्तान को ढालना चाहते हैं। अभी परसों मेरे एक मोहतरमी कम्प्युनिस्ट दोस्त ने जब उन के लिए जरा सस्त भ्रत्फाज इस्तेमाल किये, नाशायस्ता भ्रत्फाज इस्तेमाल किये, तो मुझे दुःख हुआ लेकिन खुशी इस बात से हुई कि वित्त मंत्री महोदय ने बिल्कुल उन का जवाब नहीं दिया, बिल्कुल शान्त रहे और मैं समझता हूँ कि ऐसा कर के उन्होंने ने यह पहला सबूत दिया कि वे बकाई डिटरमिन्ड है गांधी जी के खयाल का राज्य साने के लिये। यह मेरे लिए खुशी की बात हुई . . .

**श्री गोरे : (पूना) :** आप बहुत जल्दी खुश हो जाते हैं ?

**श्री अचिंत राम :** जरूरत पड़ने पर नाराज भी हो जाऊंगा लेकिन इस बात से तो मुझे खुशी ही हुई।

जितने भी ऐतराजात बजट पर अपर हाउस में किये गये हैं या यहां पर किये जा रहे हैं उन के मुतालिक वित्त मंत्री महोदय ने राज्य सभा में जवाब दे दिया है और यहां लोक-सभा में कल श्री भगत ने बहुत सारी बातों का जवाब दे दिया है और मैं समझता हूँ कि उन जवाबों से फिलहाल हमें अब तसल्ली कर लेनी चाहिये। उन्होंने ने हमें बतलाया कि किस तरह से चीजों की कीमतें बढ़ रही हैं और साथ ही पैदावार भी बढ़ रही है, उस का जवाब उन्होंने ने दिया। डेफिसिट फाइनेंसिंग का जवाब उन्होंने ने दिया। बाहर से जो रुपया आ रहा है वह कैसे इस्तेमाल हो रहा है उस का उन्होंने ने जवाब दिया। बजट के मुस्तलफ आइटम्स के बारे में उन्होंने ने जवाब दिया। मुझे उन

[श्री अर्चित राम]

के जवाबों को सुन कर खुशी हुई। मेरे खयाल में मुताबिक उन्होंने ने काफी तसल्ली से इस बात को डील किया। यह ऐरियस जो हैं यह क्यों हो रहे हैं? क्या कारण है? यह नहीं कि कोशिश नहीं हो रही है कोशिश हो रही है इस्तेमाल करने की। लेकिन इन सब बातों में बावजूद मैं ने देखा है कि पिछले तीन, चार दिनों में शायद कोई मीका रहा हो जबकि हाउस में कोरम रहा हो। पीक आवर और वीरचन आवर में तो कोरम भले ही रहे लेकिन और टाइम कोरम हाउस में नहीं रहता। अब यहां तो मेम्बर लोग तसल्ली कर लेंगे कि चलो क्या हुआ काम तो नहीं रका लेकिन जो बाहर देश की पबलिक है वह इस के आस्ते कैसे तसल्ली करेगी? यह तो ठीक है कि यहां इस वक्त हाउस में आटे की बात, दाल की बात, जूते की बात और धोती की बात चल रही है, सब चीजें चल रही हैं लेकिन इन चीजों के मूल्यों में निरन्तर वृद्धि होते जाने के कारण जो ग्राम जनता पीड़ित है, जिसकी कि कमर बोझ से टूटने जा रही है, गरीब सरकारी कर्मचारी पोस्टमैन वगैरह उन में जो इन के कारण असन्तोष है और वह जो बाहर उस के लिये शोर मचा रहे हैं, उन को संतोष दिलाने के लिये आप के पास क्या जवाब है और उन को आप इस सिलसिले में क्या राहत देने जा रहे हैं? इन को ले कर जो जनरल डिसकॉर्ट है उस को आप दूर करने के लिये क्या कर रहे हैं? मेरा ताल्लुक पोस्टमैन यूनियन से है और जब भी उन की सालाना यूनियन की मीटिंग होती है तो उस में पे कमिशन बैठाने की मांग की जाती है और तनख्वाहों और भत्तों में वृद्धि के लिये शोर मचाया जाता है, तो उन को क्या जवाब दिया जाय? पे कमिशन की मांग की गई और आप ने पे कमिशन बैठा दिया और उस ने पांच रुपये दे दिये। लेकिन इसी बीच महंगाई और अधिक बढ़ गयी और छोटे सरकारी कर्मचारियों द्वारा फिर से पे कमिशन

बैठाने और उन की तनख्वाहों में इजाफा करने की मांग की जा रही है और मेरी तो समझ में नहीं आता कि आखिर कहां तक यह पे कमिशन बैठाते जायेंगे और कैसे इस प्राबलम को डील करेंगे। बड़ी त्रिटिकल पोजीशन हमारे सामने दरपेश है। अब श्री थानू पिल्ले ने जो सरकार को अपनी स्पीच में सुझाव दिया है कि वह सरकारी कर्मचारियों को चीप रेट पर भ्रनाज और अन्य आवश्यक चीजें मुहैया करे जैसाकि पहले रेलवे एम्पलाइज को मिलती थीं, तो मेरे खयाल में यह उचित सुझाव है। इस तरह की व्यवस्था यदि कर दी जाय तो मेरी समझ में आज महंगाई को ले कर जो नीची श्रेणी के कर्मचारियों में असन्तोष है वह बहुत कुछ रफा हो सकता है क्योंकि उन को उन की जरूरत की चीजें जैसे आटा, दाल, चावल, मुनासिब और सस्ती दर पर मिलने लग जायेंगे। वे आराम से बैठ जायेंगे और आज जो वह शोर करते हैं और दूसरे पे कमीशन की डिमाण्ड करते हैं वह नहीं करेंगे क्योंकि हर साल कहां तक आप पे कमीशन बिठाते जाइयेंगे क्योंकि प्राइसेज आपकी लगातार बढ़ती ही जाती हैं। आप बाहर से रुपया कर्ज ले रहे हैं और बड़े जोर से डैफिसिट फाइनेंसिंग कर रहे हैं तो यह बहुत जरूरी है कि आज जो सर्दिसेज में गहरा असन्तोष और गड़बड़ है वह न रहे और वे सन्तुष्ट होकर दिल से और ईमानदारी से अपने कर्तव्य का पालन करें। अब मजा यह है कि जब यहां पर अंग्रेजों का राज्य था तब तो यह गवर्नमेंट सर्वेस हमारे साथ होते थे हालांकि नौकर अंग्रेजी हुकूमत के होते थे लेकिन आज जबकि स्वराज्य हो गया है और अपनी हुकूमत कायम है तब मजे की बात यह है कि वे गवर्नमेंट सर्वेस हमारे बरखिलाफ है क्योंकि वे आज महंगाई से परेशान हैं.....

उपाध्यक्ष महोदय : अब आप हुकूमत में हैं और आप कहते हैं कि वे गवर्नमेंट के बरखिलाफ हैं तो अब वह आपके बरखिलाफ हैं।



**श्री अर्चित राम :** आज गवर्नमेंट सर्वेड्स आपके बरखिलाफ इसलिये हैं कि जो छोटी तनख्वाह वाले कर्मचारी हैं और जो कि दस या पांच लाख हैं वे महंगाई के कारण परेशान हैं और मैं उनकी नुमायन्दगी करते हुए सरकार को यह सुझाव देना चाहता हूँ कि इस तरह के जो लाखों की तादाद में छोटी तनख्वाह के कर्मचारी हैं उनको आप रिलीफ काइन्ड में दीजिये । उनको आटा, दाल और चावल वगैरह सस्ती दरों पर देने का इन्तजाम कीजिये ।

यह जो आपने टैक्स लगाये हैं उनके बारे में मुझे कुछ खास नहीं कहना है । सिर्फ एक चीज कहना चाहता हूँ कि आपने जो यह कहा है कि साइकिलों के जरिए हम एक करोड़ रुपया लेना चाहते हैं तो मुझे उसमें कुछ ऐतराज नहीं है क्योंकि आप छोड़ दें तो बेहतर हो लेकिन अगर उस टैक्स को छोड़ना किसी तरह सम्भव न हो तो आप उसको लगाये रखिये लेकिन उसमें जरा तबदीली कर दीजिये । एक करोड़ रुपया जो आप साइकिलों से खाली रिम पर लगा कर वसूल करना चाहते हैं तो उसको टायर, ट्यूब वगैरह पर तकसीम कर दीजिये अर्थात् टायर पर आप १२ आने लगा दीजिये, ट्यूब पर ४ आने लगा दीजिये और डेढ़ डेढ़ रुपया दोनों रिमों पर लगा दीजिये तो ठीक रहेगा । लेकिन अभी तो अगर रिम खराब हो जाय तो १० रुपया देना पड़ता है । मेरा सुझाव है कि इसको टायर, ट्यूब पर डिस्ट्रीब्यूट कर दीजिये । अगर आप इस टैक्स में कमी कर सकते हैं तो कीजिये नहीं तो इसको डिस्ट्रीब्यूट कर दीजिये ।

आज देश के अन्दर सबसे बड़ी प्रॉब्लम बेकारी की है, देश में अण्डर एम्प्लायमेंट है और हाफ एम्प्लायमेंट है और एक सबसे बड़ी चीज और जो कि चिन्ताजनक है वह है डिजायर टु शोयर पावर । अब यह एक ऐसी चीज है जो कि आप को चैन नहीं लेने देगी । टैक्सों को घटाने या बढ़ाने से ही यह समस्या पूर्णतः हल होने वाली नहीं है । आपको इस

अण्डर एम्प्लायमेंट और अन्एम्प्लायमेंट का इलाज करना है । आपको यह जो डिजायर टु शोयर पावर लोगों में सब जगह बढ़ गयी है उसके बारे में भी गम्भीरता से सोचना है । अब मसलन केरल की प्रॉब्लम है । ऐसा मत खयाल करिये कि केरल के अन्दर आराम हो गया है, वहां फिर आफत का बादल बरसेगा । इसी तरह पंजाब राज्य के बारे में यह बात है कि वहां पर डिक्टेटरशिप हो रही है । उड़ीसा के अन्दर लैण्डलार्ड्स का राज्य हो गया है । उत्तर प्रदेश में डिसेंट्रैल्ड का बात हो रही है । बंगाल में अघर हमारे कम्युनिस्ट भाई गड़बड़ कर रहे हैं । यह जो तमाम बातें हो रही हैं यह क्यों हो रही हैं ? इनकी जड़ में वही बातें हैं जिनका कि मैंने जिक्र किया । अब मसलन पंजाब की ही बात ले लीजिये । वहां पर डिक्टेटरशिप की हालत है और मैं समझता हूँ कि पंजाब के हालात कुछ ऐसे हैं कि वहां डिक्टेटर के बगैर काम नहीं चल सकता । सच बात तो यह है कि पंजाब के अन्दर ऐसी ताकतें हैं जिससे कि वहां जाग्रत है । कम्युनिस्ट भाइयों की वजह से, जनसंघ की वजह से, कांग्रेस की वजह से और अकालियों की वजह से वहां पर जाग्रत है और हमने देखा कि हमारे पड़ोसी देश पाकिस्तान में कुछ उस तरह की हालत में अग्र्युब पैदा हो गया और पाकिस्तान का डिक्टेटर बन गया लेकिन यहां तो जब तक जवाहरलाल जी और पन्त जी हैं कोई डिक्टेटर नहीं बन सकता । यह तो सही है कि उससे कांस्टीट्यूशन हमारा बाएलेंट होगा लेकिन अब पंजाब की हालत तो देखिये कि क्या हो रहा है कि पंजाब के अन्दर गवर्नर साहब हैं तो लेकिन उनकी चलती नहीं है, कैबिनेट है लेकिन कैबिनेट की चलती नहीं है, वहां पर असेम्बली है लेकिन असेम्बली की वहां पर चलती नहीं है, कौंसिल है लेकिन कौंसिल की चलती नहीं है ।

**उपाध्यक्ष महोदय :** आप इस बात की तफसील में क्यों ज्यादा जाने लग गये ?

**श्री अर्चित राम :** जो असन्तोष का कारण है उसका वित्त मन्त्री महोदय इलाज नहीं कर

[श्री अर्चित राम]

सके हैं और उनका ध्यान उधर दिलाना चाहता हूँ।

**उपाध्यक्ष महोदय :** आप अगर एक स्टेट के लिये ही यह कह जायें कि न वहाँ गवर्नर की चलती है, न असेम्बली की चलती है और न कैबिनेट की चलती है तो ऐसी बातें कहना तो मुनासिब नहीं होगा। किसी खास स्टेट के बारे में इस तरह से तफसील में बातें कहना कुछ ठीक न होगा अलबत्ता माननीय सदस्य तमाम सूबों के लिये जनरल तौर पर कह सकते हैं।

**श्री अर्चित राम :** मैं आपका इसके लिये शुक्रिया अदा करता हूँ। अब केरल के अन्दर ऐसी बात हुई कि वहाँ पर कम्युनिस्ट भाइयों ने लोगों के डिसकॉर्ट को लेकर नीबत यहाँ तक पहुँची कि आपस में वाएलेंस शुरू हो गया। मैंने कम्युनिस्ट दोस्त को पूछा कि भाई आप इतने मर्डर्स करते हो तो उसने कहा कि हम मर्डर्स करते हैं लेकिन कांग्रेसियों से कम मर्डर्स करते हैं। अब बात क्या है, बात असल यह है कि वह हालात ऐसे बन गये और आपस में टेंशन हो गया। पंडित जी ने कहा कि भाई आपस में मिल कर सलाह मशविरा करके समझौता कर लो। पंडित जी ने कहा कि हमने गांधी जी के चरणों में बैठ कर यही सीखा है कि दुश्मन से भी बातचीत करने के लिये सदा तैयार रहना चाहिये लेकिन अब आप कहते हैं कि इन हालात के अन्दर तैयार नहीं हैं। मैं तो कहता हूँ कि आप यह न समझ लें कि वे चुपचाप बैठ रहेंगे। फिर गड़बड़ होने वाली है और जब फिर गड़बड़ हो तब हाइ लेबिल के ऊपर बातचीत करना ठीक न होगा बल्कि अभी पहले करनी चाहिये। मैं पंजाब की बात कह रहा था। ऐसे ही उड़ीसा में जो पयूडल

**उपाध्यक्ष महोदय :** मैंने जो यह कहा कि पंजाब के बारे में न कहें उसका यह मतलब

नहीं है कि आप दूसरे सूबों के बारे में कहने चले जायें।

**श्री अर्चित राम :** मैं कहता हूँ कि मुल्क में हर जगह डिसकॉर्ट है। स्वाहिशा है पावर शेयर करने की, अनएम्पलायमेंट है। जब तक इस के लिये आप कोई रास्ता नहीं निकालेंगे तब तक ये चीजें कम नहीं हो सकतीं। इसका रास्ता यही है कि आप पोलिटीकल पावर को डिस्ट्रिब्यूट कर दें, इकानमी को डिस्ट्रिब्यूट कर दें ताकि देश में जो लोगों को भूख है रोटी की, जो भूख है पावर को शेयर करने की वह भूख दूर हो और अनएम्पलायमेंट दूर हो। इसका एक तरीका यही है कि गांवों में जो प्रापर्टी है उसकी ओनरशिप गांव की हो किसी इंडीवी-जुअल की न हो। गांवों के जो रोटी बगैरह के सबाल हैं उनको गांव ही टैकिल करे, यह गवर्नमेंट का काम नहीं है। यह गांव का काम होना चाहिये कि वह गांव वालों के लिये रोटी का, कपड़े का, रोजगार का, दवाई का इन्तिजाम करे। अगर आप मुल्क को गांधियन लाइन पर डालना चाहते हैं तो इसके सिवा और कोई रास्ता नहीं है। इसका सालयूशन आपके पास है। अगर आप ऐसा कर लें तो जो आज जनता का एक्सप्लाय-टेशन हो रहा है वह नहीं हो सकेगा।

इसके बाद मैं आपकी बसातत से जो मेम्बरान यहाँ हैं उनसे एक अपील करना चाहता हूँ। वह यह कि गांव की ओनरशिप को गांव सभा को देना कोई मामूली काम नहीं है। इसलिये मेरी सब पार्टीज से दरखास्त है कि वे इस काम में कोआपरेट करें अगर वे हिन्दुस्तान को डिक्टेटरशिप से बचाना चाहते हैं जो कि आज दुनिया के कई हिस्सों में चल रही है। अगर आप ऐसा नहीं करेंगे तो वह यहाँ भी हो सकती है। इसलिये मेरी दरखास्त है सब माननीय सदस्यों से कि वह थर्ड फाइव इधर प्लान को कामयाब बनाने में कोआपरेट करें।

एक बात और अर्ज करूंगा। इस वक्त हमारे सन्त विनोबा मशाल जला रहे हैं। वह हमको बतला रहे हैं कि किस तरह से हम फूड का मसला अनाम्पलायमेंट का मसला और डिफेंस का मसला हल कर सकते हैं। मैं तो चाहता हूँ कि इस वक्त वह दोनों हाउसेज को एड्रेस करें और रास्ता दिखाएं। यही मेरी आपसे प्रार्थना है।

आखिर में मैं एक बात अर्ज करना चाहता हूँ कि गांधी जी कह गए थे कि ऐसा हिन्दुस्तान बनाया जाए। उन्होंने कहा था :

“May it be reserved to India to evolve a true science of Democracy with visible demonstration.”

वही रास्ता हमारे लिए हो सकता है।

**Shri D. V. Rao (Nalgonda):** Mr. Deputy-Speaker, Sir, in the coming year, which is the last year of the Second Five Year Plan, at least the common man expected that he would not have to pay any new taxes, but that expectation has not been fulfilled. There were other avenues of taxation open to the Finance Minister, but he has not tapped them. Further levies could have been made under wealth tax, the gift tax and the expenditure tax and whatever revenues were needed, could have been obtained therefrom. Instead of that, the Finance Minister has preferred to levy some indirect taxes, putting additional burdens on the common man. Of course, the taxpayer has fulfilled his targets willingly or unwillingly by paying tax in the last four years of the Plan, but even in the fifth year he has to pay more. That means this state of affairs will continue in the future also and he will be burdened more and more. This is not a healthy feature of our economy.

One would have expected that in his speech the Finance Minister would review the progress of land reforms in our country. Though this is a

State subject, in relation to our economy, it is a very important subject, and he could have assessed the developments in this regard. I think in the Second Five Year Plan the need for land reforms was correctly stressed. Previously abolition of jagirdaris in their various forms had taken place in States but that did not give land to the tiller. Of course, now there are proposals; some legislation is also before the various Assemblies. Some ceiling has been fixed—about 30 standard acres or family holdings and all such things—in various States. But I think in no State has land distribution taken place according to what has been indicated in the Second Five Year Plan, nor is there any hope of its taking place in the near future. This is because legislation is being so framed that the landlords are not made to part with a single acre of land that they possess, and the landless tiller does not get even an inch of land from the landlord. The Constitution provides for payment of reasonable compensation when land is acquired. That being so, why should Government hesitate to take over the land of the landlords, wherever necessary and wherever it is surplus, and distribute it to landless? Instead of that, half-hearted measures are taken, or measures are taken by-passing land reforms. This is straining our economy very much, because even though agricultural production has slightly increased—or may increase even considerably—more production is possible only by redistributing land, giving the land to the actual tiller. That is the final and only solution to the problem of increasing our agricultural production. As long as land is not taken from those lords who do not cultivate by themselves and as long as it is not distributed among those who cultivate the land for themselves, the production is not going to increase considerably so as to meet the needs of our country.

In this respect, the Second Five Year Plan correctly stressed the need

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for readjustment in land holdings, but Government have failed to carry out this part of our programme. They have miserably failed in that. This is the reason why we are not going ahead with the production of more foodgrains and other agricultural products.

There is another aspect of this land reform. There are something like 6—7 crores of acres of cultivable wasteland in the country. This is not being distributed to the landless tillers and agricultural labourers. If this is done, our agricultural production will increase considerably. But even in this respect, Government are not only hesitating but they have failed miserably to do anything.

Recently, in the Andhra Assembly, the Revenue Minister stated that out of 44 lakh acres of cultivable waste land only 7 lakh acres have been distributed. The House is aware that there is a strong movement among the peasantry demanding that all the fallow lands should be distributed among the landless, especially, the Harijans and other agricultural labourers. In other parts of the country also there are large tracts of land lying waste which is cultivable and which will help in producing agricultural items. This is not taken proper care of. Though it is a State subject, in relation to our country's economy, the Centre has a special responsibility to see that all this land goes to the landless and it is done here and now and immediately.

Even in the Plan and the Budgets which are framed in relation to it they do not give relief to 30 per cent of our agricultural labourers who are rotting in the villages, who have no land, who have no property, nothing of the sort excepting some relief by way of social services. Government is not taking a single step to improve their economy by giving them land

and other sources of employment. Thereby rural unemployment is growing day by day and they come in towns in search of employment. In towns also the unemployment problem is growing and we are not able to supply wheat, rice or jawar of whatever is needed. I think Government should take proper care in this direction also.

Then, there is another item of taxation in regard to the film industry. There is much controversy over it. The Finance Minister is levying additional excise duties; it is wrongly done. It is true that this industry is a flourishing industry. But we are not entitled to tax it to such an extent that the industry closes down. We should not say that only when it closes down we would not tax it. That is not a correct approach.

There is so much of tax evasion, especially income-tax evasion. The big producers, the actors and actresses are evading income-tax. Income-tax should be collected very rigorously and without any mercy. But to cover up this evasion we should not go in for this kind of taxation. Exposed films should not be taxed like this. I am not an expert; I do not know much about the technical aspect of it. But from what I gather from the Press and other reports I can say that all these prints—after the first print is made—would not fetch enough of income for the producers. Only a small income is expected when they print the films. The producer has to incur so much of expenditure. Most of the producers do not invest money from their own pockets. Most of the distributing companies pay them; and, in addition, they invest some amount from their pockets. I think 70 or 80 per cent of our film industry is like this—the entire investment is not that of the producers or of any co-operative union. Taxation of this sort will, certainly, hit the industry. The Chief Minister of West Bengal has clearly stated how the film industry is going

to be hit by this taxation. That should be an eye-opener to show how things are going on. I hope the Finance Minister will reconsider this taxation proposal and do the needful.

Regarding the food problem; the prices are going up. The entire House expressed its concern over this. Time and again, there has been a proposal that foodgrains should be purchased direct from the peasants by Government and not through millers or traders. In that case, Government would get whatever grain is needed and that too at reasonable prices. There will be no shortage of food in the country. Time and again, Government has refused to accept this suggestion and even now it is not accepting it. Government should reconsider its policy and see that it goes in for direct purchase of foodgrains from the peasantry.

There is another point. A previous speaker Shri Venkatasubbiah and some other Andhra Members have stated, time and again, that Andhra is being neglected in regard to the allotments needed for big projects and industries. I entirely share that view. As far as this is concerned, all the Andhra Members, irrespective of their party affiliations, are of the same opinion. More industrialisation is necessary in Andhra. There is enough iron ore and coal in Andhra. But there is no steel plant. There is no proposal to set up a steel plant in Andhra.

Andhra is a big consumer of fertilizers. Even now there is no proposal to set up a fertilizer factory there. This is hindering the economic progress of this part of the country. Government should see that there is a balanced development in our country and Andhra is given its due share.

There is another point also which I want to make. Funds are given to one of the biggest irrigation projects, the Nagarjunasagar project, as if it is part of the State's Five Year Plan. Therefore, no major work is being

taken up in that State, because this is eating away the entire amount that is given to the State. Even the Andhra Government has often requested the Centre to treat this as a national project and the whole amount allotted to it to be separated and borne by the Centre as in the case of Bhakra-Nangal, the D.V.C. or Hirakud. Even now they can reconsider their decision and accept the suggestion of the Andhra Government.

**The Minister of Defence (Shri Krishna Menon):** Mr. Deputy-Speaker, Sir, I will not take much of the time of the House at this stage of the Budget debate because there is opportunity at the time of appropriation to deal with question of policy and other matters which the House is entitled to know and the Government is able to state its position.

Although I was not myself present in the House, I have read all the speeches carefully and I think I owe it to the House—and I think Government owes it to the House—to deal with some of the matters that have been raised in this debate for two reasons. One of them is on account of the circumstance to which the Speaker made a reference the other day; that is, there is an audience for the statements made here far outside this House and far outside this country. Secondly, they are so wild and fantastic. References were made in the House in very strong language with regard to the administration not only of the Defence Ministry but of other Ministries as well and I shall later seek your guidance in regard to certain matters spoken about. The first of these comes from my friend, Shri Mahanty. He said in this House:

"I am constrained to say that the defence of this country is absolutely defenceless, but the Prime Minister defends it on the floor of the House and perhaps God defends it outside."

I would like, Mr. Deputy-Speaker, responsible Members of the House to

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ponder over the effect of this kind of statement outside on the people that this country is defenceless and the Prime Minister is just using this place as a talking shop. It may be that they are wanting to hit a Minister or to make headlines in newspapers. That may well be but not in the circumstances of the country. He says:

“Government would have no moral sanction in asking the House to grant them ever-increasing expenditure on Defence”.

First of all, there is no “ever-increasing expenditure”. If the hon. gentleman thinks that the moral sanction of the House resides in him, he is very much mistaken. That is an attitude of mind that requires treatment other than by my answering by speeches. I am very sorry that the hon. gentleman is not there. This is a method of hitting below the belt usually adopted only by people who dare not lop up at other people's face and I have never thought that the hon. Member belonged to that class.

Next we come to certain criticisms by Shri Morarka who is very sensitive when questions of industry in the public sector are concerned. . . . (*Interruptions.*) May I have the floor of the House?

**Mr. Deputy-Speaker:** Surely, he has it.

**Shri Krishna Menon:** First of all, there is a lecture read to us about the distribution of expenditure in regard to different Arms and we are asked: why is there less expenditure in the Air Force at a time when there is trouble on the northern border and more on the Navy and on Land? It is a very legitimate question to ask. The Air Force budgets of the last year and the previous year were considerably larger than anything we have had before, the reason being that the Air Force was undergoing reorganisation and expansion and

considerable expenditure had been incurred. Then, when we came to this year's Budget, there were certain payments that were to be made, which were not made in the previous budget year. So the Finance Minister came with a Supplementary Demand and so far as I am aware, the House raised no objection. Now, we are asked: why has the Navy Budget gone up? The Navy budget has gone up again because of the payments due and this country usually pays its bills. So far as the Air Force is concerned, I think for the information of the House, apart from answering that statement, I should state that it is quite true that because of the conditions and the terrain in the north and for various other reasons, an accession to the strength of the Air Force in certain of its Arms has become necessary. I am sure, Sir, that you will agree with me that the floor of the House is not the right place to discuss the details of those component arms. As the Finance Minister has hinted while introducing the Budget, at the present moment, there was no need to inflate the Budget figures in order to make provision for something for which we are actually not committed. The House sits here and when the country has got an emergency of the present kind, the requirements are there and the Government will come to the House again for necessary resources in that respect. That, I think, will be the case.

When we go on to the more tendentious part of this report, that is, the general characterisation of administration, he says:

“It is a question of economy at home and extravagance abroad. Over-indenting, higher prices excess payments, faulty deliveries defective storage, loose inspection, careless drafting of contracts, etc. are matters of daily routine occurring very frequently in this Ministry.”

I would like to ask if this is a responsible kind of statement. Is that how it was possible for the Government to cut down the Budget last year? It that how it is possible, even under the present circumstances, to ask for so small an increase in the present Budget?

Over-indenting may mean that indents are placed with an understanding that they can be cut down afterwards because very often if you want something this year, you have to indent it two years before. There are arrangements whereby the Service Headquarter says that "this may be our demand but we will see whether it could be cut down less than the indents placed". Arrangements are made in the course of processing of these supplies and diminutions take place in that way. But, surely, no Government can endure for any time if these were their characteristics! I know there are certain fields, other fields of industry where this sort of thing goes on which my hon. friend ought to be familiar with, but it is not with us.....

**Shri Morarka (Jhunjhunu):** Mr. Deputy-Speaker, I do not want to interrupt now but you must give me a chance later on.

**Mr. Deputy-Speaker:** When he is not yielding; the hon. Member must be content.... (*Interruptions.*) Order, order.

**Shri Krishna Menon:** This is the characteristic of this kind of criticism. Only hit out but they not take anything.

Then, he pulls out one part out of the Auditor-General's report. Everyone knows that the Auditor-General does not conform to the concordat that existed seven or eight years ago where it was agreed.....

**Some Hon. Members:** Sir, we do not hear.

**Mr. Deputy-Speaker:** He may speak a little louder.

**Shri Krishna Menon:** I was saying it was agreed then that the Auditor-General has to put down in his report only some main and major items and not pick holes into everything but that is another matter. The Auditor-General is responsible to Parliament and his own sense of duty. There is a passage quoted by Shri Morarka in order to support the previous one. My arguments are two-fold. First of all, the passage quoted, damning as it may appear, has no reference to this very generalised maligning statement made by Shri Morarka. This is the statement from the *Audit Report, 1959* which is, in essence, an *exparte* statement.

"Despite repeated exhortations by successive Public Accounts Committees and assurances given by the Ministry, these provisions continue to be disregarded by the administrative authorities. Fictitious financial adjustments intended to conceal lapsed grants or to cover up excesses over allotments were noticed in a number of Engineer Division".

If it had not come from the Auditor-General and we were not familiar with it, and if I so wanted to say—I do not want to do so—I could have said that this was a malicious over-statement but I do not intend to say so, Sir.

**Mr. Deputy-Speaker:** When he has said that.....

**Shri Krishna Menon:** I said that I do not intend to say. To speak about a Government in these terms, just because under our Constitution..... (*Interruptions.*)

**Shri Goray:** These remarks may be expunged.... (*Interruptions.*)

**Shri Krishna Menon:** I did not know that the Opposition had taken over the functions of the hon. Speaker.

**Mr. Deputy-Speaker:** If it is such a passage that I should get it expunged, I would consider it. Anyhow, I wanted to bring it to the notice of the hon. Defence Minister that when he himself felt that it ought not to be said but when again he says it, that is not a thing to be said.....

**Shri Krishna Menon:** I am only warning myself about what I should not say..... (*Interruptions.*)

**An Hon. Member:** It is circulated in the whole country.

**Shri Krishna Menon:** I accept that and I wish that it became the rule of the House. After all this statement goes round the country—'fictitious financial adjustment'.

**Mr. Deputy-Speaker:** That is to be dealt with differently..... (*Interruptions.*)

**Dr. Ram Subhag Singh (Sasaram):** The Defence Departments gets an opportunity to explain its position when the auditors inspect the department.

**Shri Krishna Menon:** I will try to explain the substance of this. These so called fictitious financial adjustments arise from the desire of the administration, the officials concerned, not to waste resources and money unnecessarily. This refers to engineering stores. The engineering stores depots issue stores to work projects as and when they are required. When stocks are issued for project works, the account of the project is debited with the cost of the stores issued. In many cases where the stores cannot be accommodated where the work is done, the stores are kept where they are issued. The audit view is that they must be physically removed. This may be "working to rule". If you work to rule in that way, administration will become almost impossible.

We have other instances. We have had no fraudulent intentions in this

matter. There is an instance about the drawal of some quantity of cement from stocks against a project during the year 1957-58. These always takes two or three years to come here. Stocks of cement were kept earmarked for the project but owing to some changes in the phasing of the project, the stock of cement had to be diverted to other projects in the next year. These require adjustments in the accounts. Apart from this book accounting in this way, there has been no question of trying to cover up any transactions in the wrong way. I can give you many instances of this kind.

Then, reference was made to the carelessness and the deterioration of the stores. I am not going to take every one of them; we will do it when the appropriation comes. The instance that is cited is in regard to camouflage nets and their value is said to be Rs. 75 lakhs. First of all, this Rs. 75 lakhs is the purchase price of these stores during the war time. These nets were used in the war. That is to say, whatever money was spent on it the value had been out of it as they were used in the war. Because of the general desire, soon after Independence, to save everything, these nets were brought and kept. They were not worth Rs. 75 lakhs any way. They came in a damaged condition after having been used in operation in the areas of operation. Then comes the question of preservation. The question of preservation, again, must be a matter of priorities. Are we to preserve nets at the expense of something else? Therefore, those things that are more delicate, more expensive, they require more coverage. They go under cover, others naturally do not. Two years ago we had some 280 lakhs square feet of covered space. We were then short of 60 lakhs square feet of covered space—that is, taking the position as static, not taking into account that each year more will be required. Therefore, 60 lakhs square feet of covered accommodation was the requirement. In the following two years, out of 60 lakhs



square feet we made up 34 lakhs square feet, building as much covered space as could be built each year and as there were resources available and could be put up within the required time. So there is a balance of projects to be constructed to the extent of 26 lakhs square feet. This does not mean that this quantity of 26 lakhs square feet will remain stationary: it will go up. What I am pointing out is this. There is only a certain amount of covered accommodation available and in that accommodation priority has to go to far that kind of defence goods which are likely to be most spoiled by being exposed to rain, wind and sun. There is quite a lot of valuable stock lying about. We are aware of it. But the question is one of balancing the one with the other.

So far as these nets are concerned, they had reached a stage when the expenses for looking after them, the chowkidari expenses and so on, were not worthwhile and they had to be disposed of. I repeat, Sir, they had their use: they were used in war. In any other country they would have been destroyed then and there. We had been using them in the Kashmir operations and various other places, and for practice purposes, training purposes afterwards.

Then we come to another matter, and that is with regard to the purchase of spares of vehicles. Here, Mr. Deputy-Speaker, I would like to have your guidance before I proceed a further. I am not familiar with all the niceties of parliamentary procedure and proprieties in certain respects.

**An Hon. Member:** Schame.

**Shri Krishna Menon:** I am not ashamed to say that. You may choose to think you are professionals in the matter. I am asking your guidance, Sir, and not the guidance of the Opposition. Now, this relates to the purchase of spares for tanks of the old type, which could not be obtained by

buying over the counter; they must come out from various places where people had stocks. Negotiations were going on with a Canadian firm called Levys for the last seven or eight years and they were concluded somewhere in the early part of the end of 1956—I will give details afterwards. This matter came up before the Public Accounts Committee and they have appointed a committee to go into this question. I would like your guidance, Sir, whether it will be proper for me, whether it will be appropriate for me to go into the details of this case here or not.

**Mr. Deputy-Speaker:** I think it would be better if he waits for that investigation. Let the result of that investigation come. Then we can discuss it.

**Shri Krishna Menon:** I have got as complete answers as I can give them. It appears to me that it will be rather improper, when the Public Accounts Committee have appointed a committee.....

**Mr. Deputy-Speaker:** Let that report come; we can await that.

**Shri Krishna Menon:** Then we come to a point in which I hope the hon. Member would show me the courtesy of correcting himself if I am right and he is wrong. He said:

"The Ministry functions largely merely on secrecy. We do not get to know everything or as much as we would like to know."

That is is true—the last part. Then he says:

"I will give a very simple example. I have myself seen Japanese jeeps purchased by this Ministry moving on the roads of this city as well as in Bombay. The name of the jeep is Tiota. To a question put to the Ministry as to how many jeeps have been purchased, when they have been purchased, what is the price and

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so on, the answer was: 'No jeep has been purchased. A & B do not arise.'

Then he says:

"The driver of the jeep who was in uniform told me about the purchase. If only they had stated that it is a secret matter and they cannot give the information, I can understand it. But to say that no jeep has been purchased.....".

**Shri Morarka (Jhujhunu):** Please also read what the Deputy Minister said.

**Shri Krishna Menon:** I am not answering the Deputy Minister.

**Shri Morarka:** That would give the full details to the House.

**Shri Krishna Menon:** Sir, the House can judge for itself. I have sought the judgement of the House and not only of my hon. friend. What is told to the House is this, that the Minister, the Government, has mis-guided the House, has concealed information. I ask the hon. Member in all sense of whatever it is—humility to correct himself after I have finished. We have purchased no jeeps of the name of Toyota or indeed any other Japanese jeeps. The hon. Member could not have seen Japanese Toyota jeeps; at best he could have seen only one Toyota jeep.

**Shri Morarka:** I have seen two, one in Bombay and one in Delhi.

**Shri Krishna Menon:** The hon. Member could not have seen two such different jeeps in the country because they are not here. The jeep was not purchased by us. A Toyota jeep was brought by the manufacturers for us to see, without any commitment on our part. If the hon. Member had been so carefully observant he would have seen that there was no licence plate of the regular

character; the Government marking and "on trial" was there.

**Shri Kamalnayan Bajaj:** He might have seen the same jeep at two places.

**Shri Krishna Menon:** That is not what he said.

**Shri Morarka:** In two different places.

**Shri Krishna Menon:** That is not what he said. He said that these Toyota jeeps were here, we have purchased them, and therefore, he mis-guided the House. He says the driver told him. That is to say, the hon. Member is willing to believe the driver in preference to us, as against the statement we made. Sir, both of us, the hon. Member and also myself took oaths when we became Members of Parliament, and to make a charge against a Minister that he misled the House, deliberately is a very serious matter.

Secondly, Sir, I would like to submit that drivers of vehicles who are in uniform have very strict instructions—not instructions given by me, it is part of the military law—that they are not to converse with citizens. It is very unfortunate that a person as responsible as the hon. Member should try to extract information out of a soldier in uniform. He may be going to suffer for it. There will be an enquiry and disciplinary action may be taken in regard to this matter.

**Dr. Ram Subhag Singh:** That is wrong. Because the driver gave the correct information he should not be made to suffer.

**Mr. Deputy-Speaker:** We are not going to decide that just at present. Whatever the rules of conduct in the Army might be, they have to be enforced we are not going to discuss them just at present.

**Dr. Ram Subhag Singh:** There should not be any threat by the

Minister that the person concerned will be made to suffer.

**Mr. Deputy-Speaker:** Shall we decide just now that that driver should not be punished? (*Interruption*) The desire of the hon. Members has been conveyed to the hon. Minister. We should not press it further. If there are any rules they are to be enforced by the department. The hon. Minister knows that the Members desire like that. Perhaps, all the mistake has arisen from the facts that have been stated. I do not think that anyone of them is to blame so much. Of course, Shri Morarka, the hon. Member should be made further enquiries. When it had been said by the Deputy Minister that none had been purchased and he found out from the driver that there were two jeeps, he ought to have confronted the Deputy Minister, approached him first and found out from him what were the real facts before levelling that charge. If he had done that under a misunderstanding because he had been told like that, perhaps the driver also might have believed that they had been purchased. There is no harm, I suppose, even if the driver said like that. Now that the facts are clear that they were here on trial to be seen by the department before deciding whether they should be purchased or not, perhaps there is nothing to be worried about and it should not be hammered further.

**Shri Morarka:** Mr. Deputy-Speaker, Sir.....

**Mr. Deputy-Speaker:** Let the hon. Minister finish. I will give him an opportunity.

**Shri Braj Raj Singh:** Sir, the attitude of the hon. Minister is very threatening. In this way he is threatening the Members of Parliament who contact anybody for information. We are entitled, Sir, to get information from any source.

**Dr. Ram Subhag Singh:** If any officer or any Indian soldier from 409 (A) LS—7.

Ladakh comes and says that there is no administration, he will be threatened and proceedings will be started against him.

**An Hon. Member:** Disciplinary action will be taken.

**Mr. Deputy-Speaker:** The proper course is, when the hon. Members get information they should contact the Minister and tell him that this is the information that they have got, instead of disclosing it to the public like that. Now, if the army has got rules that if any of the soldiers discloses certain information he would be punished, then we should not object to that at least, because they will have to enforce their rules.

But in this case, as I have already said, there ought not to be a further discussion on how that driver is to be dealt with. That is for the Ministry or the department concerned. If hon. Members have certain feelings, they have just expressed their desires and it should now be for the Ministry to deal with them as they like. It should not be further pressed.

**Shri Kamalnayan Bajaj:** I would like to put a question for my personal clarification. If Members of the House come into the possession of certain information and if we approach the Deputy Minister or the Minister in regard to that matter, and if action is taken on the party concerned, the party which has given the information, then, it would be very difficult. If we come to the House and speak, then it becomes simpler, because whatever be the information that we give and whatever the action, it is all within the knowledge of the Speaker and everybody. Now, as a matter of personal information, I should like to know (*Interruptions*), whether we should go directly to the Minister or we should reveal it here.

**Mr. Deputy-Speaker:** I cannot answer theoretical questions. I shall deal with them as they arise. But for the present, I have given my opinion.

[Mr. Deputy-Speaker]

If Members learn something from any Government servant and they come and disclose that they learnt it from such and such a person, that would be rather detrimental to that servant. (*In interruptions.*) Order, order. The hon. Member might use the information that he has got, but why need he disclose the name of person?

**Dr. Ram Subhag Singh:** This is the funniest thing. A driver is being threatened, but no threat is being shown at China. Go and take action against China.

**Shri Krishna Menon:** There is no evidence at all that the driver even knew that the questioner was a Member of Parliament. Secondly, it is said that the driver who was in uniform told him about the purchases, in which case he was either ignorant or he was misstating the facts, because there was no purchase, and what is more, it was marked on the vehicle, "for trial". Therefore, to use the evidence of an enlisted man and to give that evidence in Parliament is something to which I take objection—(*Interruption*).

**Shri Morarka:** Sir, kindly give me the chance to speak now itself, lest I should forget the exact point which I want to make. About the jeeps, what happened was this. When I saw the jeeps I immediately gave notice of a question. The Office did not admit my question. The note I received said, "Ministry says that there is no factual basis." Then in writing I gave them what the factual position was, including my conversation with the driver. I have seen not one jeep but two jeeps. Thereafter my question was admitted. But the answer to that question was: "(a) No; (b) and (c) Do not arise". The reason why I thought that it was purchased was, firstly, I did not know that our army has started accepting gifts.

**Mr. Deputy-Speaker:** He should not say like that. Now that the facts are

known, that they were on trial, why should he refer to gifts?

**Shri Morarka:** The hon. Defence Minister said that he expects a larger sense of responsibility, this and that, from the Members. I do not know what his expectations are and how often he is disappointed in the expectations, but the fact is that when we see our defence personnel driving the jeep, Toyota is the name of that jeep which is Japanese—there is a curiosity. So, I asked out of curiosity, "Is it Japanese?" The driver said, "Yes." Then, I asked, "Are you purchasing Japanese jeeps also?" He said, "Yes." Now, the hon. Defence Minister is making a grievance of that and says that hon. Members of this House must have a sense of responsibility, that they are seeking information from this source and that source, etc.

**Mr. Deputy-Speaker:** The hon. Member says that he put this question: "Are not these Japanese jeeps?" "Yes." Then, "Have they been purchased?" "Yes." So, there ought to be no wonder that the driver went on answering like that, namely, that these jeeps are of the military. He did not know the actual facts.

So far as the admissibility of the questions concerned, rather I should disclose it myself,—that I may also be responsible for all that. When the question has been put, it is referred to the Ministry and after enquiring about the facts, they say that it is wrong. Then the office puts a note and the Speaker decides that because there is no factual basis, it should not be allowed. That is the normal course. Against that, the Member had stressed that he had seen the jeeps and he had made enquiries from the driver. So, even perhaps the Speaker was compelled to admit it because a responsible Member made a statement. Therefore, that question was admitted. So, there ought not to be any wonder in the procedure that has been

followed. That was the natural procedure. Now that the facts are made clear, I should think that we should not have any grievance against each other.

**Shri Feroze Gandhi** (Rai Barell): In the context of what you have just said, if the Speaker makes enquiries from the Ministry and when the Ministry gives the reply to the Speaker, then the questions are admitted. Is this the procedure adopted?

**Mr. Deputy-Speaker:** We are trying to know facts. We get a note from the Ministry. It is not the option of the Ministry to say whether a question can be admitted or not. But we do ascertain facts. That is the procedure.

**Shri Feroze Gandhi:** When you have ascertained the facts, then, why is it that questions start with the phraseology, "Is it a fact," etc? All questions are styled this way: "Will the Minister be pleased to state", "Whether it is a fact", etc.

**Mr. Deputy-Speaker:** That is so, because the question is to be put by the Member and not by the Speaker. Let us proceed. We have no time. I would request hon. Members to hold their soul in patience.

**Shri Krishna Menon:** All that I wanted to say was this. We had made a statement in regard to this matter. The hon. Member thought it fit to cite some other evidence to convey to the House, meaning that the Members were not given the facts about the matter. Whether, in those circumstances,—

**Mr. Deputy-Speaker:** If he meant like that, even he believed like that, I do not think there is any necessity to press it further. The facts have been made clear.

**Shri Krishna Menon:** If that is what you feel about it, I do not want to say anything more. The other facts are with regard to the vehicle spares,

on which I sought your guidance and you directed that it would be better not to say anything on that matter. I have got plenty of material. They are all very much in the same category.

**Mr. Deputy-Speaker:** The hon. Minister has finished. Shri Morarka.

**Shri Morarka:** Only one point. The hon. Defence Minister said that I have said about overindenting and all that. He referred to a sense of responsibility and so on. What I have found from the audit report is, it seems that in December, 1957, they placed the order for certain spares worth 12 lacs dollars and in March, 1958, they wanted to cancel items worth about 5.5 lac dollars.....

**Shri Krishna Menon:** This is very unfair. You Sir, asked me not to speak about this.

**Mr. Deputy-Speaker:** I think that should be closed now.

**Shri Morarka:** I am prepared to close it provided the impression is not left in the House that the insinuating remarks made by the Defence Minister were accepted. They are not accepted. (*Interruptions*).

**Mr. Deputy-Speaker:** Order, order.

**Dr. Atchamamba rose—**

**Mr. Deputy-Speaker:** I am sorry that Dr. Atchamamba has been elbowed out, rather, in this discussion. The hon. Finance Minister.

**Shri Morarji Desai:** Mr. Deputy-Speaker, Sir, I am very thankful to all the hon. Members who took part in the debate on the budget for their criticism as well as for their appreciation. I must say that the criticism was not as biting as it was last year. Not that I should have been happy if it had been more biting.

**Mr. Deputy-Speaker:** That atmosphere should be considered as gone and finished.

**Shri Morarji Desai:** It was only unfortunate that just before I began my reply on the debate, something un-

[Shri Morarji Desai]

pleasant should have happened here. But I hope that will be turned into a pleasant episode ultimately.

There have been criticisms on general issues as well as on specific items of taxation in the budget. My colleague, Shri B. R. Bhagat, replied to some parts of the criticisms yesterday and I do not propose to repeat those arguments because I have not got much time at my disposal. Yet, it may be necessary for me in the course of my reply to repeat some of those things. Before I deal with any individual item, I should like to take up two or three matters of criticism which have been made perhaps on account of want of knowledge about these matters.

16 hrs.

I shall first take up the hardy annual which my hon. friend, Shri Bharucha, indulges in. He refers to treasury bills and then tries to build up his whole criticism on a wrong assumption. He said, out of the estimated plan outlay of Rs. 4600 crores or Rs. 4700 crores, more than three-fourths would be met from expansion of treasury bills, deficit financing and market borrowings. He gave the break-up as Rs. 1650 crores from treasury bills, Rs. 1200 crores from deficit financing and Rs. 800 crores from market borrowing. The hon. Member does not realise that the Rs. 1200 crores of deficit financing come from the treasury bills; it is not an extra amount. But he adds on Rs. 1650 crores to Rs. 1200 crores. That is simple arithmetic that he indulges in.

Really speaking, the treasury bills outstanding on 31-3-60 will amount to Rs. 1450 crores and Rs. 350 crores or Rs. 450 crores have been funded. That means, it comes to about Rs. 1900 crores or something like that. Out of that, there are some which were outstanding before the second Five Year Plan began. If they are taken out, what remains would be about Rs. 1228 crores of deficit financing for the second Five Year Plan.

There may be also a small sum out of the treasury bills which will not be for deficit financing, but which will come out of the ordinary items which will go back, which are lent by some banks and other institutions. If my hon. friend had not been very confident about his own capacity to understand these things, he could have consulted me, who am a layman but who is very willing to inform him about this, because I have got information at my disposal, not that I am cleverer than him; I do not claim that. Had he consulted me, I should have certainly made him wiser. But he is afraid of wisdom all the while. That is the difficulty.

The outlay on the Plan is likely to be financed as follows: Rs. 1228 from deficit financing, Rs. 1000 crores from foreign loans and assistance; Rs. 800 crores from internal market borrowing, Rs. 380 crores from small savings; Rs. 975 crores from additional taxation by both Central and State Governments and the balance of Rs. 217 crores from other debt and deposit heads, including the balance from revenue budget. So, I hope this hardy annual will not be indulged in next year. But I am not very sure of that, if I know my hon. friend very correctly.

**Shri Naushir Bharucha:** What is the total of deficit financing plus treasury bills plus market borrowings?

**Mr. Deputy-Speaker:** Why should he add them together?

**Shri Naushir Bharucha:** If all the treasury bills come to nearly Rs. 1900 crores, according to him deficit financing is only Rs. 1200 crores; so obviously, at least the remaining Rs. 700 crores or Rs. 800 crores are there without any fiduciary backing. Let us have the figures.

**Shri Morarji Desai:** I told him and yet he refuses to learn that is my difficulty. He only wants to teach me. I am prepared to learn. But one who does not himself learn cannot teach another. The figures are Rs. 1,450 crores and then Rs. 450 crores funded; that means Rs. 1,900

crores. Out of that, Rs. 595 crores were outstanding before the Second Plan. That would lead us to Rs. 1,305 crores, which would be the figure just now. Out of that, Rs. 1,228 crores is the deficit financing. The rest, as I said, are invested by banks or others, which is not deficit financing; that is how the treasury bills are held. If my hon. friend wants to learn more about it, I shall certainly be at his disposal, but I do not want to force myself on him.

Similar was the criticism of the hon. Member from Kerala, Shri V. P. Nayar. He referred to the position of private foreign capital in the country and the repatriation of profits made during the period 1953—57. He tried to show that while during 1953—57 the country received foreign capital to the tune of Rs. 144 crores, there has been an outflow of Rs. 114 crores as profits with the result that the net inflow has been only Rs. 30 crores, that is, Rs. 84 crores less than the profits taken out in the same period from the foreign capital employed in this country. The figures which he has used are correct, but they are used in a very funny way that is all I can say. The fact is that these remittances, which are made for several years, are put together. The figures are as follows:

(Rs. in crores)

1952-53 .	15.64
1953-54 .	17.24
1954-55 .	26.03
1955-56 .	30.59
1956-57 .	24.80

Making a total of Rs. 114.30 crores. But this yearly profit is on a total investment which was Rs. 255 crores at the end of June 1948, which was Rs. 403 crores at the end of 1953, which is Rs. 555 crores now, that is to say, till 1957. It will thus be seen that the average profit of Rs. 23 crores is on this invested capital and it is not against the sum taken out or sum coming in every year.

16.08 hrs.

[MR. SPEAKER in the Chair]

As a matter of fact, a large part of the profits is ploughed back into the industries here, re-invested here. It is invested here, and that is what we want. Therefore, what my hon. friend says is not the correct appreciation or correct representation of the position as it is.

He then spoke about foreign loans and special loans and aid received from the United States of America. May I say that the total US aid to India up to 30th November, 1959 amounted to the equivalent of Rs. 565.75 crores as loan and Rs. 210.19 crores as outright grants? As regards grants there can be no question of disadvantageous terms. As regards American loans and credit that are given by the EXIM Bank, they have been available so far for being utilized through global tenders for making the most economical purchases. It is only in October, 1959 that DLF suggested that purchases should be practically confined to United States. That was because all other countries were insisting that we should make purchases from those countries. And it is not only the western countries, which are doing so. The eastern countries, including Soviet Russia, also insist that purchases should be confined to their countries.

**Shri Nagi Reddy (Anantapur):** They take the goods from our country in lieu of our paying them back the loan.

**Shri Morarji Desai:** As far as they like those goods will be taken. Now this also is repaid in rupees. That my hon. friend forgets. The rupees are funded here. They are not taken away. It is not of less advantage. It is of more advantage, as a matter of fact. But my hon. friend has an allergy to USA and therefore he has that complex. We have no allergy against anybody. We consider all of them as friends. We are helped by all of them. Therefore we do that.

It is true that as a result of the condition made by the DLF, after

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October, 1959 we may have to pay some more price because prices are higher in USA than elsewhere. But there is no comparison of the prices obtaining in Soviet Russia with anywhere else. We have got to accept those prices.

**Shri Nagi Reddy:** Is it the contention of the hon. Finance Minister that prices are higher in the Soviet Union?

**Shri C. D. Pande (Naini Tal):** They are the highest.

**Shri Raghunath Singh (Varanasi):** One pair of shoes costs Rs. 200.

**Shri Morarji Desai:** Some of them yes. I am prepared to say 'Yes'.

**Shri Nagi Reddy:** Will you give a list?

**Shri Morarji Desai:** But that does not detract from the help that they have given. In the same way.... (*Interruption*).

**Shrimati Renu Chakravartty (Basirhat):** What about Bhilai? Does it not compare better than Rourkela and all others put together?

**Mr. Speaker:** The hon. Minister may go on in his own way.

**Shri Morarji Desai:** I am trying to deal with them in my own way..... (*Interruptions*.)

Then again he referred to section 2.03A of DLF loan which indicates that procurement should be confined to Code 99 of the *Geographic Code Book*. The difficulty was that he did not know what that code book was. Therefore he drew all sorts of inferences from it. But the *Geographic Code Book* is there and we know what it is. Code 99 says that the area is worldwide. That means there should be global tenders. If only he had known that, he would not have made that criticism which was absolutely unjustified.

**Shri C. D. Pande:** Even then he would have done it.

**Shri Morarji Desai:** Instead of showing his gratefulness as a citizen of this country for the help from which he also has profited in spite of his unwillingness, he makes here a criticism which is absolutely unjustified and unfounded.... (*Interruption*).

Then he referred to the loan agreement for \$20 million for the Orissa iron ore project and indicated that repayments by India in rupees would be available to the United States Government for expenditure in India. The advantage of this arrangement is obvious. And yet he said that that money can be utilised against us by them for expenditure in this country. He quoted one sentence from a clause. But he did not quote the whole clause. That is the difficulty. If the whole clause is read it will be seen that no improper use of these rupees can ever be made by the USA nor have they any intention of doing so. It is no use making these allegations here or there against anybody. Allegations can be made against anybody. What is the use of doing so?

Then he referred to a clause in Exim Bank loan agreements and DLF agreements indicating that reports have to be furnished to the lending agencies and proper records have to be maintained. Does he know that these are all normal conditions in any loan agreement anywhere between a borrower and a lender? There is nothing wrong in it. From that he argued that even confidential papers of the Cabinet could be called for. Nothing could be more fantastic than this inference made by my hon. friend. There is no such thing either. What is relevant to the project only that they can see and that also if it is considered reasonable. It is not what they consider as reasonable that is reasonable. What we consider as reasonable is reasonable. That is the condition. Therefore it is only a prejudice which makes him draw wrong inferences



and make a public exposure of himself in this hon. House.

Then he referred to the condition regarding carrying 50 per cent of the goods purchased out of these loans in US flag vessels. This has to be done only when the goods are purchased in USA. This condition does not apply when we purchase the goods outside the USA, but if we purchase them in USA, it means that 50 per cent can be brought in our own ships. That is an advantage. That is the condition they have agreed to.

Then again, these rates are fixed not by themselves only. These are fixed in agreement by all these companies which are in a federation. Therefore, there is no question that they can charge at random or in an exorbitant manner.

**Shrimati Renu Chakravartty:** That is what your shipping companies tell us.

**Shri Morarji Desai:** I do not know which shipping company is relied on. Perhaps some of the servants of the shipping companies, who may be their camp followers, may have told them and led them astray.

**Shri Nagi Reddy:** They have released it in the press.

**Shrimati Renu Chakravartty:** This should be withdrawn, Sir, because these things have been stated by very highly placed people in our own shipping concerns.

**Mr. Speaker:** Hon. Members need not interrupt and get these answers.

**Shri Nagi Reddy:** The point is this, that the Chairman of the shipping companies have come out with the fact that the western shipping companies are over-charging us.

**Shri Morarji Desai:** That is in a different context altogether. Let it not be mixed up with these loans. That is true, I am not going to dispute that, but that is a different thing al-

together. I do not know why that is sought to be confused with this. That is exactly the practice which my hon. friends follow. They always try to apply one thing to another; taking out here and applying it to another thing. They apply wood to brick and brick to stone, that is what they do, and therefore this happens.

He again said that the entire marine insurance should be with companies which operate within the limits of the United States. He said this is the condition which is imposed. This is again a misreading of section 5.07 which reads as follows:

“The Manager may make disbursements under this Loan Agreement to reimburse India for expenditure made to pay or to provide currency for the payment of costs of marine insurance of goods financed under this Loan Agreement:

Provided that such insurance is placed at the lowest available competitive rate;

Provided further, however, that if the Government of India, in connection with the placement of marine insurance of shipment financed under the Mutual Security Act of 1954 as amended, discriminates by statute, decree, rule or regulation against any marine insurance company authorised to do business in any State of the United States, goods financed under this Loan Agreement shall, during the continuance of such discrimination, be insured in the United States against marine risk with a company or companies authorised to do marine business in any State of the United States of America.”

It is clear that the need to insure in the USA would arise only if the recipient country has any provision dis-

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criminating against any American insurance company; otherwise, it will not arise.

There is also a misconception in the mind of my hon. friend, Shri Nayar, about the scope of PL 480 Agreements. He said this was nothing, they were dumping on us their extra goods, which otherwise they could not absorb, and charged exorbitant rates from us. Nothing could be farther from the facts. It is true that there is surplus there, but that does not mean that they are bound to give us those surplus things. Here, the main advantage in these agreements is that we obtain essential agricultural commodities without any liability for payment in foreign exchange, and it is not possible to get this from any other country. That, again, is a fact. All payment is in rupees. It is true that the American internal prices are high, but he does not know that even though their internal prices are high, they are subsidised by the American Government, and the prices quoted to us are on a par with world prices. Therefore those internal prices have no relation to the prices quoted to us which are quite comparable to world prices.

Then again, disposal of agricultural products or surplus by any country is subject to discussions in international wheat conferences and also in the Food and Agricultural Organisation, and no country is in a position to dump its surplus in a manner that it dislocates the world level of prices. Therefore, that condition is there, and yet this is what is said here. Again, out of the amount in rupees paid to the USA Authorities for PL-480 commodities, more than 20 per cent could come back as grant to India; and yet, it is said that we are paying exorbitant prices. Ungratefulness could not go further than this.

I would now come to the question of growth of civil expenditure. This also is a question which exercises our

minds every year, as it should; I do not say that it should not. But I had explained last year what this civil expenditure means, and if it is properly analysed, it will be seen that the rise in civil expenditure does not mean rise in the expenditure only on administrative services. That is not true. The rise in civil expenditure is on account of various other social welfare activities and amenities which Government have got to give.

The 'Group-Head' of civil administration covers not only what are purely administration services, like General Administration, Police, Audit etc. but also social and development services like education, medical, public health, agriculture, co-operation, industry and supply and so on. By far the major portion of the increase has occurred, as it inevitably must, in the latter category of expenditure, as a result of the development plans undertaken by Government.

For instance, in 1956-57, the total expenditure on civil administration was Rs. 122 crores, of which Rs. 39 crores were for administrative services proper, and Rs. 83 crores for the various social and developmental services. The comparative figures next year would be Rs. 62 crores and Rs. 206 crores respectively. These Rs. 206 crores relate to social and development services. They rose from Rs. 83 crores to Rs. 206 crores. In other words, the expenditure on administrative services has during this period increased from Rs. 39 crores to Rs. 62 crores, and the expenditure on social and development services has gone up from Rs. 83 crores to Rs. 206 crores. There is an increase of Rs. 23 crores on administrative services, but that also I would like to account for.

In this, Rs. 9 crores are accounted for under tribal areas, where we have got to go on increasing our services, Rs. 4 crores under police, Rs. 3 crores each under General Administration

and External Affairs. A part of the increase is due to the normal growth of expenditure from year to year and increase in emoluments of low-paid staff because they also get increments. The main reason for the rest of the increase is for meeting the requirements of our border areas, because that also is there.

Then, it has to be remembered that with the expansion of governmental activities, some increase in expenditure on administrative services is also inescapable, but I would like to say that we have not been complacent in this matter at all, and we are trying to see that we secure the maximum possible economy consistent with efficiency and avoiding wastage in public expenditure, and this continues to receive constant attention on the part of Government in all departments. It can be, I am prepared to say, that the effort is not as much as it should be, but we are trying to make more and more effort. We have also set up, therefore, agencies or institutions which can help us in doing this; and as these institutions become more and more perfect, I think there will be less and less cause for complaint in this direction. After all, we have to deal with human material and with the efficiency in the country as it obtains. We cannot think of efficiency somewhere outside and then say that by that standard we are not becoming efficient. We want to be more and more efficient, but that cannot be done merely by condemnation. It will be by sympathetic criticism that that can be obtained. That is all that I have got to plead.

**Shri Tyagi:** He is a clever Minister.

**Acharya Kripalani (Sitamarhi):** Except in finance.

**Shri Morarji Desai:** As regards the increase of Rs. 123 crores on account of social and development services, I would say that Rs. 32 crores alone are on account the self-balancing item of surcharge on iron and steel. Therefore, this is not a question of any

spending business. It is transferred to the Iron and Steel Equalisation Fund and is covered by a corresponding receipt on the revenue side. But it is nearly accounting matter. Therefore, it appears here. The rest of the increase of Rs. 91 crores is spread over a number of heads and is mainly attributable to the larger requirements in the last year of the Plan to fulfil the Plan targets. Education alone accounts for an increase of Rs. 26 crores, medical and public health for an increase of Rs. 14 crores, agricultural and allied services for an increase of Rs. 12 crores, scientific departments for an increase of Rs. 13 crores, industries and supplies for an increase of Rs. 11 crores and aviation, broadcasting and miscellaneous departments for an increase of Rs. 15 crores.

It will thus be seen that it is only the expanding developmental activities which are responsible to a large extent for the extra expenditure. Therefore, it cannot be called either wastage or extravagant expenditure. But here again, I would certainly admit that there is always scope for curtailing expenditure and we are trying all the while to see that we do it; we are learning by experience every day. From that point of view, I am grateful for all the criticism because that criticisms also helps us to be on our guard and constantly see that we account for every pie that we spend.

In this connection, I would mention that there was also criticism that there is loose budgeting. That means we are trying to show the Budget if I may say so, in a wrong way or—I might say—that we are not very correct in making up the accounts.

**Shri C. D. Pande:** It is a cautious way of putting things.

**Shri Morarji Desai:** It may be a cautious way. But it can also become an incautious way if it is too cautious. Therefore, it should not be so.

[Shri Morarji Desai]

But I cannot say that there is absolutely no justification for this criticism. My only pleading would be that howsoever careful a Finance Minister will be, it will not be possible to have an exact estimate of revenue or an exact estimate of expenditure. What we are trying to see is that we become more and more exact as time goes on. It will be seen that even when the deficit in revenue came down from Rs. 59 crores to Rs. 15 crores, there was still a deficit of Rs. 15 crores. Supposing I had tried to be very careful and very exact and had cut it down and had estimated the revenue more, I would have had a larger deficit instead of a shorter one. It is better that there is a shorter deficit, and that there is not a larger deficit as a result of what we do.

16.27 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

If there is a larger deficit, then again what my hon. friends are complaining about extra expenditure would come in more and more. I am more interested in seeing that there is a brake on the tendency to expenditure. That also requires this sort of calculation and this sort of estimate.

Shri Nagi Reddy: Excellent!

Shri Morarji Desai: Therefore, we have not always covered up the whole deficit by taxation. That is where it was argued that we should have had more taxation. So one has to take account of all these human frailties and human errors.....

Acharya Kripalani: Except one's own!

Shri Morarji Desai: ... which come in, and which we are not able to avoid. That is why we covered only a little more than 1/4th of the deficit.

Then again we are always having criticism about the borrowing limits

and the want of legislation for those limits. My hon. friend, Shri A. C. Guha, who did nothing about it when he was in charge of it, as soon as he got out of it, has been constantly at it.

Acharya Kripalani: The same will apply to others.

Shri Morarji Desai: We had a full-dress debate on it, on a Resolution moved here. This was on the 28th and 29th August 1959 and the Resolution was Shri Guha's. At the end of the debate, he withdrew the Resolution, after the position was explained. Now he comes again with the same criticism.

Shri A. C. Guha (Barasat): Yes, I withdrew it at his request—expecting that the Finance Minister would reconsider the position.

Shri Morarji Desai: We can always be wiser and wiser every day. But one can also be the reverse every day if one is not careful. That also follows.

What else is the present method of budgeting but the sanction of Parliament every year? We put before Parliament every year at the time of the Budget what we are going to borrow and what we are going to tax. All this is before Parliament. It is put before Parliament every time and sanction obtained. What more sanction is required? If there is to be a legislation in a developing economy like this, the limits will have to be on the upper side and not on the lower side. Otherwise, we will have constantly to come to the House and all development work will be stopped. Therefore, if you put a higher limit on the borrowing, perhaps, there will be a disadvantage and not an advantage. This is a better method of doing it; and, I think, there is absolutely no case for having a legislation for borrowings of Government to be brought in in this House.

Then, again, the provision in the Constitution is not compulsory; it is permissive. And, where it is permissive, it should, certainly, be the prerogative of Government to decide whether that legislation should be brought in or not. (*Interruption*) No; it may not be for a hundred years.

The various items which have been taken up this time for additional taxation have also come under criticism though the criticism has been rather soft, to my mind, as it should be; because I do not think there was much justification for the criticism on the items which have been put here.

I would take only one item which has been the common item in all the criticisms—the item of cycles. I should like to explain it so that we may understand what we must do in future also, as to what items we should choose in the matter of taxation because we will have to have more and more taxation as years go on. We cannot have more development without more taxation. We cannot have progress without taxation; and we cannot meet our demands without taxation and loans.

On the one side, taxation is objected to; on the other side, deficit financing is objected to. On the third side, less speed in development is also objected to. (*Interruption*) We are expected to develop more and more. How are we going to perform this magic, I do not know, unless we come to some conclusion and some recognition of the fact that if we want to develop we will have to go in for more taxation and we will have to exert ourselves and do it deliberately. Sir, it will not be an easy task at all.

I miss my hon. friend, Shri Asoka Mehta. I am very sorry he is ill and he could not come this year. But he has pointed this out—and even last year also; let us examine and decide what we want to do and then let us pay the penalty for it and not after-

wards grudge it. And, that is the position in the matter of taxation.

Cycles are objected to for being taxed because it is said that it is the common man's vehicle. I do not deny that it is the common man's vehicle. It is certainly not the rich man's vehicle (*Interruption*). But, it was said that years ago, a Japanese cycle was available at Rs. 18. May have been. But, as far as my knowledge of cycles goes, in the days when I was using the cycle....

**Shri Braj Raj Singh:** When was it?

**Shri Morarji Desai:** That was in 1925. Cycle was only obtainable even then for Rs. 55. That was the cheapest cycle, not the costly cycle at all.

**Shri C. D. Pande:** B.S.A.

**Shri Morarji Desai:** Even in those days the B.S.A. cost Rs. 250; it was between Rs. 150 and Rs. 250. But, later on in 1952-53..... (*Interruptions*).

**Mr. Deputy-Speaker:** Order, order.

**Shri Morarji Desai:** In 1952-53 there was an import duty on cycles and it amounted to Rs. 80/- the minimum; 65 per cent or Rs. 80/- whichever was higher. Now, today, as a result of that import duty the cycle industry has come up in this country. If we miss all that revenue and if we are not going to get that revenue from our own industry which we have helped to come up, if we are not going to do it, how are we going to draw our revenues? I do not know. Even then, what is the price? It has gone up from Rs. 55/- to Rs. 120. Today, if you consider any article, the relatively cheapest article is the cycle. And, if Rs. 10/- are taken on a cycle, I cannot say that it is exorbitant. (*Interruption*). When I said it lasts for ten years, it was challenged. I am prepared to grant it.

**Shri Tyagi:** Are you open for a compromise?

**Shri Morarji Desai:** No compromise in this matter. There cannot be compromises on fiscal matters. These compromises will lead to bankruptcy and therefore, my hon. friend also, when he was here, never looked up at compromises.

**Shri Braj Raj Singh:** May I suggest one thing? He wants only one crore and the Government gives the production figure of 15 lakhs of cycles and so he will get about Rs. 1.5 crores by way of taxation on new cycles. There are already ten million cycles and if we take two millions out of them, he will get about Rs. 3.5 crores in all.

**Shri Morarji Desai:** I would be happy if I get more. If there are so many cycles and if they are produced more, it will only show that the tax has not hit them. Therefore, we will judge ourselves from the result of production next year and if I find that it has hit the production, we will certainly reconsider. We do not want to raise any taxation which hits production here. Therefore, let my hon. friend have some patience and desire for more experience in these matters.

The question of deficit financing has been harassing us and my hon. friends here and the Government also. I cannot say that deficit financing is indulged in with any flair for indulging in it but in an undeveloped economy, if it wants to develop, deficit financing becomes inescapable. The only condition that is required to be seen is that it should not lead to inflation. My own calculation is that it has contributed very little to inflation which is there in this country. If we examine the inflation in prices about which my hon. friends have spoken and shown their anxiety, very correctly too, and I am also very anxious about the rising prices, what do we find? We should not allow the prices to rise. The prices have risen not because there is deficit financing but because the agricultural prices have

risen. If you examine all the prices you will find that the prices of manufactured articles have not risen even relatively to the price rise in agriculture. But the prices rise because my hon. friends themselves ask for Pay Commission and more wages to the servants here, more salaries for the State Bank employees and more salaries everywhere, wherever they can. But they do not stop at that. They also want that more prices should be given to the sugarcane growers, that there should be strikes and the sugar factories should not work so that there is deficit in sugar production and then the sugar prices rise. Then they come again here and say that this Government is going wrong. It is true that we have not been able to control this sort of tactics followed in this country because we have great consideration for democratic methods. We believe that in course of time, all of us will realise the necessity of these things and will see to it and will co-operate with each other in seeing that we do nothing to raise the prices. That is the best way of controlling the prices. It was argued by one hon. friend on my side that if we have planning, we must also have control. There are controls. We are not shying at controls at all. Controls are not a matter of either prestige or fetish or principle for us but if controls are necessary and are useful we will certainly take to them. But general controls of distribution, in a vast country like this when there is shortage of production and when the state of society is such that when there is a little scarcity scares rise immediately, will lead to more and more corruption about which also we are very anxious. We want to take as stringent measures as possible to see that corruption disappears. Therefore, those controls which are suggested are not advisable even if they are considered necessary. But that does not mean that planning is not necessary. We must not forget that this planning is in a country which is democratic, and we want to do planning for men and we do not

want to utilise men for planning. That is how we are conceiving our planning, and it is from that point of view that planning is also conceived and implemented. But in human agencies as we have and as we all are, it is not possible to make an ideal picture. It may be possible to make an ideal picture on the canvas, but it is not possible to make an ideal man in actual life. None of us has been; none of us will be.

My hon. friend, once a leader and today also a leader, Acharya Kripalani, for whom I have the highest respect is getting rather pessimistic.

**An Hon. Member:** Old age.

**Shri Morarji Desai:** I do not think, Sir, ever he will get old. He is always young in spirit; I have no doubt about it in my mind. It is therefore I feel he feels pessimistic and he says: "Well, we should go slow". If going slow would do the trick, I would certainly be with him. But going slow will mean death for us. In a country which is so poor if we do not go fast enough, I do not think there will be any hope for this country. It is therefore that we have got to make the maximum effort to develop this country as fast as we can, in order that we may remove the poverty which is so wild and vast in this country and about which all of us are exercised. It is therefore that we must have a plan which develops this country fast enough, so that in a measurable distance of time and a time which will be satisfactory for the common run of man, we develop in such a way that all these difficulties disappear. But until that time comes we will have to pass through stresses and strains, we will have to pass through difficulties. If we do not do that, then we must decide that we do not want to advance and it does not matter if we die out.

If it is desired that there should be a distribution of only poverty in this country and all of us become equal in starvation point, we can achieve that.

But is that what we want to achieve? No sane man will want to do that. Some friends argue with me about a simple life. I believe in a simple life for myself, but I cannot say that I can persuade the other man also to have a simple life. Simple life is good and ennobling for a person who takes to it voluntarily, but if it is imposed on another person then that poverty will degrade him and will degrade others too.

Therefore, we have got to plan for the common man and not for the intellectuals. It is all philosophers who want to pass a simple life because they want to become better and better every day. The ordinary man is interested in having a good standard of life, better than what he has today, and he wants to go on bettering it every day. It is that task that we are engaged in, and it is there that we want to harness the capacities of all the people.

It is argued that nationalisation will do the trick. Nationalisation can never do the trick. On the contrary, it will worsen matters, because it will be the same thing which will be turned over and over again and no money can be utilised for new projects or for new things. Therefore, it should not be made a principle. If it is necessary we can certainly take to it. Where it is useful and where it helps us, we can take to it, and not where it does not help us.

In this connection, I should like to mention also the question about land reforms. It was said that the land reforms are not progressing as they should. That criticism also can be made, but is it fully justified? What I would like to know is whether that criticism is fully justified. We are free now for the last twelve years. Ever since then we have been taking steps to see that the land reforms are progressively executed and completed. Are twelve years a very long period for an evil which was there for centuries, a system which is centuries old—not one century but many cen-

[Shri Morarji Desai]

tures old—which we are trying to change and which affects 20 crores of people in this country? If that system is to be changed, and in a non-violent manner as it should be done so that all people can get assimilated in it, would it be right, Sir, to be so very impatient about it? Some impatience is necessary, so that we do not become complacent. But if we become more impatient, then we will destroy the whole progress of land reforms and we will not derive the benefit from them. We want to have land reforms not for the sake of reforms but in order to see that land is exploited in the best manner possible for the best production. That is the view with which we want to have land reforms and that is how they are devised. Therefore, we are trying to implement them as best as we can, taking into account all the facts that obtain in our society today. I think we have no reason to feel ashamed in this matter about the progress which we have made. Zamindaris have gone completely. I do not think there is any country in which it has been done in the manner in which it has been done in this country. The middlemen also have gone, to a very large extent, and rents have been regulated in most of the States. They are also lowered day by day and then comes the time also of passing them on to the actual tiller. If lands were passed at the time when rents were very heavy the prices would be very high and it would be very difficult to pass them on to 'hem tillers. A progressive revolution or a progressive evolution like this is best suited for our land reforms and that is what we are trying to do. I have no doubt that the remaining part of land reforms which we have recommended is bound to be completed within the next two or three years at the most. I have no doubt about it in my mind. But even if it takes a year or two more, I would not think that it has taken a more undue time than it should have taken. That is all that I have got to plead in the

matter of implementation of land reforms.

There was reference to defence—that we are not providing enough this time in the budget, that it is not enough compared to our requirements, etc. I hope the hon. Members will leave the judgment of requirements to the Government. This is not a matter which can be disclosed in its details. But I may assure hon. Members, as I have also mentioned in the budget, that whenever money is required I will come to the House and I have no doubt that the House will give it. Why do you want to show it in the budget when it is not actually required at the time? But I may assure my hon. friends that Government will leave no stone unturned and no expenditure unmet to see that the country is fully defended and that we are not in danger at any time. That is all that I can say in the matter of defence.

There was also the question raised by hon. Members about projects in different regions. May I say that in this matter also, the policy of Government has been to see that the different regions develop properly and ultimately they all come to the same level? But it is not possible to put them on the same level immediately, say, within five to ten years. It is bound to take some time. If all the projects are seen and if all the plans are seen, it will be realised that more and more money is being spent on areas which are considered backward and regions which are considered backward. But we have got also to utilise our resources in such a manner that the resources are utilised with a view to get more resources so that we can have a quicker development. If we spend our resources in such a way that they have not sufficient return, then we will not be able to develop as fast as we want to and the development of backward regions also will fall in the background. It is in their very interests that we should see that our resources are multiplied faster and faster so that our develop-



ment becomes quicker and quicker. That is how we have arranged this budget and I hope it will be accepted by this hon. House.

**Mr. Deputy-Speaker:** The general discussion is over.

16.49 hrs.

**\*DEMANDS FOR GRANTS ON ACCOUNT**

**Mr. Deputy-Speaker:** We shall now take up the Demands for Grants on Account in respect of the Budget (General), 1960-61. I shall put the motion to the vote. The question is:

"That the respective sums not exceeding the amounts shown in the third column of the order paper be granted to the President on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of the heads of demands entered in the second column thereof against Demand Nos. 1 to 138."

*The motion was adopted.*

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

**DEMAND No. 1—MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 6,39,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of 'Ministry of Commerce and Industry'."

**DEMAND No. 2—INDUSTRIES**

"That a sum not exceeding Rs. 2,17,71,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of 'Industries'."

**DEMAND No. 3—SALT**

"That a sum not exceeding Rs. 4,37,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of 'Salt'."

**DEMAND No. 4—COMMERCIAL INTELLIGENCE AND STATISTICS**

"That a sum not exceeding Rs. 7,00,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of 'Commercial Intelligence and Statistics'."

**DEMAND No. 5—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 20,52,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

**DEMAND No. 6—MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION**

"That a sum not exceeding Rs. 2,48,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1961, in respect

\*Moved with the recommendation of the President.