

- (ii) Use of motor vehicles owned by the company for extraneous purposes (not connected with the business of the company).
- (iii) Utilisation of the services of the staff of the company as well as its goods by some persons having interests in the company.
- (iv) Engagement of persons, connected with some share-holders, on high salaries and allowances without any regard to their competence.

(c) and (d). An inspection of the books of account of the company has been ordered.

#### Ranking of India in regard to National income in the International Community

2711. SHRI SHYAMNANDAN MISHRA : Will the Minister of FINANCE be pleased to state the ranking of India in regard to national income in the international community, at the time of Independence; at the end of First, Second and Third Five Year Plans and at present ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : Estimates of national income for India are available, on a regular basis, only from 1948-49. As for the ranking of India in respect of national income in the international community, information as at the end of each Plan period is not readily available. According to the United Nations Year Book of National Accounts Statistics, among 140 countries in respect of which information is given, India's national income ranked 6th in 1958, 7th in 1965 and 8th in 1968. The corresponding ranking in respect of *per capita* income was 106th in 1958, 95th in 1965 and 74th in 1968.

#### Proportion of Direct and Indirect Taxes to National Income

2712. SHRI SHYAMNANDAN MISHRA : Will the Minister of FINANCE be pleased to state the proportion of direct and indirect taxes, separately national income for each year since the beginning of the First Five Year Plan ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : A statement is enclosed.

#### STATEMENT

Revenue from direct and indirect taxes levied by Central and State Governments as per cent of national income

Year	Direct Taxes	Indirect Taxes	Total
1951-52	2.4	5.0	7.4
1952-53	2.5	4.4	6.9
1953-54	2.3	4.1	6.4
1954-55	2.5	5.0	7.5
1955-56	2.6	5.1	7.7
1956-57	2.6	5.3	7.9
1957-58	2.9	6.3	9.2
1958-59	2.7	5.9	8.6
1959-60	2.9	6.5	9.4
1960-61	3.0	7.1	10.1
1961-62	3.2	7.8	11.0
1962-63	3.7	8.8	12.5
1963-64	4.1	9.5	13.6
1964-65	3.7	9.3	13.0
1965-66	3.6	10.6	14.2
1966-67	3.2	10.4	13.6
1967-68	2.8	9.4	12.2
1968-69	2.9	10.2	13.1
1969-70	3.1	10.4	13.5

NOTE.—For 1970-71 and 1971-72 estimates of national income at current prices are not as yet available.

#### Rate of increase in National Income and Money supply

2713. SHRI SHYAMNANDAN MISHRA :  
SHRI RAGHUNANDANLAL BHATIA :

Will the Minister of FINANCE be pleased to state :

(a) the comparative figures of the rate of increase in national income and rate of increase in money supply since the beginning of the First Five Year Plan;

(b) whether any co-relation has been established between increase in national income and increase in money supply; and

(c) if so, the ratio between the two ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) to (c). A statement showing annual rate of variation in national income and money supply since 1951-52 together with the ratio of national income to money supply for each of these years is enclosed. Although there is no precise correlation between

increases in national income and money supply, in a developing country there is a long term tendency for the ratio of national income to money supply (i.e. income velocity of money supply) to decline on account of increased demand for money resulting from growing monetisation of the economy and diversification of the economic structure.

## STATEMENT

*Variations in National Income, Money Supply and Ratio of National Income to Money Supply since 1951-52*

Year	Percentage variations in National Income			Ratio of National Income at current prices to Money Supply
	At constant prices	At current prices	Money supply with the public*	
<i>First Plan</i>				
1951-52 . . . . .	+2.8	+4.6	-10.1	5.5
1952-53 . . . . .	+4.0	-1.5	-2.6	5.6
1953-54 . . . . .	+6.0	+6.7	+3.6	5.7
1954-55 . . . . .	+2.5	-8.3	+6.9	4.9
1955-56 . . . . .	+1.9	+3.9	+13.4	4.5
Annual Compound growth rate .	+3.5	+0.9	+1.9	
<i>Second Plan</i>				
1956-57 . . . . .	+5.0	+13.3	+5.6	4.8
1957-58 . . . . .	-1.0	+0.7	+3.0	4.7
1958-59 . . . . .	+7.0	+10.6	+4.7	5.0
1959-60 . . . . .	+1.8	+2.7	+7.7	4.8
1960-61 . . . . .	+7.3	+9.3	+5.5	4.9
Annual compound growth rate	+3.8	+7.3	+5.3	
<i>Third plan</i>				
1961-62 . . . . .	+3.5	+5.7	+6.2	4.6
1962-63 . . . . .	+2.0	+5.9	+8.7	4.5
1963-64 . . . . .	+5.7	+14.9	+13.3	4.6
1964-65 . . . . .	+7.2	+17.4	+8.7	4.9
1965-66 . . . . .	-5.6	+2.8	+11.0	4.6
Annual compound growth rate	+2.5	+9.1	+9.6	
<i>Annual Plans</i>				
1966-67 . . . . .	+1.5	+15.9	+9.3	4.8
1967-68 . . . . .	+9.3	+18.7	+8.1	5.3
1968-69 . . . . .	+2.4	+1.1	+8.0	5.0
<i>Fourth Plan</i>				
1969-70 . . . . .	+5.3	+8.7	+10.5	4.9
1970-71 . . . . .	+4.7	N.A.	+11.8	N.A.

\*As on last Friday of March.