

[Shri Jagjiwan Ram]

So far as the disciplinary question is concerned, care can be taken to see that provisions are made as in the case of Government servants for first and second appeal. Care can also be taken to see that some independent authority is established for that purpose, but that will be when the consideration stage comes, not at this stage.

श्री बाबू करवैदीश : मंत्री महोदय ने सेन्ट्रल बेयरहाउसिंग कारपोरेशन के कर्मचारियों के बारे में जवाब नहीं दिया है।

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Food Corporations Act, 1964 and to declare the Central Government as the appropriate Government under the Industrial Disputes Act, 1947 in relation to the Food Corporation of India."

The motion was adopted.

Shri Jagjiwan Ram: I introduce the Bill.

12.15 hrs.

COTTON FABRICS (ADDITIONAL EXCISE DUTY) (REPEAL) BILL*

बाबुबाबू मंत्री (जी बिनेश सिंह) : अध्यक्ष महोदय, मैं प्रस्ताव करता हूँ कि काटन फैब्रिक्स (एडीशनल एक्ससाइज ड्यूटी) ऐक्ट 1957 के निरसन का उपबन्ध करने वाले विधेयक को पेश करने का अनुमति दी जाये।

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the repeal of the Cotton Fabrics (Additional Excise Duty) Act, 1957."

The motion was adopted.

जी बिनेश सिंह : मैं बिल को पेश करता हूँ

12.16 hrs.

FINANCE (No. 2) Bill, 1967—contd.

Mr. speaker: The House would now take up further consideration of the Finance Bill. 3 hours and 15 minutes were taken till now and we have 6 hours and 45 minutes. Shri Vishwanatham had already taken 11 minutes and he may kindly complete in another 4-5 minutes.

Shri Tenneti Vishwanatham: (Vishakhapatnam) Ten minutes.

Mr. Speaker: Your group gets 11 minutes. So, you try to conclude as early as you can.

Shri Tenneti Vishwanatham: Once in a year, ten minutes is not a long time. Yesterday, I was on this point of the plea of the Government that they have no money for anything. But we have here a complete set of figures for the third plan. What do they show: You will see how the tax and non-tax revenues have been progressively increasing from Rs. 1269 crores in the first year of the third plan to Rs. 1585 crores in the second year, Rs. 2004 crores in the third year, Rs. 2229 crores in the fourth year and Rs. 2490 crores in the fifth year, that is 1965-66. The Finance Minister might know that every year, during the plan period, the Government budget for something and they actually collect much more. In 1961-62 they budgeted for a collection of Rs. 835 crores but collected actually Rs. 951 crores. The corresponding figures for 1962-63 are Rs. 998 and 1180 crores; for 1963-64, 1356 and 1505 crores and in 1964-65, again they collected Rs. 1895 crores as against the budgeted amount of Rs. 1573 crores. In the next year again they budget for Rs. 1817 crores but collect Rs. 1925 crores. Every

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† Introduced with the recommendation of the President.

year the taxpayer is promised that only "so much" would be collected by way of taxes but they collect much more by the end of year. During the third plan period, they were collecting Rs. 40 lakhs every day more than they budgeted for. At the end of the Third plan they had a saving of Rs. 741 crores. But you ask for any small amount of expenditure: they will say, "There is no money; the money market is tight," and so on. In the last year, 1965-66 the saving was Rs. 237 crores. These are the figures which the Finance Minister should see. During the remaining four years of the plan period, excluding the first year, the cumulative additional revenue which the Government collected was Rs. 3230 crores. During the budget debate, when any demand is made, immediately the answer is 'no'. Once upon a time, during Rajagopalachari's Ministry at Madras; he gave a proposition: "The Finance Minister should say 'No' first to any proposition that comes: If the demand is serious it will come again. I suppose the present Government have taken a leaf from him. I have said about the tax and non-tax revenues and have shown they had progressively been increasing and they collect more than they budget for. Now, about the amounts of foreign debts which they have been receiving. The sum of Rs. 314 crores was there in the first year. It became Rs. 339 crores in the next year; Rs. 384 crores in the next year and Rs. 569.73 crores and Rs. 569.97 in the subsequent years. Therefore, Sir, there is no dearth of money. The people cannot believe when the Government says there is no money. It has become a habit, it is second nature with Finance Minister to say, "Where is the money?" But the figures show otherwise. And that is the reason why we always say, "Please look once again into our demands."

Then, coming to the Food Ministry, when everybody is starving practically, they make a profit. In the food-grains trade, in 1963-66, there was Rs. 56 crores of net profit made on the

starving stomachs of India. Not only that, While the people were complaining of shortage of foodgrains there was an opening stock of 6 lakh tonnes, and excluding damaged rice and otherwise, there was also a closing stock of five lakh tonnes. Similarly, in the State Trading Corporation's accounts also, you will find an opening stock and a closing stock of large quantities of grains. But when we want rice, we get no rice at all. Therefore these are matters which the Finance Minister should carefully look into.

I believe, I will get five to 10 minutes more, Sir. I now come to the question of price-line. What is really troubling this whole country is the prices, the prices which the common people cannot pay; the ordinary man cannot pay. As the production figures show, production is increasing. Excepting for the last year, production has been increasing, and the prices also are increasing. The laws of the ordinary economics, supply and demand, do not apply in India; they might apply anywhere in the world, but not in India. The first thing to hold the price-line, apart from other considerations, is, we require an honest administration. Unless there is an honest administration, you can never hold the price-line, for, you cannot control those who are responsible for the shift in prices. An honest administration implies also that the Government should not have much to do by way of private friendship with businessman. And why do I say it? There are several instances where the businessman become the friends of the Government, and the Government would not be able, therefore, to control them. There was a businessman who made a trust of Rs. 10 lakhs in favour of the Private Secretary of the biggest of Ministers and the next year in the Padma Vibhushan list his name was found! The blackmarketeers who were promised to be hanged by the nearest tree were then subsequently brought under the scheme of voluntary disclosure and one who made a

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voluntary disclosure also becomes a Padma Bhushan

Then, when money becomes necessary, suddenly, the Government changes its policy of hanging blackmarketeers and says, "You purchase gold bonds and we shall not ask you, where your money came from." Periodically, thus the hand of friendship is advanced to these gentlemen. In Coimbatore, there was a huge indigenous enterprise for printing currency notes, and one man was

An hon. Member: That was in the private sector

Shri Tenneti Vishwanatham:.. booked for two years. But what did the Government do? They appropriated the currency notes for themselves. What is the use of punishing a man for two years and then appropriating all the currency which he had printed, on the ground that the currency notes had already gone into currency, and therefore the Government shall use it themselves? Therefore, it is like using stolen money, using counterfeit money minted by that person

As I said, we should not have too much friendship with businessmen. You remember there was a great industrialist; there is that great industrialist, called Dharma Teja. An incident happened at Hyderabad which I do not know whether you remember or not, but somehow it has come to my memory just now. Mr Dharma Teja wanted to start what was called a Republican Forge Limited at Hyderabad, and the hon Finance Minister came there. I think to turn the first sod or something like that. What did he say in a public meeting? Publicly, he defended Dharma Teja. Some of us were then saying that Dharma Teja could not be depended upon for he had come with just Rs 1,500 capital to Hyderabad and got from the Andhra Pradesh

Government a guarantee of Rs. 1,30,00,000. Under those circumstances there was some criticism. Then the Finance Minister said, "Don't abuse an honest gentleman like this: he is a first class industrialist". Now we know where we have come about that particular gentleman (Inter-ruption)

To satisfy what is called the left wing opposition in this country, everybody thought that land ceilings must be put. The Planning Commission was very anxious about it. However, in the entire Andhra Pradesh, only 50,000 acres came under the land ceiling. There was some anxiety about calculating the ceilings. Somebody came to Delhi and the Planning Commission and the Government said, plantations must be excluded. Then in Andhra Pradesh every acre of uncultivated land got one shoot of sugarcane or coconut and all those surplus lands were called plantations. Zamindars having 5000 or 10000 acres were all exempted thus

I have just given a few instances to show that unless there is honesty in administration, the Government can never hold the priceline or do anything in this country; whatever the idealism, unless there is honesty in administration, you cannot do anything useful

An industrialist wants to acquire a piece of land at a cheap rate. He goes to the Collector and gets the land under the Land Acquisition Act. The aggrieved persons go to the court. Court says, Land Acquisition Act cannot be utilised for private people. He comes to Delhi and for his benefit, the Land Acquisition Act is amended. This is the way our Government is run. I have given only a few instances. For 20 years, the Government has been going on like this. That is why there is widespread discontent and poverty. In olden days, only some were poor.

Now 99 per cent is poor. In the olden days, only some pockets in the country were famine-stricken. Nowadays it is widespread throughout the country.

19.37 hrs.

(MR. DEPUTY-SPEAKER in the Chair)

Coming to financial administration, I would request the Finance Minister to send somebody from the Finance Ministry to study the audit reports and PAC reports. In Hyderabad also we had this difficulty. Generally the top minister was not able to get at these things. On our suggestion, the Government appointed a Cabinet sub-committee to see regularly what the PAC recommends and to what extent its recommendations were being implemented. Here I find some moneys are not collected from man called "a sundry debtor." It is Rs. 75 44 lakhs. Why? The whereabouts of the firm are not known. I am speaking from the audit reports. Rs. 32 lakhs are not collected from the Delhi Grains Syndicate because the Directors are not sufficiently rich. This is the kind of things going on in the administration. There is another case. A public notification was necessary to exempt yarn which is used directly for export or made part of a fabric and exported. No notification was made. Therefore, the man was not entitled to any rebate. It was very clear. If they wanted, they would have issued a legal notification, but they did not. Yet Rs 2.98 crores were given as refund. I do not know at what stage the Government is considering that particular problem.

The Finance Minister should pay some attention to some of these matters and to the details of financial administration. In broad outline, the policy may be correct. Our dealings with foreign countries with regard to debts may be right. But we are particular to know how the money that is being collected is being spent, whether it is spent for the purpose for which it is paid, whether it goes in

the right direction or there is wastage. If there is wastage, we should plug the loopholes. In fact, in this country it has been said that there is as such wastage as there is proper expenditure. Opening the Indian Institute of Public Administration, Pandit Jawaharlal Nehru said that Rs. 500 crores were spent upon bad construction. I think the trend is continuing. I only suggest that the Finance Minister should have a complete grip over the details of the administration, as much as on the general and broad outlines of our Indian economy.

Shri Shashi Ranjan (Pupri): Mr. Deputy-Speaker, Sir, we all agree that the economic health of our country has reached such a narrow point that it requires immediate attention. The situation has become very alarming. The middle-class people, particularly, are very much hit by this economic condition. The middle-class people who are supposed to be the backbone of our society are very much depressed and frustrated by the economic condition of our country that it is becoming very difficult for the society as such to exist. All these years, though we have achieved political independence, we have paid little attention towards improving the economic condition of our country.

Sir, for either an individual or a nation, you will agree, there are three very important salient features that are required. One is political consciousness, the second is economic growth and the third is moral values. Of course, we became politically conscious and we got independence. But our economic strength we could not improve and the moral values are fast deteriorating. We have reached such a point when we are in a very difficult situation. All these things that we see around us, including Naxalbari, are a reflection of our economic cripple-ness. Unless and until we take a very practical view of our economic affairs we, perhaps, cannot go ahead at all.

What have we been doing all the time? Whenever a situation arose,

[Shri Shashi Ranjan]

you will find, we have been only appointing commissions, committees and corporations. These commissions and committees have been a drain on our funds involving huge expenditure, and ultimately we find that we are there from where we started. I congratulate the Finance Minister for he has given special attention to the administrative set-up and he has thought that something has got to be done in the administrative set-up. It is a good sign. But unless and until we are out of the old bureaucratic way of administrative set-up we cannot improve.

At present, besides public undertakings, which instead of being an asset are, most of them, a liability, we have got three sources of collection of revenues—Income-tax, central excise and customs. In the matter of collection of taxes we are following the old-fashioned method inherited from our old rulers, the Britishers, the method which the Britishers themselves have now denounced and have considerably changed or are changing. If we cannot introduce something new, if we cannot inculcate an idea of confidence, security and patriotism, we can at least copy the changes that the British Administration is now introducing in its own administration. I have heard and I very much welcome that our Finance Minister has thought of sending some officers of the direct taxation department—the Income-tax Department—to study the rationalisation of tax collection in the United States of America. I would request him also to think of sending a similar team of officers from the Department of Central Excise and Customs because 50 per cent of the revenue that we receive are from central excise, about 30 or 40 per cent from direct taxation and 8 to 9 per cent from the customs.

I would also like to draw his attention to the relationship between these three wings of the Finance Ministry. So far as my knowledge goes, the re-

lationship between these three departments of the Finance Ministry is not very cosy and comfortable. There must be a spirit of brotherhood among them and they must keep the national interest above everything else. But what we actually find is that this spirit is not there and one department is trying to pull down the other department. My information is that the customs are trying to pre-dominate over the central excise and the central excise are trying to ward off the atrocities perpetrated on them. Central excise is a very widespread department with offices in every nook and corner of this country. Yet, it is not given the importance due to it. I would request the Finance Minister to bring about co-ordination and good relations between these wings of the Finance Ministry.

Then I come to the duplication of work in the working of the Ministries. We notice that there is duplication of officers by the different Ministries for almost similar type of work at the same place, which can safely be avoided. In the United Kingdom the representative of Central Excise in remote areas of the country or town are saddle with other work of the government such as acting as recommending officers for the grant of pension, working as watch dog on every inch of the British coast and so on. But, in our country, we have multiplied expenditure by creating the Border Security Force, Central Reserve Police and I do not know how many intelligence departments. There are parallel organisations like Economic Offences Wing run by police officers who do not know the ABC of economic offences and they treat well placed persons of the country as police criminals while investigating their cases.

In the matter of duplication I will cite just one example, and that is telecommunication. Each Ministry has got its own telecommunication and at times it has been the experience that while the capacity of the telecomm-

munication in one Ministry is lying idle, the telecommunication capacity of the P&T is very much burdened and the people are not getting proper services which they require. So, unless the competition between the different Ministries to have a greater hold and a bigger empire all over the country is stopped, I am afraid, there cannot be any real economy. Therefore, I would request the Finance Minister to ensure that duplication and multiplication of work in different departments are reduced so that there can be real economy effected in the administrative expenditure.

Then I will say a few words about the recession that is engulfing or surrounding us. We are faced with great trouble due to this recession, slump or depression. Inflation, no doubt is still the basic malady and shortages of consumption goods are largely evident. While recession is felt in certain sectors at present, its chain reaction resulting in widespread recession in various industrial activities, if not checked in time, is inevitable. For example, the lower agricultural production has seriously affected production of cotton textiles, sugar, jute etc. Slackness in the public off-take of finished cloth has had its repercussions on textile machine manufacturing industry. The lower agricultural and industrial production has its repercussions on transport sectors particularly railways and road transport. Only today I read in the papers that the Ministry is not encouraging the small-scale industrial sector which contributes in a large measure to the manufacture of railway components. I think this is not desirable when there is such recession at present. Government departments such as railways and others must encourage the small industrialists by placing orders on them so that those industries can thrive and thus keep on their legs at least.

Now, what is the impact of the present economic situation on the common man—this is a very important aspect—and what remedial measures

should be taken? Budgets are framed and economic policies announced year after year. But the adverse incidence of the present economic conditions on the common man has to be attacked. The rising price level of essential commodities has to be checked and the evil of unemployment which may spread further on account of recession may have far-reaching consequences. Recession seemed inevitable after the economy had become over-heated and perhaps a few advantages may accrue in the form of compulsory cost consciousness among the producers and some sort of consumer resistance on the part of the consumers in order to restrict their purchases to their barest minimum requirements. Before the recession is, however, carried too far, its impact, which may do incalculable harm to the economy, has to be reduced in a planned and integrated manner.

In order to avert this recession it is the duty of the Government to create a psychological climate. At present we find that a sort of diffidence has grown among each and every individual, to whatever stratum he belongs. Whether he belongs to the middle class or to the industry or to anything, a sort of diffidence has crept into his mind and he is thinking in terms of unsurety of anything. What we find in actual practice is that everybody, every housewife, wants to conserve for a week or a month or whatever their capacity to buy is because of this sort of diffidence. They do not know whether tomorrow they will get sugar or not or whether they will get food-grains or not or whether they will get the ware minimum requirements of life or not. Formerly we used to see that the wage-earners used to purchase their daily consumption every day but what we see today is that everybody wants to conserve for a longer period, as much as their capacity can afford. This also has created a sort of small or big hoarding and has also contributed to recession.

12.43 hrs.

[Mr. SPEAKER in the Chair]

We also talk very much about nationalisation of so many things. I am not opposed to nationalisation but what I am opposed to is lest there might be State monopoly. As we are opposed to any sort of monopoly, a State monopoly will be a further worse affair and this will lead us to further trouble. So, instead of creating some condition, which we cannot possibly create, we may create disharmony in the psychology of the people. So, it is our duty not to speak about that and we should create a psychological climate so that people may have confidence in themselves.

Mr. Speaker: Please conclude.

Shri Shashi Ranjan: I am concluding.

There is one more aspect which occurs to me at the moment. The Government can help by reducing taxes on road transport. Road transport very much weighs on us because at present there is an enormous burden of taxation on road transport either by way of petrol or by way of vehicles or by way of tyres and tubes and other things. Whatever is there, the road transport is very much burdened if we try to reduce this burden, this will also help in reducing the prices of commodities and also in employing more people. I request that something must be done to help the road transport.

Then, as I requested the Finance Minister in our party meeting also about the dissolution of monopolies and the dissolution of concentration of wealth in the hands of a few individuals, I again request him that unless and until the monopoly in a particular commodity either with an individual or a group of individuals is not dissolved, except to the barest requirement which our economy can

bear, this country cannot improve economically and so is the case with the concentration of wealth. In other developed countries we notice that only a very minor percentage of economic concentration is allowed to continue in the hands of either an individual or a group of individuals. Here, also, as compared to the per capita income, it should be seen what should be percentage of economic concentration that should be allowed. There is a great imbalance in that concentration of wealth. I again request the Finance Minister to see that the monopolies in particular commodities and the concentration of wealth are dissolved except in proportion that is suited to our country. That is the need of the hour.

12.47 hrs.

QUESTION OF PRIVILEGE

ALLEGED INCORRECT STATEMENT BY THE
HOME MINISTER RE. M.P.
LEGISLATIVE ASSEMBLY

Mr. Speaker: We now take up the privilege Motion, Shri Goel.

Shri Shri Chand Goel (Chandigarh): Mr. Speaker, Sir, I want to raise a question of privilege in this House regarding the statement which the hon. Home Minister made in the House on 20th July while speaking on Madhya Pradesh incident.

I wish to remind the House that when the House insisted and was anxious to get information regarding that incident from the Home Minister, the Home Minister suggested that he had had no talk with the Governor. and, therefore, he could not enlighten the House and, in fact, he took time and it was in the evening that he made a statement thereby trying to say that he had had no conversation or talk with the Governor. On the other hand, the statement of the Governor which has appeared in a section of the press, specially in the Times of India and the Hindustan Times